



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2013



BELOIT IRONWORKS  
MASTER PLAN



# **CITY OF BELOIT**

Beloit, Wisconsin

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

As of and for the Year Ended  
December 31, 2013

Prepared By:

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

Eric Miller, Director

Dawn DeuVall, Director of Accounting and Purchasing

# CITY OF BELOIT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2013

### TABLE OF CONTENTS

---

<b>INTRODUCTORY SECTION</b>	<u>Page</u>
Transmittal Letter	i – v
Certificate of Achievement for Excellence in Financial Reporting	vi
Directory of Officials	vii
Organization Chart	viii
<b>FINANCIAL SECTION</b>	
<b><i>INDEPENDENT AUDITORS' REPORT</i></b>	ix – xi
<b><i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i></b>	xii – xxvii
<b><i>BASIC FINANCIAL STATEMENTS</i></b>	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2 – 3
Fund Financial Statements	
Balance Sheet – Governmental Funds	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5 – 6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Net Position – Proprietary Funds	8 – 9
Statement of Revenues, Expenses, and Changes in Net Position (Deficit) – Proprietary Funds	10
Statement of Cash Flows – Proprietary Funds	11 – 12
Statement of Assets and Liabilities – Agency Fund	13
Statement of Net Position – Component Units	14
Statement of Activities – Component Units	15
Notes to the Financial Statements	16 – 92

# CITY OF BELOIT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2013

### TABLE OF CONTENTS (cont.)

---

<b>FINANCIAL SECTION</b> (cont.)	<u>Page</u>
<b><i>REQUIRED SUPPLEMENTARY INFORMATION</i></b>	
Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	93 – 95
Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	96 – 98
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – TIF District No. 10 (Major Fund)	99
Other Postemployment Benefits Plan – Schedule of Funding Progress	100
Notes to Required Supplementary Information	101
<b><i>SUPPLEMENTARY INFORMATION</i></b>	
<b>Governmental Funds</b>	
Combining Balance Sheet – Nonmajor Governmental Funds	102 – 104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Nonmajor Governmental Funds	105 – 107
Schedules of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Budget and Actual	
General Debt Service Fund (Major Fund)	108
Capital Improvements Fund (Major Fund)	109
Equipment Replacement Fund (Major Fund)	110
Special Revenue Funds	
Rental Rehab (WRRP/HOME)	111
Community Development Block Grant	112
TIF District No. 5	113
TIF District No. 6	114
TIF District No. 8	115
TIF District No. 9	116
TIF District No. 11	117
TIF District No. 12	118
TIF District No. 13	119
TIF District No. 14	120
Fire Multi-Year Grants	121
DPW Multi-Year Grants	122
Community Development	123
Library	124
Police	125
Solid Waste	126

# CITY OF BELOIT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2013

### TABLE OF CONTENTS (cont.)

---

<b>FINANCIAL SECTION</b> (cont.)	<u>Page</u>
<b>SUPPLEMENTARY INFORMATION</b> (cont.)	
<b>Governmental Funds</b> (cont.)	
Schedules of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Budget and Actual (cont.)	
Capital Project Funds	
Computer Replacement	127
<b>Enterprise Funds</b>	
Combining Statement of Net Position (Deficit) – Nonmajor Proprietary Funds	128
Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit) – Nonmajor Proprietary Funds	129
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	130
Detailed Schedule of Revenues and Expenses – Regulatory Basis – Beloit Mass Transit	131
Reconciliation of Revenues and Expenses to WisDOT and Federal Recognized Revenues and Expenses – Beloit Mass Transit	132
Computation of the Deficit Distribution Among the Subsidiary Grantors – Beloit Mass Transit	133
<b>Internal Service Funds</b>	
Combining Statement of Net Position – Internal Service Funds	134
Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit) – Internal Service Funds	135
Combining Statement of Cash Flows – Internal Service Funds	136
<b>Agency Funds</b>	
Combining Statement of Changes in Assets and Liabilities – Tax Collections	137

# CITY OF BELOIT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2013

### TABLE OF CONTENTS (cont.)

---

<b>FINANCIAL SECTION</b> (cont.)	<u>Page</u>
<b>SUPPLEMENTARY INFORMATION</b> (cont.)	
<b>Component Unit – Community Development Authority</b>	
Combining Statement of Net Position	138 – 139
Combining Statement of Revenues, Expenses and Changes in Net Position	140
Combining Statement of Cash Flows	141
<b>STATISTICAL SECTION</b>	
Schedule 1 – Net Position by Component, Last Ten Fiscal Years	142
Schedule 2 – Changes in Net Position, Last Ten Fiscal Years	143 – 144
Schedule 3 – Program Revenues by Function/Program, Last Ten Fiscal Years	145
Schedule 4 – Fund Balances, Governmental Funds, Last Ten Fiscal Years	146
Schedule 5 – Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	147 – 148
Schedule 6 – Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years	149
Schedule 7 – Assessed Value and Equalized Value of Taxable Property, Last Ten Fiscal Years	150
Schedule 8 – Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	151
Schedule 9 – Principal Property Tax Payers, Current Year and Nine Years Ago	152
Schedule 10 – Property Tax Levies and Collections, Last Ten Fiscal Years	153
Schedule 11 – Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	154
Schedule 12 – Ratios of General Bonded Debt Outstanding and Legal Debt Margin, Last Ten Fiscal Years	155

# CITY OF BELOIT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2013

### TABLE OF CONTENTS (cont.)

---

<b>STATISTICAL SECTION</b> (cont.)	<u>Page</u>
Schedule 13 – Direct and Overlapping Governmental Activities Debt as of December 31, 2013	156
Schedule 14 – Pledged Revenue Coverage, Last Ten Fiscal Years	157
Schedule 15 – Demographic and Economic Statistics, Last Ten Fiscal Years	158
Schedule 16 – Principal Employers, Current Year and Nine Years Ago	159
Schedule 17 – Full-Time Equivalent City Employees by Function/Program, Last Ten Fiscal Years	160
Schedule 18 – Operating Indicators by Function/Program, Last Ten Years	161
Schedule 19 – Capital Asset Statistics by Function/Program, Last Ten Years	162

July 23, 2014

To the City Council and  
Citizens of the City of Beloit, Wisconsin

It is our pleasure to submit to you the comprehensive annual financial report (CAFR) of the City of Beloit for the fiscal year ended December 31, 2013. Wisconsin State Statutes, the Wisconsin Administrative Code, and the Municipal Code of the City of Beloit require that, at the end of the fiscal year, a full and complete examination of all books and accounts of the City be made by a certified public accountant and that the report be filed with the City Clerk as a matter of public record. This CAFR fulfills these requirements.

This CAFR was prepared by the City's finance department and consists of management's representations concerning the finances of the City of Beloit. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management has established a comprehensive internal control framework that is designed to provide sufficient reliable information for the preparation of the City of Beloit's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The system of internal control has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. The cost of an internal control should not exceed the anticipated benefit; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements of fact. To the best of our knowledge and belief, the presented financial information is complete and reliable in all material aspects and is reported in a manner that presents fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial position have been included in this CAFR.

In compliance with the above statutory requirements, the City has retained the services of Baker Tilly Virchow Krause, LLP, Certified Public Accountants, to audit all books and accounts of the City. They have concluded, based upon auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, that the City's financial statements for the year ended December 31, 2013, are fairly presented in all material respects in accordance with GAAP. Their report is located at the beginning of the financial section of this CAFR.



To the City Council and  
Citizens of the City of Beloit, Wisconsin  
July 23, 2014

Management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***PROFILE of the CITY OF БЕЛОIT***

Beloit is located in Rock County Wisconsin just north of the Wisconsin/Illinois border along Interstate Highway 39/90, which travels south to Chicago and north to the state capitol Madison, and is directly connected to Milwaukee to the east via Interstate Highway 43. The City covers approximately 17 square miles. The most recent estimate indicates the City is home to 36,820 residents as well as more than 90 industrial firms, 850 retail establishments, several corporate headquarters, a minor league baseball team, and several museums. The City is also home to Beloit College; founded in 1846 it is Wisconsin's oldest college in continuous operation and is internationally renowned for its scholastic excellence. The college's over 1,200 students come from nearly every state and 40 nations worldwide.

The City was officially founded in 1836, incorporated as a village February 24, 1846, and incorporated as a city by the State of Wisconsin on March 31, 1856. The citizens adopted the Council-Manager form of government in 1929. The City Council is the policy making and legislative body. The Council consists of seven members that are elected at large for two-year staggered terms. At an organizational meeting following each general City election, the Council selects, by majority vote of its members, its president and vice-president for the ensuing Council year. The President acts as the presiding officer of the Council and in his/her absence the Vice-President presides. The Council, in its legislative role, adopts all ordinances and resolutions and establishes the general policies for the City. The Council also sets the tax rate and adopts the annual budget.

The City Manager is appointed by the Council to act as the executive and administrative head of the City. The Manager serves at the pleasure of the Council, carries out its policies, directs business procedures, and has the power of appointment and removal of all employees. Duties and responsibilities of the Manager include preparation, submission and administration of the annual budget, advising Council on the affairs of the City, enforcement of the ordinances and direction and supervision of all departments. The City provides typical municipal services including general administrative and financial services, police, fire, public works, sanitation, parks and recreation, planning and economic development, transit system and water and sewer utilities.

To the City Council and  
Citizens of the City of Beloit, Wisconsin  
July 23, 2014

This report includes all of the funds and component units of the City of Beloit. The criteria used in determining the reporting entity is consistent with criteria established by the Governmental Accounting Standards Board (GASB) as outlined in the Codification of Governmental Accounting and Financial Reporting Standards. This report includes the general fund, which accounts for the general administration of the City, and the special revenue funds relating to economic and community development, the public library, solid waste and recycling. The report also includes the City's enterprise funds that account for the water, storm water, and sanitary sewer utilities, ambulance services, cemeteries, transit, and the municipal golf course. Internal service funds provide information on the operations of the risk management, employee health benefits, and centralized equipment functions.

Financial data for the Beloit Public Library Foundation and Community Development Authority are included in the reporting entity by discrete presentation because they are component units of the City. The Beloit Public Library Foundation was formed to raise and provide support monies for the Beloit Public Library. The Community Development Authority was formed to engage in the development and operation of low-income housing. The United States Department of Housing and Urban Development (HUD) regulates such projects.

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 by their first meeting in October. Workshops and a public hearing are held by the Council in October. The Council normally adopts the budget by 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 CAFR for each governmental fund for which an annual budget has been adopted. This information can be found in the Required Supplementary Information and Supplementary Information sections of the CAFR beginning on page 93.

### ***ECONOMIC CONDITION / MAJOR INITIATIVES***

The local economy continues its recovery from the recent recession. The City's unemployment rate, at 8.9% in May, is the second highest in the State of Wisconsin. This is a significant improvement from a recession high rate of 18.3% in 2009. Although improving, the City still lags behind both the State and National levels. Fortunately, the City's large cluster of food processing industries continued to experience strong performance during this period. Several of these industries actually added employees and production lines in response to growing sales, despite the generally weak economy.

To the City Council and  
Citizens of the City of Beloit, Wisconsin  
July 23, 2014

The City's Tax Increment District No. 10 continues to be its major economic development driver. Several major employers are now located in the TID including Kerry America's headquarters, Diamond Foods Kettle Brands, and the Staples Order Fulfillment Center; collectively all development in the TID has added \$136 million to the City's tax base and has provided over 1,000 new jobs. We continue to remain optimistic of the City's economic future and devote considerable time and resources to economic development. The City currently has nine active Tax Increment Districts with over 1,200 acres of land available for development.

The City's economy historically and presently remains largely reliant on manufacturing and industry while offering a diversified employment base in the areas of metal fabrication, food processing, medical services, biotechnology, retail, and education. Located at the intersections of Interstates 90/39, that serves Chicago to the south and Madison to the north, and Interstate 43, providing a direct link east to Milwaukee, the City is marketed as the location of one of the Midwest's major distribution centers.

Additional economic and demographic data can be found in the MD&A and Statistical Sections of this report.

### ***LONG-TERM FINANCIAL PLANNING***

Each year the City prepares, as part of the budget process, a formal five year capital improvement plan for upgrades and replacement of public infrastructure and the management of related costs. This plan includes a funding methodology for each project utilizing the City's ability to borrow and other sources, primarily operating budgets and Federal and State grants. For budgetary and planning purposes, the City has policy guidelines establishing the appropriate levels and uses of unrestricted fund balance (15% of operating revenues or three months average expenditures whichever is greater). The City budgeted \$626,840 of its unrestricted general fund balance as a funding source for the budget year ending December 31, 2014, which was within these guidelines. The City also has a debt service policy, which is consistent with its long range Financial Management Plan that was approved in 1998. This Plan established bond-rating objectives, use of debt policies, and debt load indicators that are reviewed annually. Standard and Poor's has assigned an "A+" rating to City's general obligation debt and "A+" and "A" for its utility revenue bonded debt. The general obligation rating was affirmed by Standard and Poor's on April 18, 2014.

To the City Council and  
Citizens of the City of Beloit, Wisconsin  
July 23, 2014

### ***AWARDS and ACKNOWLEDGEMENTS***

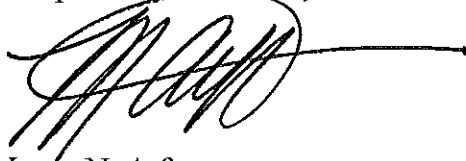
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beloit for its CAFR for the fiscal year ended December 31, 2012. This was the eleventh consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles 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 meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2014. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communication device. This is the sixteenth year the City has received this award and it too is valid for only one year.

The preparation of the CAFR would not have been possible without the efficient and dedicated service of the entire staff of the Department of Finance and Administrative Services. 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 and Jessica Tison, Budget Analyst. 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,



Larry N. Arft  
City Manager



Eric R. Miller  
Finance and Administrative Services Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Beloit  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

**City of Beloit, Wisconsin  
List of Elected and Appointed Officials  
December 31, 2013**

**CITY COUNCIL MEMBERS**

Charles Haynes - President  
Mark Spreitzer - Vice-President  
Kevin D. Leavy  
James E. Van De Bogart  
David F. Luebke  
Sheila De Forest  
Chuck Kincaid

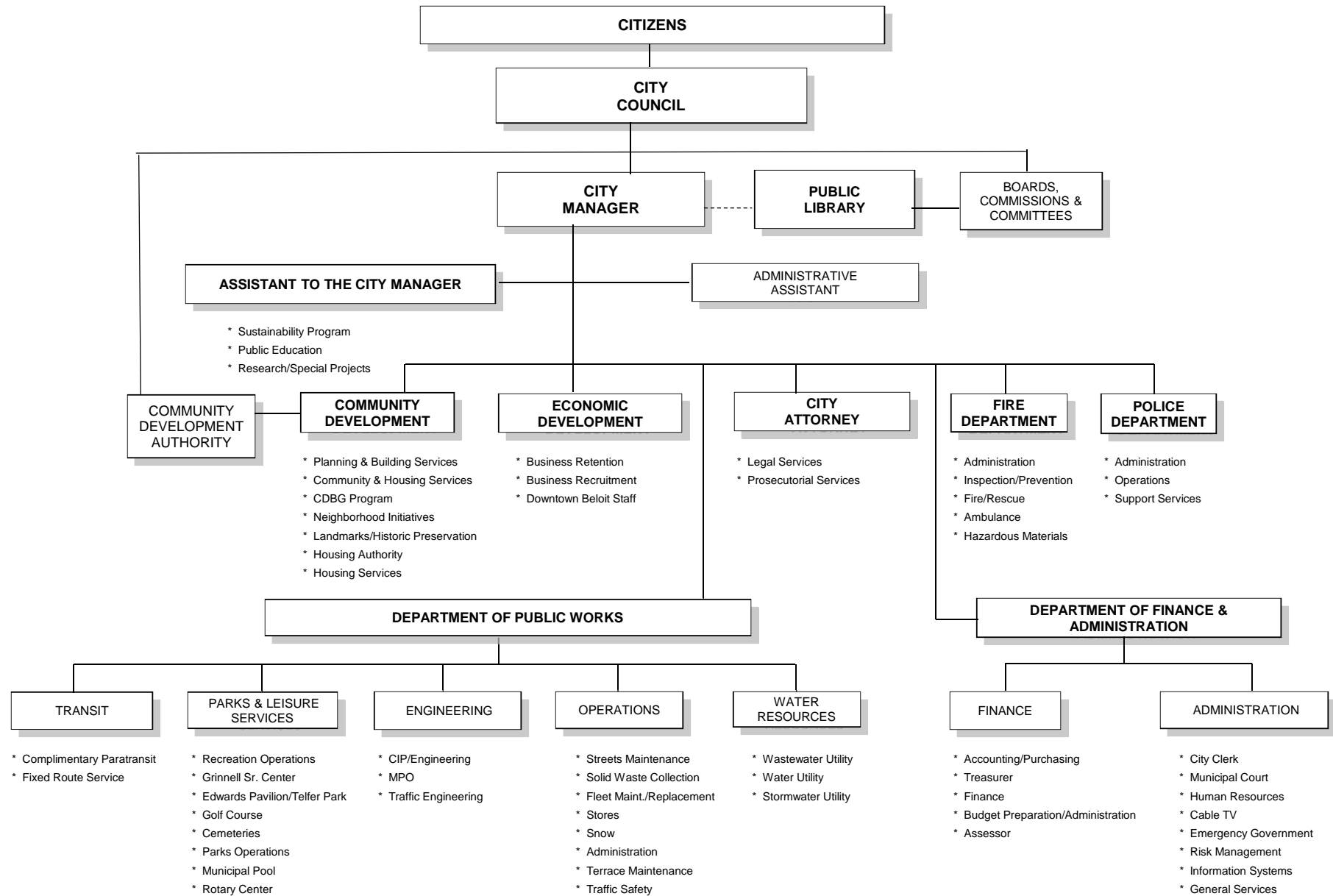
**CITY MANAGER**

Larry N. Arft

**DEPARTMENT DIRECTORS**

Beth Jacobsen – Assistant to the City Manager  
Gregory Boysen – Public Works Director  
Julie Christensen – Community Development Director  
Thomas R. Casper – City Attorney  
Andrew Janke – Economic Development Director  
Bradley J. Liggett – Fire Chief  
Norm Jacobs – Police Chief  
Paul E. York – Finance & Administrative Services Director

# CITY OF BELOIT, WISCONSIN ORGANIZATIONAL CHART 2013



## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Beloit  
Beloit, Wisconsin

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Beloit, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Beloit's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Beloit Public Library Foundation, Inc., or the limited liability corporations (LLCs) presented as component units of the City of Beloit Community Development Authority (CDA). The Beloit Public Library Foundation Inc. represents 1 percent, 3 percent and 1 percent, respectively, of the assets, net position and revenues of the discretely presented component units. The LLCs of the CDA represent 51 percent, 73 percent, and 63 percent, respectively, of the assets, net position, and operating revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Beloit Public Library Foundation, Inc., and the limited liability corporations (LLCs) presented as component units of the City of Beloit Community Development Authority (CDA), are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Beloit Public Library Foundation, Inc., a component unit of the City of Beloit and the LLCs of the CDA were not audited in accordance with *Government Auditing Standards*.



To the City Council  
City of Beloit

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the City of Beloit's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Beloit's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Beloit, Wisconsin, as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note I, the City of Beloit adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

As discussed in Note I, the City of Beloit adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the City Council  
City of Beloit

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Beloit's basic financial statements. The Combining Statements and Schedules, Budget and Actual Schedules, Detailed Schedule of Revenues and Expenses to WisDOT and Federal Recognized Revenues and Expenses and the Computation of the Deficit Distribution Among the Subsidiary Grantors as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements and Schedules, Budget and Actual Schedules, Detailed Schedule of Revenues and Expenses to WisDOT and Federal Recognized Revenues and Expenses and the Computation of the Deficit Distribution Among the Subsidiary Grantors are fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Beloit's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the City of Beloit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Beloit's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
July 23, 2014

# CITY OF BELOIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For Year Ended December 31, 2013

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As management of the City of Beloit, Wisconsin, we offer readers of the city's financial statements this narrative overview and analysis of the financial activities of the city for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements, and related notes, all of which are contained in this comprehensive annual financial report (CAFR).

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### FINANCIAL HIGHLIGHTS

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- The assets of the City of Beloit exceeded its liabilities as of December 31, 2013, by \$121,570,349 (*net position*). Of this amount, \$(242,441) is an unrestricted deficit.
  - The city's total net position decreased \$7,420,932 largely due to operating losses for the Sewer and Transit Utilities and depreciation of the city's capital assets and infrastructure exceeding its reduction in outstanding debt related to those assets.
  - As of December 31, 2013, the city's governmental funds reported combined ending fund balances of \$28,587,979, an increase of \$1,232,485 from the prior year. Of this amount, \$3,965,486 or 14% is unassigned and is available for spending at the government's discretion. The increase in fund balance was mostly due to a positive change in fund balance of \$1,109,355 in TID 10.
  - As of December 31, 2013, the unassigned fund balance for the general fund was \$8,339,711 or 27.2% of total general fund expenditures.
  - The business-type activities total net position at December 31, 2013 was \$71,732,083, which represents a decrease of \$2,727,906 from the prior year. Of this amount, \$58,348,338 represents the business-type activities net investment in capital assets.
  - Total liabilities and deferred inflows of resources as of December 31, 2013 were \$161,235,342, which is an increase of \$1,218,249 from the prior year, and of this amount, \$134,100,370 is for long-term liabilities. This increase is related to an increase in the other post-employment benefit liability which is included in long-term liabilities.
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### OVERVIEW OF THE FINANCIAL STATEMENTS

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The discussion and analysis provided here is intended to serve as an introduction to the city's basic financial statements. The city's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This CAFR also includes supplementary information intended to provide additional detail to support the basic financial statements themselves.

# CITY OF BELOIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED) For Year Ended December 31, 2013

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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#### Government-Wide Statements

The **government-wide financial statements** are designed to provide information about the city as a whole using the economic resources measurement focus and the accrual basis of accounting, in a manner similar to those of a private-sector business.

The **statement of net position** presents information on all of the city's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating. Additionally, to assess the overall financial health of the city one must also consider non-financial factors such as changes in the city's property tax base and the condition of the city's infrastructure.

The **statement of activities** presents information showing how the city's net position changed during the year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, economic development, public library, public safety, public works, and community development. The business-type activities of the city include the water and sewer utilities, which are considered major funds.

The government wide statements include not only the city itself (known as the primary government), but also two discretely presented component units that are separate legal entities for which the city is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 1 to 3 of this CAFR.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. These are explained in more detail as follows:

**Governmental Funds** – Most of the city's basic services are included in governmental funds. Fund based statements for these funds focus on how resources flow into and out of those funds and the balances left at year end that are available for future spending. These funds are reported

# CITY OF BELOIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED) For Year Ended December 31, 2013

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### **OVERVIEW OF THE FINANCIAL STATEMENTS** (cont.)

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on the modified accrual basis of accounting, this measures cash and other liquid assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term or current financial resources view that helps the reader determine the financial resources that can be spent in the near future to finance the city's programs and services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The city maintains 23 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, general debt service fund, equipment replacement fund, TIF district No. 10 – special revenue fund, and capital improvements – capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this CAFR.

The city adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The governmental funds financial statements can be found on pages 4 to 6 of this CAFR.

**Proprietary Funds** – The city maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements. The city uses enterprise funds to account for its water, storm water, and sewer utilities, transit system, ambulance service, cemeteries, and golf course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the city's various functions. The city uses internal service funds to account for its fleet of vehicles and for its general liability and health insurance programs. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds are reported using the full accrual basis of accounting method. The city's proprietary funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The city uses enterprise funds to account for its water and sewer utilities, which are considered major funds. Data from the other proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this CAFR. The basic proprietary fund financial statements can be found on pages 8 to 12 of this CAFR.

# CITY OF BELOIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED) For Year Ended December 31, 2013

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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**Agency Funds** – Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support city programs or services. The accounting used for agency funds is much like that used for proprietary funds.

The basic agency fund financial statements can be found on page 13 of this CAFR.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 to 92 of this CAFR.

**Other Information** – In addition to the basic financial statements and accompanying notes, this CAFR also presents certain required supplementary information. This other information provides detailed budgetary comparison schedules for the general fund and TIF District No. 10 to demonstrate compliance with their budgets. These schedules can be found on pages 93 to 99 of this CAFR. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information and can be found on pages 102 to 107 of this CAFR.

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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An analysis of the city's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the city's net position and changes therein. It should be noted that the city's financial position can also be affected by non-financial factors, including economic conditions, population growth, and new regulations.

As noted earlier, over time net position may serve as a useful indicator of the city's financial position. In the case of the City of Beloit, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$121,570,349 as of December 31, 2013. This is a decrease of \$7,420,932 over the previous year. This decrease is largely attributed to operating losses for the Sewer and Transit Utilities and depreciation of the city's capital assets and infrastructure exceeding its reduction in outstanding debt related to those assets.

The largest portion of the City of Beloit's net position (approximately 87%) reflects its investment in capital assets (e. g., land, buildings, machinery, improvements, construction in progress, and equipment) net of any debt used to acquire those assets that is still outstanding. The city uses these assets to provide services to its citizens; consequently, these assets are not available to fund city operations. Although the City of Beloit's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# CITY OF BELOIT, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
(UNAUDITED)  
For Year Ended December 31, 2013

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

### Summary of Net Position as of December 31 (\$ in millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current and other assets	\$ 66.3	\$ 65.1	\$ 18.9	\$ 18.2	\$ 85.2	\$ 83.3
Capital assets	109.6	107.4	94.2	90.8	203.8	198.2
Total Assets	<u>175.9</u>	<u>172.5</u>	<u>113.1</u>	<u>109.0</u>	<u>289.0</u>	<u>281.5</u>
Deferred outflows of resources	-	1.1	-	0.2	-	1.3
Long-term liabilities	93.7	98.3	37.1	35.8	130.8	134.1
Other liabilities	27.7	4.6	1.6	1.1	29.3	5.7
Total Liabilities	<u>121.4</u>	<u>102.9</u>	<u>38.7</u>	<u>36.9</u>	<u>160.1</u>	<u>139.8</u>
Deferred inflows of resources	-	20.9	-	0.6	-	21.5
Net position:						
Net investment in capital assets,	54.3	53.4	60.3	58.3	108.8	106.3
Restricted	11.6	12.3	3.2	3.2	14.8	15.5
Unrestricted	<u>(11.3)</u>	<u>(15.9)</u>	<u>11.0</u>	<u>10.2</u>	<u>5.4</u>	<u>(0.2)</u>
Total Net Position	<u>\$ 54.6</u>	<u>\$ 49.8</u>	<u>\$ 74.5</u>	<u>\$ 71.7</u>	<u>\$ 129.0</u>	<u>\$ 121.6</u>

The net position section includes an adjustment for capital assets owned by the business-type activities, but financed by the debt of the governmental activities column. Columns may not total due to rounding.

An additional portion of the city's net position (approximately 13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit) is \$(242,441).

**Analysis of City Operations** – The following table provides a summary of the city's operations for the year ended December 31, 2013. Governmental activities decreased the city's net position by \$4.7 million and business-type activities decreased the city's net position by \$2.7 million.

# CITY OF BELOIT, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
(UNAUDITED)  
For Year Ended December 31, 2013

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

### Summary of Changes in Net Position for the Fiscal Year Ended December 31 (\$ in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2013	2012	2013	2012	2013
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 5.4	\$ 6.1	\$ 15.5	\$ 14.9	\$ 20.9	\$ 21.0
Operating grants & contributions	2.2	2.1	-	-	2.2	2.1
Capital grants & contributions	14.4	0.1	-	0.2	14.4	0.3
General Revenues:						
Property taxes	20.2	20.8	0.5	0.6	20.7	21.4
Other taxes	0.6	0.7	-	-	0.6	0.7
Intergovernmental	21.7	20.5	1.2	1.2	22.9	21.7
Investment income (loss)	1.2	(0.4)	0.6	0.3	1.8	(0.1)
Gain on the sale of property	-	0.1	-	(0.1)	-	-
Miscellaneous	1.7	1.8	0.1	-	1.8	1.8
Total Revenues	<u>67.4</u>	<u>51.8</u>	<u>17.9</u>	<u>17.1</u>	<u>85.3</u>	<u>68.9</u>
<b>EXPENSES</b>						
General government	0.8	0.8	-	-	0.8	0.8
Finance and Administration	4.2	4.6	-	-	4.2	4.6
Community development	3.6	3.3	-	-	3.6	3.3
Economic development	0.3	0.3	-	-	0.3	0.3
Police services	15.0	15.9	-	-	15.0	15.9
Fire services	10.2	10.9	-	-	10.2	10.9
Public works	16.7	15.5	-	-	16.7	15.5
Library	2.2	2.2	-	-	2.2	2.2
Interest & fiscal charges	3.0	3.8	-	-	3.0	3.8
Water utility	-	-	4.4	5.1	4.4	5.1
Sewer utility	-	-	8.4	8.7	8.4	8.7
Other non-major proprietary funds	-	-	5.1	5.2	5.1	5.2
Total Expenses	<u>56.0</u>	<u>57.3</u>	<u>17.9</u>	<u>19.0</u>	<u>73.9</u>	<u>76.3</u>
<b>Change in net position before transfers</b>	11.4	(5.5)	0.0	(1.9)	11.4	(7.4)
Transfers	<u>0.8</u>	<u>0.8</u>	<u>(0.8)</u>	<u>(0.8)</u>	-	-
<b>Change in net position</b>	12.2	(4.7)	(0.8)	(2.7)	11.4	(7.4)
<b>Net position – beginning</b>	<u>42.4</u>	<u>54.5</u>	<u>75.2</u>	<u>74.5</u>	<u>117.6</u>	<u>129</u>
<b>Net position – ending</b>	<u>\$ 54.5</u>	<u>\$ 49.8</u>	<u>\$ 74.5</u>	<u>\$ 71.7</u>	<u>\$ 129.0</u>	<u>\$ 121.6</u>

Columns may not total due to rounding.



# CITY OF BELOIT, WISCONSIN

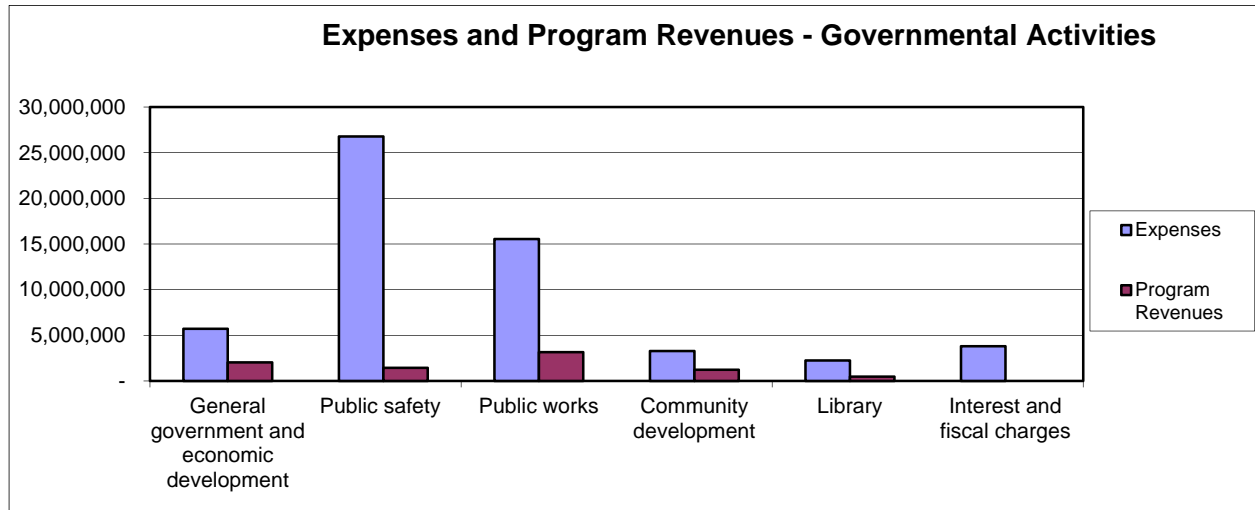
## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED)

For Year Ended December 31, 2013

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

For 2013, revenues decreased \$16,377,888 compared to the prior year. The city's property tax levy increased \$699,000 in 2013, largely because of increased levy for general purposes and tax increment in the city's TIF Districts. Water user fees decreased by \$270,000 in 2013 as a result of more normal usage compared to higher consumption in 2012 due to the severe drought. There was also a decrease of \$14,213,069 in capital grants and contributions because of the contributions for the Henry Avenue Bridge, Gateway Boulevard Extension and Riverside Drive Improvements projects that were completed in 2012. There were no such projects in 2013.

Expenses increased slightly from the previous year largely due to the severe winter weather, plant and equipment maintenance, and public safety overtime.

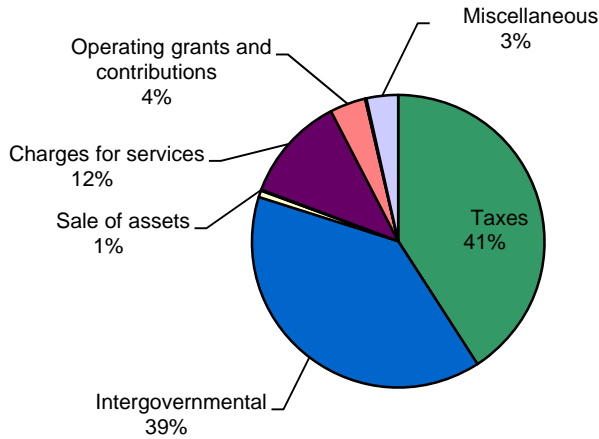


# CITY OF БЕЛОIT, WISCONSIN

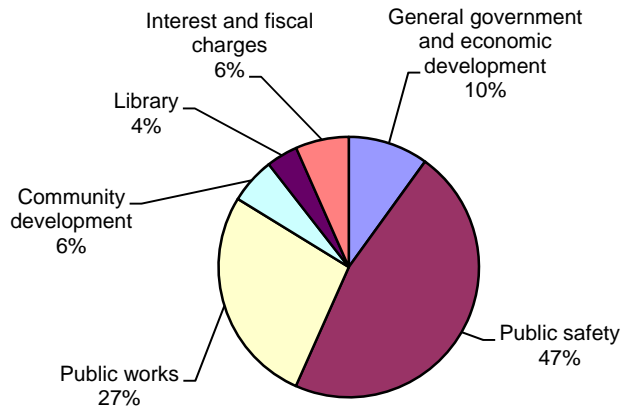
MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
(UNAUDITED)  
For Year Ended December 31, 2013

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

### Revenue by Source - Governmental Activities



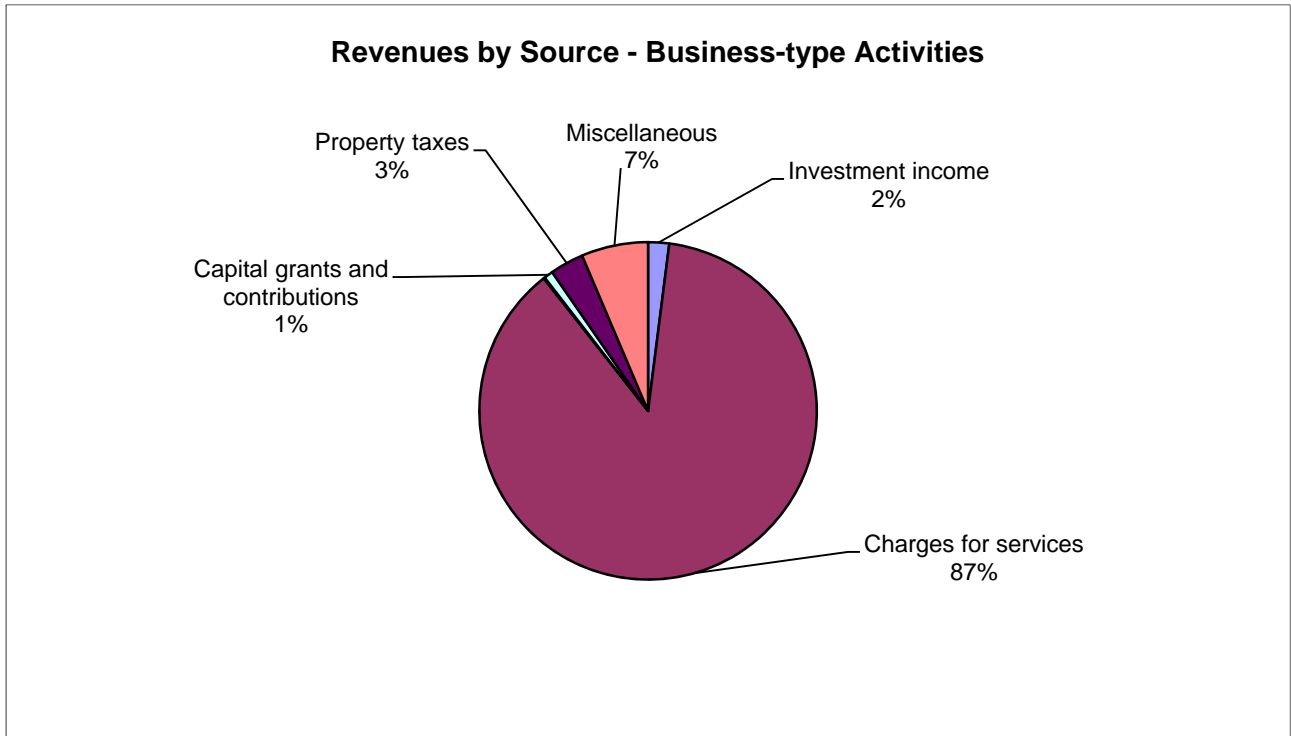
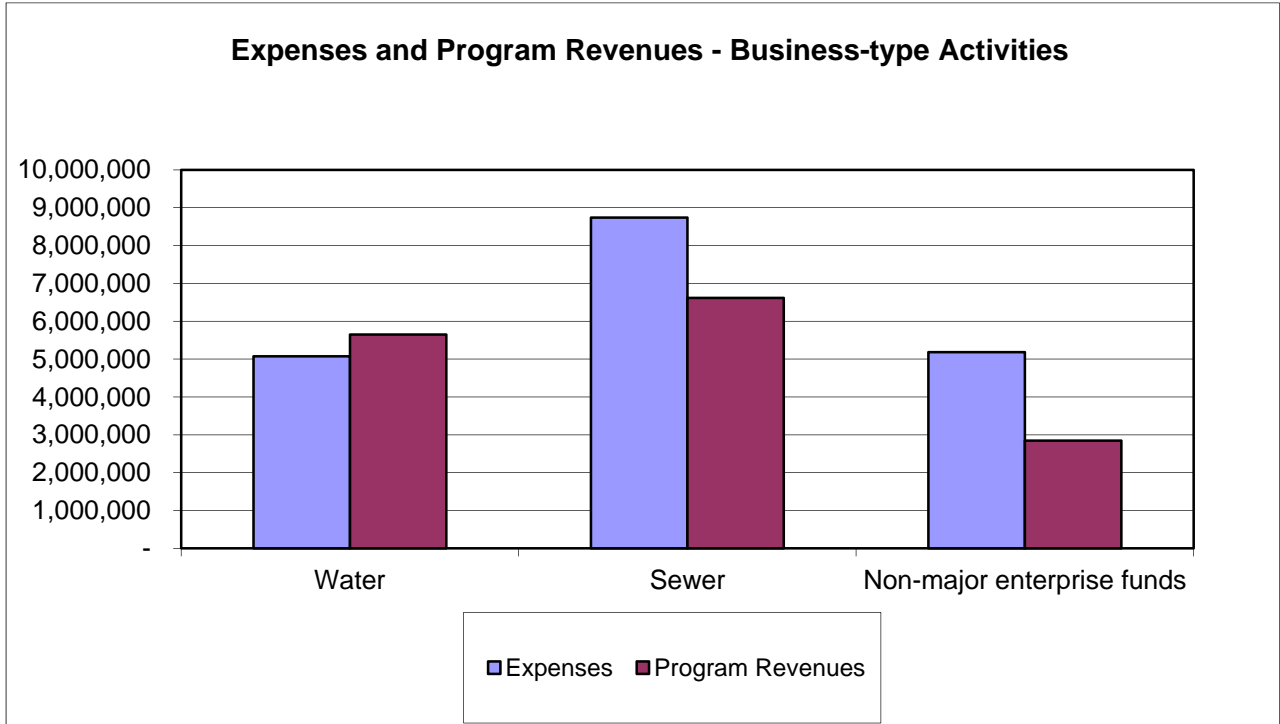
### Expenses by Function - Governmental Activities



# CITY OF BELOIT, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
(UNAUDITED)  
For Year Ended December 31, 2013

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)



# CITY OF BELOIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED) For Year Ended December 31, 2013

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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As was noted previously, the city uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Fund accounting and financial reporting focuses on short-term spendable resources and balances of spendable resources available at year-end.

#### **Governmental Funds**

The focus of the City of Beloit's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2013, the City of Beloit's governmental funds reported combined ending fund balances of \$28,587,979. This is an increase of \$1,232,485 from the previous year. Approximately 14% of this total or \$3,965,486 constitutes unassigned fund balance, which is available for spending at the government's discretion. The increase in fund balance was mostly due to a positive change in fund balance of \$1,109,355 in TID 10.

The remainder of fund balance is restricted, assigned or non-spendable. Restricted fund balance totals \$10,314,163 and can be used for only those purposes established by parties outside the government. The largest single component being \$3,369,677 restricted for economic development. Other restrictions in this category are for debt service, capital projects, grant programs, library operations, solid waste, cemetery perpetual care and park activities. Assigned fund balance totals \$12,858,512 and reflects the governments intended use of fund balances with such uses established by the City Council. This primarily includes funds assigned for capital projects and equipment replacement. The non-spendable portion of fund balance totals \$1,449,818 and is comprised primarily of advances to other funds, prepaids and supply inventories. Due to the inherent nature of these resources, they are considered non-spendable in their current form.

**General Fund:** The general fund is the primary operating fund of the city and is used to account for all financial resources except those required to be accounted for in another fund. The general fund has a detailed fund balance reserve policy that insures financial stability for the City of Beloit. The policy stipulates that the unrestricted fund balance will be either 15% of operating revenues or 3 months of estimated General Fund expenditures whichever is greater. As of December 31, 2013, the total fund balance of the general fund was \$10,416,369, of which \$8,966,551 was unrestricted (*assigned and unassigned*). This unrestricted fund balance represents 29.2% of general fund expenditures. The city's total general fund balance decreased \$952,286, from the prior year due to a budgeted deficit of \$589,881 and an unrealized loss on investments of \$509,836.

**Tax Increment Financing District No. 10:** This tax increment district accounts for expenditures outlined in the TID project plan and related revenues and proceeds from long-term borrowing. It includes the Gateway Business Park, a mixed-use project comprising over 1,227 acres of land.

# CITY OF BELOIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED) For Year Ended December 31, 2013

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

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Since its inception in 2000, the TID has accounted for over 1,000 new jobs and additional tax base valued in excess of \$136 million. The premier projects in the TID are Diamond Foods Kettle Brands, Kerry Americas Headquarters, and Staples Order Fulfillment facility. When combined, represent a tax base investment in excess of \$100 million. The district is scheduled to close in 2024. The annual tax increment of the TID exceeds \$4.4 million.

**General Debt Service Fund:** The general debt service fund is used to accumulate resources for the payments of general long-term debt principal, interest, and related costs. It has a fund balance of \$2,611,569 which is restricted for the payment of principal and interest on outstanding debt.

**Equipment Replacement Fund:** The equipment replacement fund is used to accumulate resources for the purpose of replacing fleet vehicles and heavy equipment once their useful lives have been met. A depreciation schedule for each piece of equipment has been established and the user department makes an annual contribution to the fund for the future replacement of the equipment based on the annual depreciation contribution. For the past several years, due to limited budget resources, we have been unable to make contributions to this fund from the city's general fund. Contributions have continued to be made by the special revenue and enterprise funds. The fund balance as of December 31, 2013, was \$7,842,896 an increase of \$290,462 from the prior year.

**Capital Improvements – Capital Projects:** This fund accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects. The fund balance as of December 31, 2013 is \$4,464,871 all of which is programmed to be used for capital projects and public infrastructure improvements. The city spent over \$7.2 million on capital improvement projects last year including several major road, highway, bridge and parks improvements.

The aggregate non-major governmental funds column includes several special revenue and capital projects funds that are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Most of these are the remaining tax incremental financing districts. The cumulative fund balances for these funds is \$2,128,465 an increase of \$278,076 from last year. There are three tax increment districts that have deficit fund balances as of December 31, 2013.

### Proprietary Funds

The City of Beloit's major proprietary funds consist of the water and sewer utility funds. These activities are supported solely by fees assessed to the users of these services. Revenues generated by these funds are sufficient to provide for annual operating costs as well as long-term debt service payments as prescribed by the bond agreements.

# CITY OF БЕЛОIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED) For Year Ended December 31, 2013

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

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**Sewer Utility:** The sewer utility realized an operating loss of \$2,045,964 in 2013 compared to a loss of \$1,529,918 for 2012. This loss is largely the result of increased operating and maintenance costs and depreciation expense on plant and equipment. Operating revenues decreased slightly in 2013 as a result of more normal usage compared to higher usage in 2012 due to severe drought. There was no change in the user fees assessed for sanitary sewer services. The rates for sewer services have not changed since 2003 and have not increased since the 1990's. Net position decreased \$2,369,913 due primarily to the increase in operating costs and depreciation. Cash flow remains positive for the sewer utility with an increase in cash and cash equivalents of \$125,630 from the prior year. The city serves 13,489 sewer customers with a wastewater treatment facility that has the capacity to treat 11 MGD of flow. The city maintains approximately 170 miles of sanitary sewer mains.

**Water Utility:** The water utility realized operating income of \$2,026,059 in 2013 compared to \$2,821,327 in 2012. This \$795,268 decrease is due to more normal consumption compared to higher consumption in 2012 due to severe drought. The change in net position in 2013 was an increase of \$84,723. The city serves 15,206 water customers and maintains nine wells and approximately 200 miles of water mains.

The net position of the city's Enterprise Funds as of December 31, 2013 was \$71,633,015. The water and sewer utility's net position accounted for \$58,107,985 or 81% of this total.

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### GENERAL FUND BUDGETARY HIGHLIGHTS

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The general fund final amended budget appropriations, which include expenditures and other financing uses, totaled \$30,572,969. The final actual expenditures and other financing uses of \$30,669,638 were \$96,669 more than the final budget appropriations. This was due to higher than anticipated snow and ice removal costs related to severe winter weather and public safety overtime.

The actual revenues and other financing sources were \$29,717,352, which was \$265,736 less than the final budgeted amount. Investment income in 2013 was \$254,757. Interest rates continue to remain at all-time historic lows without any sign of improvement in the near future. At \$6,794,942, the property tax levy is the largest local source revenue in the general fund. Property taxes exceeded the final budget by \$58,606. The most significant revenue items in the general fund are the Aids to Local Government payments the city receives from the State of Wisconsin. In 2013, these payments totaled \$19,372,234. This represents 65% of total general fund revenues and other financing sources and is consistent with prior year's totals. Revenues and other financing sources were \$952,286 less than expenditures and other financing uses, which is the net change in fund balance for 2013. As was previously mentioned, a deficit of \$589,881 was budgeted for the general fund in 2013.

# CITY OF BELOIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED) For Year Ended December 31, 2013

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### **GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)**

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

- General government expenditures were \$59,957 less than budget largely related to reduced staffing costs in the Finance and Administrative Services department.
- Actual expenditures for the Public Safety departments were \$109,812 more than the final budget amount. This was due mainly to overtime and jail fees.
- Public Works department expenditures were \$80,806 more than budget due to increased snow and ice removal costs related to severe winter weather.
- Overall, general fund expenditures and other financing uses were \$96,669 more than final budgeted amounts.
- Tax revenues were slightly higher than budget primarily due to additional tax collections and payment in lieu of taxes received from the Utilities and Beloit Housing Authority.
- The city's largest source of revenue for its general fund comes from funding it receives from the State of Wisconsin. In 2013 the city received \$19,372,234 in intergovernmental aid from the State to support municipal services and transportation. This amounts to 65% of total general fund revenues.
- License and permit revenues were \$122,689 more than budget projections showing some positive signs of recovery from the recession.
- Fines, forfeitures and penalties were \$145,704 less than budget largely due to decreased fines collected for non-traffic related offenses and parking violations.
- Fees and charges departments make for services provided were \$10,000 more than budget largely due to increased fire inspection fees and miscellaneous charges.

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### **CAPITAL ASSETS**

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The City of Beloit's investment in capital assets for its governmental and business-type activities as of December 31, 2013, was \$198,288,695 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, and equipment, park facilities, roads, bridges, highways and related fixtures and represents a decrease in net book value of \$5,534,163 from last year. This decrease is the result of current year depreciation exceeding current year additions to capital assets.

Major capital assets completed or started during the year include the following:

- Several street and highway construction projects totaling over \$2.8 million were either completed or started last year. Some of the more significant projects included the completion of the street and parking lot reconstruction projects in tax increment district No.5, the shoreline stabilization in Riverside Park, and the most prominent project completed in 2013 was the reconstruction of the Henry Avenue Bridge over the Rock River.

# CITY OF BELOIT, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
(UNAUDITED)  
For Year Ended December 31, 2013

## CAPITAL ASSETS (cont.)

- The city added over \$1.0 million of various improvements to its water and sewer utility funds including the rehabilitation of the Ute street standpipe for the water utility and many usual and customary infrastructure improvements to the water pollution control facility and collection system.

**Capital Assets**  
**Net of Accumulated Depreciation**  
**as of December 31**  
(\$ in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>
Land	\$ 5.0	\$ 5.0	\$ 3.8	\$ 3.7	\$ 8.8	\$ 8.7
Land improvements	-	-	0.1	-	0.1	-
Buildings	15.7	15.3	7.0	8.0	22.7	23.3
Machinery & equipment	10.8	10.7	3.2	3.6	14.0	14.3
Other improvements	2.8	2.7	-	-	2.8	2.7
Streets	58.2	56.9	-	-	58.2	56.9
Street lights	5.1	5.0	-	-	5.1	5.0
Traffic signals	1.0	0.9	-	-	1.0	0.9
Bridges	11.1	10.9	-	-	11.1	10.9
Storm sewer infrastructure	-	-	9.7	9.7	9.7	9.7
Water plant & equipment	-	-	30.7	28.3	30.7	28.3
Sewer plant & equipment	-	-	39.8	37.6	39.8	37.6
<b>Totals</b>	<b><u>\$ 109.6</u></b>	<b><u>\$ 107.4</u></b>	<b><u>\$ 94.2</u></b>	<b><u>\$ 90.9</u></b>	<b><u>\$ 203.8</u></b>	<b><u>\$ 198.3</u></b>

Columns may not total due to rounding.

Additional information on the city's capital assets can be found in note IV.D on pages 37-39 of this CAFR.



# CITY OF BELOIT, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)  
(UNAUDITED)  
For Year Ended December 31, 2013

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## LONG-TERM OBLIGATIONS

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In 2013, the city issued \$22,372,100 in bonds, refunding bonds and notes and retired debt of \$24,474,106 resulting in \$84,939,455 in outstanding general obligation and revenue bonds and notes payable at the end of 2013. The per capita general obligation debt ratio was \$2,306 at the end of 2013. Of the total bonded debt outstanding, \$54,699,571 is backed by the full faith and credit of the government. Under Wisconsin State Statutes, the city's aggregate general obligation indebtedness may not exceed 5% of the equalized assessed value of taxable property located within the city. The total debt applicable to the statutory limit is 79% of the maximum allowed of \$68,856,700. The city's general obligation notes and bonds are rated "A+" and the utility revenue bonds are rated "A" by Standard and Poor's. Both of these ratings were affirmed in 2013.

**Outstanding Long-Term Debt  
as of December 31**  
(\$ in millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
General obligation bonds	\$ 50.2	\$ 49.8	\$ 5.2	\$ 4.9	\$ 55.4	\$ 54.7
Revenue bonds	-	-	31.6	30.2	31.6	30.2
Debt Outstanding	<u>\$ 50.2</u>	<u>\$ 49.8</u>	<u>\$ 36.8</u>	<u>\$ 35.1</u>	<u>\$ 87.0</u>	<u>\$ 84.9</u>

Columns may not total due to rounding.

Additional information on the City of Beloit's long-term debt can be found in footnote IV.F on pages 43-51 of this CAFR.

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## CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

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The city's economy historically and currently remains largely reliant on manufacturing and industry which are sectors of the economy that were most negatively impacted by the recent recession. As of late there have been improvements to the local economy and the city remains on a path to full recovery. In April 2009, the city's unemployment rate was 18.3%, which was the highest in the State. As of May 2014, the rate was 8.9%, which was second highest in the State. This trend is positive and has continued to improve, yet still lags behind both State and National levels.

Due to the city's proximity to metropolitan Chicago to the southeast and Madison to the north via Interstates 39/90, and Milwaukee to the east via Interstate 43, there is reason to be optimistic that the city's economy stands to continue to improve. Beloit has a unique opportunity to serve the Midwestern United States as a center for industry and manufacturing.

# CITY OF BELOIT, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.) (UNAUDITED) For Year Ended December 31, 2013

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### **CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS (cont.)**

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This fact has become obvious from the economic development activity and growth being realized in the city's Tax Increment District No.10 which is located at the intersection of these highways. Since its inception in 2000, TID No.10 has realized an additional tax base value in excess of \$136 million with over 1,000 new jobs. We are optimistic that this linkage will further enhance the development potential of TID #10 and provide additional economic development opportunities for the city.

Another project that will have a profound impact on the city's economy is the potential for an Indian gaming casino in the city. Two years ago, the Ho Chunk Nation entered into an Inter-governmental Agreement with the city and Rock County to construct and operate a gaming casino in the city. They have submitted an application to the United States Department of the Interior Bureau of Indian Affairs seeking approval to operate a full class III gaming casino in Beloit. If approved, the tribe plans to construct a 700,000 sq.ft. facility for the casino and a 300 room hotel, conference and convention facility. The projected total investment is expected to be close to \$200 million. Once operational the facility is expected to provide approximately 2,000 new jobs in the city. The city will receive impact fee payments amounting to several million dollars to cover the costs of new infrastructure improvements to serve the facility as well as a share of net gaming proceeds. It is estimated the net gaming proceeds could possibly total \$5 to \$7 million per year. Last year the city entered into a contract with the Ho Chunk Nation for the purchase of 41.6 acres of city owned land which is contiguous to the casino site which the tribe expects to develop as part of the casino project. These additional development opportunities will further add to the impact of the casino on the city's economy by creating more jobs and adding to the tax base.

In 2013, the city's tax base decreased \$130,843,900 or 8.7% to \$1,377,134,000. Most of this decrease occurred in residential and commercial property values. Property values appear to be stabilizing in 2014, with some increase in net new construction value for the city. In addition to several commercial construction projects completed in 2013 and 2014, two industrial projects are scheduled to begin construction in the summer of 2014.

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### **REQUESTS FOR INFORMATION**

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This CAFR is designed to provide our citizens, customers, investors, and creditors with a general overview of the city's finances. If you have questions concerning any of the information provided in this CAFR or need additional information, please contact the City of Beloit, Attn: Finance Director, 100 State Street, Beloit, Wisconsin, 53511.

General information relating to the City of Beloit, Wisconsin, is available on the city's website, <http://www.ci.beloit.wi.us>.

**CITY OF BELOIT**

STATEMENT OF NET POSITION  
As of December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 27,688,496	\$ 7,943,576	\$ 35,632,072	\$ 1,573,089
Receivables (net of allowance for uncollectibles)				
Taxes	20,867,930	612,481	21,480,411	-
Delinquent personal property taxes	127,860	-	127,860	-
Accounts	1,108,476	3,802,697	4,911,173	59,457
Special assessments	1,099,134	-	1,099,134	-
Loans	4,002,186	-	4,002,186	-
Accrued interest	178,142	-	178,142	214
Other	72,943	559,880	632,823	-
Due from other governmental units	384,690	94,084	478,774	103,526
Internal balances - interfunds	(97,654)	97,654	-	-
Internal balances - advances	1,143,865	(1,143,865)	-	-
Due from component unit	188,282	-	188,282	-
Inventories	456,922	139,062	595,984	-
Financing costs	-	-	-	25,264
Tax credit fees	-	-	-	202,388
Prepaid items	32,754	-	32,754	15,114
Lease receivable from primary government	-	-	-	18,269,379
Restricted Assets				
Temporarily Restricted				
Cash and investments	-	6,052,949	6,052,949	3,389,007
Deposit with risk pool	1,575,475	-	1,575,475	-
Other assets	-	21,354	21,354	-
Land held for resale	6,255,569	-	6,255,569	-
Capital Assets				
Land	4,971,936	3,709,005	8,680,941	601,285
Capital assets net of depreciation	102,460,201	87,147,553	189,607,754	18,990,016
Total Assets	<u>172,517,207</u>	<u>109,036,430</u>	<u>281,553,637</u>	<u>43,228,739</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on advanced refunding	1,070,808	181,246	1,252,054	-
<b>LIABILITIES</b>				
Accounts payable	2,181,787	750,855	2,932,642	32,453
Accrued liabilities	398,975	218,611	617,586	547,698
Claims payable	2,001,224	-	2,001,224	-
Due to primary government	-	-	-	76,102
Other liabilities	-	77,793	77,793	-
Deposits	-	40,000	40,000	74,854
Noncurrent liabilities				
Due within one year	8,921,525	2,173,902	11,095,427	2,370,000
Due in more than one year	89,392,992	33,611,951	123,004,943	19,784,710
Total Liabilities	<u>102,896,503</u>	<u>36,873,112</u>	<u>139,769,615</u>	<u>22,885,817</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	20,853,246	612,481	21,465,727	1,234,432
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	53,354,535	58,348,338	106,308,162	844,565
Members' equity	-	-	-	11,826,566
Restricted for debt service	2,212,595	463,591	2,676,186	-
Restricted for library operations	744,283	-	744,283	-
Restricted for replacement	-	2,731,400	2,731,400	-
Restricted for economic development	2,881,224	-	2,881,224	-
Restricted for grant programs	4,078,194	-	4,078,194	5,315,850
Restricted for solid waste	239,483	-	239,483	-
Restricted for cemetery perpetual care	2,059,662	-	2,059,662	-
Restricted for park activities	94,196	-	94,196	-
Unrestricted (deficit)	(15,825,906)	10,188,754	(242,441)	1,121,509
<b>TOTAL NET POSITION</b>	<u>\$ 49,838,266</u>	<u>\$ 71,732,083</u>	<u>\$ 121,570,349</u>	<u>\$ 19,108,490</u>

See accompanying notes to financial statements.

**CITY OF BELOIT**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General Government				
City Council, Manager, Attorney	\$ 788,296	\$ 45,430	\$ -	\$ -
Finance and Administrative Services	4,589,561	1,599,407	380,160	-
Community Development	3,271,431	262,901	958,246	-
Economic Development	340,202	-	-	-
Public Safety				
Police Services	15,892,086	1,368,350	245	-
Fire Services	10,883,679	2,676	57,332	-
Public works	15,538,957	2,674,811	399,769	75,722
Library	2,242,126	179,073	288,070	-
Interest and fiscal charges	3,796,706	-	-	-
Total Governmental Activities	<u>57,343,044</u>	<u>6,132,648</u>	<u>2,083,822</u>	<u>75,722</u>
Business-type Activities				
Water	5,075,698	5,542,677	-	105,013
Sewer	8,739,011	6,615,442	-	-
Golf course	517,359	405,108	-	-
Cemeteries	340,500	175,409	-	-
Ambulance	1,178,928	1,015,491	-	-
Storm sewer	977,109	944,958	22,439	-
Transit	2,169,400	240,694	-	42,560
Total Business-type Activities	<u>18,998,005</u>	<u>14,939,779</u>	<u>22,439</u>	<u>147,573</u>
Total Primary Government	<u>\$ 76,341,049</u>	<u>\$ 21,072,427</u>	<u>\$ 2,106,261</u>	<u>\$ 223,295</u>
Component Units - Business-type Activities				
Community Development Authority	\$ 6,028,074	\$ 185,832	\$ 3,707,205	\$ 8,391,499
Beloit Public Library Foundation, Inc.	31,549	-	12,943	-
Total Component Units	<u>\$ 6,059,623</u>	<u>\$ 185,832</u>	<u>\$ 3,720,148</u>	<u>\$ 8,391,499</u>

General Revenues

Taxes

Property taxes, levied for general purposes  
 Property taxes, levied for debt service  
 Property taxes, tax increment  
 Property taxes, levied for other  
 Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Gain (loss) on sale of property

Miscellaneous

Transfers

Total General Revenues and Transfers

**Change in net position**

NET POSITION - Beginning

**NET POSITION - ENDING**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Totals	
\$ (742,866)	\$ -	\$ (742,866)	\$ -
(2,609,994)	-	(2,609,994)	-
(2,050,284)	-	(2,050,284)	-
(340,202)	-	(340,202)	-
(14,523,491)	-	(14,523,491)	-
(10,823,671)	-	(10,823,671)	-
(12,388,655)	-	(12,388,655)	-
(1,774,983)	-	(1,774,983)	-
(3,796,706)	-	(3,796,706)	-
(49,050,852)	-	(49,050,852)	-
-	571,992	571,992	-
-	(2,123,569)	(2,123,569)	-
-	(112,251)	(112,251)	-
-	(165,091)	(165,091)	-
-	(163,437)	(163,437)	-
-	(9,712)	(9,712)	-
-	(1,886,146)	(1,886,146)	-
-	(3,888,214)	(3,888,214)	-
(49,050,852)	(3,888,214)	(52,939,066)	-
-	-	-	6,256,462
-	-	-	(18,606)
-	-	-	6,237,856
6,794,942	554,367	7,349,309	-
4,445,195	-	4,445,195	-
7,680,530	-	7,680,530	-
1,920,377	-	1,920,377	-
658,072	-	658,072	-
20,511,649	1,163,443	21,675,092	-
(384,380)	343,408	(40,972)	978,023
65,842	(84,754)	(18,912)	-
1,835,433	14,010	1,849,443	898,618
830,166	(830,166)	-	-
44,357,826	1,160,308	45,518,134	1,876,641
(4,693,026)	(2,727,906)	(7,420,932)	8,114,497
54,531,292	74,459,989	128,991,281	10,993,993
\$ 49,838,266	\$ 71,732,083	\$ 121,570,349	\$ 19,108,490

See accompanying notes to financial statements.

**CITY OF BELOIT**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
As of December 31, 2013

	General	TIF District No. 10	General Debt Service	Capital Improvements	Equipment Replacement	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 9,834,756	\$ 1,147,827	\$ 836,166	\$ 1,963,778	\$ 6,906,736	\$ 6,136,082	\$ 26,825,345
Receivables							
Taxes	7,025,259	4,464,007	4,787,928	144,122	-	4,446,614	20,867,930
Delinquent personal property taxes	42,142	-	-	80,252	-	5,466	127,860
Accounts (net)	337,814	-	-	-	4,099	688,067	1,029,980
Special assessments	-	-	-	1,099,134	-	-	1,099,134
Loans	212,905	-	-	-	402,168	3,387,113	4,002,186
Accrued interest	143,418	-	-	-	16,976	17,748	178,142
Other	72,943	-	-	-	-	-	72,943
Due from other governmental units	-	-	-	-	-	384,690	384,690
Due from other funds	418,916	-	-	-	-	-	418,916
Due from component units	-	-	-	-	-	188,282	188,282
Inventories	456,922	-	-	-	-	-	456,922
Prepaid items	32,754	-	-	-	-	-	32,754
Advances to other funds	918,000	-	1,775,403	2,703,875	512,917	-	5,910,195
<b>TOTAL ASSETS</b>	<b>\$ 19,495,829</b>	<b>\$ 5,611,834</b>	<b>\$ 7,399,497</b>	<b>\$ 5,991,161</b>	<b>\$ 7,842,896</b>	<b>\$ 15,254,062</b>	<b>\$ 61,595,279</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 1,636,184	\$ 24,018	\$ -	\$ 202,783	\$ -	\$ 273,337	\$ 2,136,322
Due to other funds	-	-	-	-	-	417,502	417,502
Advances from other funds	-	-	-	-	-	4,479,278	4,479,278
Total Liabilities	1,636,184	24,018	-	202,783	-	5,170,117	7,033,102
Deferred Inflows of Resources							
Unearned revenue	7,025,259	4,464,007	4,787,928	144,122	-	4,431,930	20,853,246
Unavailable revenue	418,017	-	-	1,179,385	-	3,523,550	5,120,952
Total Deferred Inflows of Resources	7,443,276	4,464,007	4,787,928	1,323,507	-	7,955,480	25,974,198
Fund Balances (Deficit)							
Nonspendable	1,449,818	-	-	-	-	-	1,449,818
Restricted	-	1,123,809	2,611,569	603,866	-	5,974,919	10,314,163
Assigned	626,840	-	-	3,861,005	7,842,896	527,771	12,858,512
Unassigned (deficit)	8,339,711	-	-	-	-	(4,374,225)	3,965,486
Total Fund Balances	10,416,369	1,123,809	2,611,569	4,464,871	7,842,896	2,128,465	28,587,979
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 19,495,829</b>	<b>\$ 5,611,834</b>	<b>\$ 7,399,497</b>	<b>\$ 5,991,161</b>	<b>\$ 7,842,896</b>	<b>\$ 15,254,062</b>	
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II.A.							107,420,136
Land held for resale is not reported in the funds							6,255,569
Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV.B.							5,120,952
Internal service funds are reported in the statement of net position as governmental funds							96,314
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A.							(97,642,684)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>							<b>\$ 49,838,266</b>

See accompanying notes to financial statements.

# CITY OF BELOIT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2013

	General	TIF District No. 10	General Debt Service
<b>REVENUES</b>			
Taxes	\$ 6,886,674	\$ 4,913,954	\$ 4,445,195
Intergovernmental	19,372,234	135,616	69,019
Licenses and permits	852,358	-	-
Fines, forfeitures and penalties	1,129,296	-	-
Fees and service charges	687,442	-	-
Rent	13,031	-	-
Special assessments	-	-	-
Investment income	254,757	17,913	26,993
Unrealized gain (loss) on investments	(509,836)	-	-
Public charges for services	-	-	-
Other	37,093	10,658	351,221
Total Revenues	28,723,049	5,078,141	4,892,428
<b>EXPENDITURES</b>			
Current			
General government	3,827,921	-	-
Community development	1,360,505	-	-
Public safety	19,333,259	-	-
Public works	6,147,953	-	-
Parks, recreation, and education	-	-	-
Capital Outlay	-	1,559,826	-
Debt Service			
Principal retirement	-	1,439,950	9,147,621
Interest and fiscal charges	-	703,414	1,958,856
Total Expenditures	30,669,638	3,703,190	11,106,477
Excess (deficiency) of revenues over (under) expenditures	(1,946,589)	1,374,951	(6,214,049)
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt issued	-	-	-
Debt issued - refunding	-	-	11,544,111
Sale of city property	84,709	-	-
Payment to escrow agent	-	-	(7,664,827)
Debt premium	-	-	423,115
Transfers in	909,594	-	2,246,862
Transfers out	-	(265,596)	-
Total Other Financing Sources (Uses)	994,303	(265,596)	6,549,261
<b>Net Change in Fund Balances</b>	(952,286)	1,109,355	335,212
FUND BALANCES - Beginning	11,368,655	14,454	2,276,357
<b>FUND BALANCES - ENDING</b>	<b>\$ 10,416,369</b>	<b>\$ 1,123,809</b>	<b>\$ 2,611,569</b>

<u>Capital Improvements</u>	<u>Equipment Replacement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 4,713,799	\$ 20,959,622
82,608	-	2,790,476	22,449,953
-	-	10,857	863,215
5,368	-	-	1,134,664
-	-	45,291	732,733
-	-	-	13,031
188,098	-	-	188,098
2,247	163,753	114,389	580,052
-	(280,108)	(174,608)	(964,552)
-	-	2,703,076	2,703,076
838,999	940,260	747,447	2,925,678
<u>1,117,320</u>	<u>823,905</u>	<u>10,950,727</u>	<u>51,585,570</u>
-	-	1,000	3,828,921
-	-	2,092,074	3,452,579
-	-	1,038,854	20,372,113
-	-	2,736,019	8,883,972
-	-	2,038,937	2,038,937
4,793,043	518,261	383,693	7,254,823
-	-	747,103	11,334,674
-	-	179,777	2,842,047
<u>4,793,043</u>	<u>518,261</u>	<u>9,217,457</u>	<u>60,008,066</u>
<u>(3,675,723)</u>	<u>305,644</u>	<u>1,733,270</u>	<u>(8,422,496)</u>
3,686,989	-	-	3,686,989
-	-	535,000	12,079,111
-	65,218	500	150,427
-	-	-	(7,664,827)
-	-	-	423,115
160,400	-	70,572	3,387,428
-	(80,400)	(2,061,266)	(2,407,262)
<u>3,847,389</u>	<u>(15,182)</u>	<u>(1,455,194)</u>	<u>9,654,981</u>
171,666	290,462	278,076	1,232,485
<u>4,293,205</u>	<u>7,552,434</u>	<u>1,850,389</u>	<u>27,355,494</u>
<u>\$ 4,464,871</u>	<u>\$ 7,842,896</u>	<u>\$ 2,128,465</u>	<u>\$ 28,587,979</u>



## CITY OF BELOIT

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds	\$	1,232,485
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		7,254,823
Less: Some items are reported as capital outlay but not capitalized		(5,983,841)
Depreciation is reported in the government-wide statements		(3,470,995)
Change in land held for resale		805,070
<p>Receivables not currently available are reported as unearned revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		(914,410)
<p>Debt and lease issues provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which issues (\$15,766,100 G.O. debt) were less than payments/defeasances (\$16,149,402 G.O. debt, \$10,000 other debt, and \$2,215,602 capital leases).</p>		
Other post-employment benefit liability		2,608,904
		(5,959,894)
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.</p>		
		(759,018)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		(72,705)
Accrued interest on debt		5,742
<p>Internal service funds are used by management to charge the costs of insurance, printing services, engineering and equipment maintenance to other funds. The increase in net position of the internal service funds is reported in the governmental activities.</p>		
		560,813
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>(4,693,026)</b>

See accompanying notes to financial statements.

# CITY OF BELOIT

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS As of December 31, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Nonmajor Enterprise Funds	Totals	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and investments	\$ 1,894,266	\$ 5,298,797	\$ 750,513	\$ 7,943,576	\$ 863,151
Receivables					
Taxes	-	-	612,481	612,481	-
Accounts	921,925	2,225,187	655,585	3,802,697	78,496
Other	100,634	453,163	6,083	559,880	-
Due from other governmental units	-	-	94,084	94,084	-
Current portion of advance	-	223,015	-	223,015	-
Inventories	12,602	-	126,460	139,062	-
Restricted Assets					
Bond redemption account	383,039	104,911	44,466	532,416	-
Total Current Assets	3,312,466	8,305,073	2,289,672	13,907,211	941,647
<b>Noncurrent Assets</b>					
<b>Restricted Assets</b>					
Bond reserve account	2,308,650	-	126,444	2,435,094	-
Construction account	354,039	-	-	354,039	-
Replacement account	-	2,731,400	-	2,731,400	-
Deposit with risk pool	-	-	-	-	1,575,475
Total Restricted Assets	2,662,689	2,731,400	126,444	5,520,533	1,575,475
<b>Capital Assets</b>					
Land	1,052,724	1,386,281	1,270,000	3,709,005	-
Land improvements	-	-	702,418	702,418	-
Buildings	5,449,135	71,153,487	4,845,648	81,448,270	-
Machinery, equipment, and vehicles	2,733,538	1,530,916	3,656,133	7,920,587	67,165
Infrastructure	41,023,828	17,278,889	12,384,291	70,687,008	-
Less: Accumulated depreciation	(15,030,136)	(51,919,571)	(6,661,023)	(73,610,730)	(55,164)
Total Capital Assets, Net	35,229,089	39,430,002	16,197,467	90,856,558	12,001
<b>Other Assets</b>					
Preliminary survey and engineering	-	21,354	-	21,354	-
Total Other Assets	-	21,354	-	21,354	-
Total Noncurrent Assets	37,891,778	42,182,756	16,323,911	96,398,445	1,587,476
Total Assets	41,204,244	50,487,829	18,613,583	110,305,656	2,529,123
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on advance refunding	\$ 173,862	\$ 4,646	\$ 2,738	\$ 181,246	\$ -

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Nonmajor Enterprise Funds	Totals	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	362,470	262,168	126,217	750,855	45,465
Accrued liabilities	11,668	4,918	6,756	23,342	-
Claims payable	-	-	-	-	2,001,224
Due to other funds	-	-	1,414	1,414	-
Compensated absences	26,072	124,165	126,998	277,235	-
Current maturities of general obligation debt	162,132	95,059	203,410	460,601	-
Current portion of advances	223,015	-	-	223,015	-
Customer deposits	40,000	-	-	40,000	-
Other current liabilities	-	-	7,122	7,122	-
Current Liabilities Payable From Restricted Assets					
Current maturities of revenue debt	1,240,000	141,066	55,000	1,436,066	-
Accrued interest	165,369	12,520	17,380	195,269	-
Total Current Liabilities	<u>2,230,726</u>	<u>639,896</u>	<u>544,297</u>	<u>3,414,919</u>	<u>2,046,689</u>
Noncurrent Liabilities					
General obligation debt, less current maturities	1,987,291	980,005	1,432,055	4,399,351	-
Compensated absences	21,742	131,964	34,604	188,310	-
Other post-employment benefits	20,616	91,057	82,233	193,906	-
Revenue debt, less current maturities	24,560,000	2,988,818	1,255,000	28,803,818	-
Unamortized discount	(203,953)	-	(13,244)	(217,197)	-
Unamortized premium	243,763	-	-	243,763	-
Deferred credits	70,671	-	-	70,671	-
Advances from other funds	-	-	1,143,865	1,143,865	287,052
Total Noncurrent Liabilities	<u>26,700,130</u>	<u>4,191,844</u>	<u>3,934,513</u>	<u>34,826,487</u>	<u>287,052</u>
Total Liabilities	<u>28,930,856</u>	<u>4,831,740</u>	<u>4,478,810</u>	<u>38,241,406</u>	<u>2,333,741</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned revenue	-	-	612,481	612,481	-
<b>NET POSITION</b>					
Net investment in capital assets	9,853,392	35,229,700	13,265,246	58,348,338	12,001
Restricted for debt service	217,670	92,391	153,530	463,591	-
Restricted for replacement	-	2,731,400	-	2,731,400	-
Unrestricted	2,376,188	7,607,244	106,254	10,089,686	183,381
<b>TOTAL NET POSITION</b>	<u>\$ 12,447,250</u>	<u>\$ 45,660,735</u>	<u>\$ 13,525,030</u>	<u>\$ 71,633,015</u>	<u>\$ 195,382</u>
Amounts reported for business-type activities in the statement of net position are different because:					
Portion of internal service fund net position reported in the business-type activities as an interfund					
				99,068	
<b>NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>				<u>\$ 71,732,083</u>	

See accompanying notes to financial statements.

**CITY OF БЕЛОIT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION (DEFICIT) - PROPRIETARY FUNDS  
For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Nonmajor Enterprise Funds	Totals	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 4,878,397	\$ 6,442,943	\$ 2,735,319	\$ 14,056,659	\$ 11,944,445
Other	664,280	172,499	46,341	883,120	1,779
Total Operating Revenues	<u>5,542,677</u>	<u>6,615,442</u>	<u>2,781,660</u>	<u>14,939,779</u>	<u>11,946,224</u>
<b>OPERATING EXPENSES</b>					
Operation and maintenance	1,466,962	4,946,771	4,327,635	10,741,368	10,494,832
Contractual services	799,537	1,104,681	281,932	2,186,150	794,271
Depreciation	1,250,119	2,609,954	462,584	4,322,657	2,940
Total Operating Expenses	<u>3,516,618</u>	<u>8,661,406</u>	<u>5,072,151</u>	<u>17,250,175</u>	<u>11,292,043</u>
Operating Income (Loss)	<u>2,026,059</u>	<u>(2,045,964)</u>	<u>(2,290,491)</u>	<u>(2,310,396)</u>	<u>654,181</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	-	-	1,163,443	1,163,443	-
Investment income	57,351	164,278	121,779	343,408	-
Interest expense	(1,390,097)	(111,471)	(154,117)	(1,655,685)	-
Amortization of debt discount	(181,577)	(2,622)	(1,314)	(185,513)	-
General property taxes	-	-	554,367	554,367	-
Gain on sale of property	-	-	5,250	5,250	-
Loss on early retirement of property	(90,004)	-	-	(90,004)	-
Interest subsidy received on Build America Bonds	-	-	22,439	22,439	-
Miscellaneous	-	14,010	-	14,010	-
Total Nonoperating Revenues (Expenses)	<u>(1,604,327)</u>	<u>64,195</u>	<u>1,711,847</u>	<u>171,715</u>	<u>-</u>
Income (loss) before contributions and transfers	421,732	(1,981,769)	(578,644)	(2,138,681)	654,181
Capital contributions - municipal	150,000	-	-	150,000	-
Capital contributions	105,013	-	42,560	147,573	-
Transfers in	317,572	-	-	317,572	-
Transfers out	(909,594)	(388,144)	-	(1,297,738)	-
<b>Change in Net Position</b>	<b>84,723</b>	<b>(2,369,913)</b>	<b>(536,084)</b>	<b>(2,821,274)</b>	<b>654,181</b>
TOTAL NET POSITION (DEFICIT) - Beginning	<u>12,362,527</u>	<u>48,030,648</u>	<u>14,061,114</u>		<u>(458,799)</u>
<b>TOTAL NET POSITION (DEFICIT) - ENDING</b>	<b>\$ 12,447,250</b>	<b>\$ 45,660,735</b>	<b>\$ 13,525,030</b>		<b>\$ 195,382</b>

Amounts reported for business-type activities in the Statement of Activities are different because:

Portion of internal service funds change in net position reported in business-type activities 93,368

**CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES** \$ (2,727,906)

**CITY OF BELOIT**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 5,634,737	\$ 6,859,754	\$ 2,776,979	\$ 15,271,470	\$ 11,993,960
Paid to suppliers for goods and services	(1,647,000)	(4,165,042)	(2,289,829)	(8,101,871)	(11,046,506)
Payments to employees for services	(621,300)	(1,810,642)	(2,332,652)	(4,764,594)	(558,577)
Net Cash Flows from Operating Activities	<u>3,366,437</u>	<u>884,070</u>	<u>(1,845,502)</u>	<u>2,405,005</u>	<u>388,877</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating grants received	-	-	1,203,763	1,203,763	-
Transfers in (out)	(909,594)	(388,144)	-	(1,297,738)	-
Non-capital transfer	317,572	-	-	317,572	-
Property taxes received	-	-	554,367	554,367	-
Advances to other funds	-	212,161	-	212,161	-
Non-capital advance (and repayment)	-	-	171,502	171,502	(124,264)
Net Cash Flows from Noncapital Financing Activities	<u>(592,022)</u>	<u>(175,983)</u>	<u>1,929,632</u>	<u>1,161,627</u>	<u>(124,264)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Debt retired	(1,382,714)	(228,305)	(241,602)	(1,852,621)	-
Interest paid	(1,130,955)	(112,516)	(130,491)	(1,373,962)	-
Interest subsidy received on BABs	-	-	22,655	22,655	-
Proceeds from issuance of new debt	48,809	12,106	30,859	91,774	-
Acquisition and construction of capital assets	(325,494)	(418,020)	(274,124)	(1,017,638)	-
Construction grants received	-	-	56,480	56,480	-
Contributions received for construction	91,047	-	-	91,047	-
Cost of removal of property retired	(26,505)	-	-	(26,505)	-
Capital advances from other funds receipts (payments)	(212,161)	-	-	(212,161)	-
Net Cash Flows from Capital and Related Financing Activities	<u>(2,937,973)</u>	<u>(746,735)</u>	<u>(536,223)</u>	<u>(4,220,931)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	<u>57,351</u>	<u>164,278</u>	<u>121,779</u>	<u>343,408</u>	<u>-</u>
Net Cash Flows from Investing Activities	<u>57,351</u>	<u>164,278</u>	<u>121,779</u>	<u>343,408</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(106,207)	125,630	(330,314)	(310,891)	264,613
CASH AND CASH EQUIVALENTS - Beginning	<u>5,046,201</u>	<u>8,009,478</u>	<u>1,251,737</u>	<u>14,307,416</u>	<u>598,538</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 4,939,994</u>	<u>\$ 8,135,108</u>	<u>\$ 921,423</u>	<u>\$ 13,996,525</u>	<u>\$ 863,151</u>

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Nonmajor Enterprise Funds		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (Loss)	\$ 2,026,059	\$ (2,045,964)	\$ (2,290,491)	\$ (2,310,396)	\$ 654,181
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Nonoperating income	-	14,010	-	14,010	-
Depreciation charged to other funds	123,556	-	-	123,556	-
Noncash expense	-	(45,141)	-	(45,141)	-
Depreciation expense	1,250,119	2,609,954	462,584	4,322,657	2,940
Changes in Assets and Liabilities					
Accounts receivable	(96,494)	77,120	(4,681)	(24,055)	47,736
Taxes accrued	-	-	(8,114)	(8,114)	-
Inventories	694	-	(4,806)	(4,112)	-
Accounts payable	(7,921)	99,881	(5,513)	86,447	(80,086)
Due to/from other funds	-	153,182	-	153,182	-
Accrued compensated absences	-	32,233	-	32,233	-
Other post-employment benefits	(2,538)	(11,205)	(10,357)	(24,100)	-
Due to other funds	-	-	1,414	1,414	-
Compensated absences	8,712	-	(361)	8,351	-
Customer deposits	40,000	-	-	40,000	-
Other current liabilities	-	-	6,709	6,709	-
Unearned revenues	24,250	-	8,114	32,364	-
Claims payable	-	-	-	-	(235,894)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 3,366,437</u>	<u>\$ 884,070</u>	<u>\$ (1,845,502)</u>	<u>\$ 2,405,005</u>	<u>\$ 388,877</u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS**

Cash and investments - statement of net position	\$ 1,894,266	\$ 5,298,797	\$ 750,513	\$ 7,943,576	\$ 863,151
Restricted cash and investments - statement of net position					
Bond redemption account	383,039	104,911	44,466	532,416	-
Replacement account	-	2,731,400	-	2,731,400	-
Construction account	354,039	-	-	354,039	-
Bond reserve account	2,308,650	-	126,444	2,435,094	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,939,994</u>	<u>\$ 8,135,108</u>	<u>\$ 921,423</u>	<u>\$ 13,996,525</u>	<u>\$ 863,151</u>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

During 2013, \$13,966 of water capital assets were contributed by developers.  
During 2013, \$150,000 of water capital assets were contributed by the municipality.  
During 2013, \$6,154,400 of water refunding bonds were issued to advance refund \$6,063,448 of debt and finance \$90,952 of issuance costs.  
During 2013, \$109,662 of water premium on debt issued was applied to refunding debt.  
During 2013, sewer plant was adjusted by \$45,141 (net of accumulated depreciation).  
During 2013, \$241,300 of sewer refunding bonds were issued to advance refund \$229,194 of debt and finance \$12,106 of issuance costs.  
During 2013, \$159,300 of storm sewer refunding bonds were issued to advance refund \$139,345 of debt and finance \$19,955 of issuance costs.  
During 2013, \$41,000 of transit refunding bonds were issued to advance refund \$40,096 of debt and finance \$904 of issuance costs.

**CITY OF BELOIT**

**STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUND**

As of December 31, 2013

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	<u>Agency Fund</u>
	<u>Tax Collection Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,926,468
Property taxes receivable	<u>22,026,377</u>
<b>TOTAL ASSETS</b>	<u>\$ 23,952,845</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 23,952,845</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 23,952,845</u>

See accompanying notes to financial statements.

## CITY OF BELOIT

### STATEMENT OF NET POSITION - COMPONENT UNITS As of December 31, 2013

	Major Community Development Authority	Nonmajor Beloit Public Library Foundation, Inc.	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 943,873	\$ 629,216	\$ 1,573,089
Receivables			
Accounts	59,259	198	59,457
Accrued interest	-	214	214
Lease receivable from primary government	2,320,000	-	2,320,000
Due from other governmental units	103,526	-	103,526
Financing costs	25,264	-	25,264
Tax credit fees	202,388	-	202,388
Prepaid items	15,114	-	15,114
Total Current Assets	3,669,424	629,628	4,299,052
Noncurrent Assets			
Restricted Assets			
Cash and investments	3,389,007	-	3,389,007
Capital Assets			
Land	601,285	-	601,285
Land improvements	561,467	-	561,467
Buildings	2,040,169	-	2,040,169
Building improvements	17,597,147	-	17,597,147
Machinery, equipment, furnishings and vehicles	783,997	-	783,997
Less: Accumulated depreciation	(1,992,764)	-	(1,992,764)
Total Capital Assets, Net	19,591,301	-	19,591,301
Other Assets			
Lease receivable from primary government	15,949,379	-	15,949,379
Total Noncurrent Assets	38,929,687	-	38,929,687
Total Assets	42,599,111	629,628	43,228,739
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	31,781	672	32,453
Accrued liabilities	547,698	-	547,698
Due to primary government	76,102	-	76,102
Deposits	74,854	-	74,854
Lease revenue bonds payable	2,320,000	-	2,320,000
Library campaign pledge	-	50,000	50,000
Total Current Liabilities	3,050,435	50,672	3,101,107
Noncurrent Liabilities			
Compensated absences	41,223	-	41,223
Loans payable	402,168	-	402,168
Other notes payable	761,319	-	761,319
Lease revenue bonds payable	18,580,000	-	18,580,000
Total Noncurrent Liabilities	19,784,710	-	19,784,710
Total Liabilities	22,835,145	50,672	22,885,817
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	1,234,432	-	1,234,432
<b>NET POSITION</b>			
Net investment in capital assets	844,565	-	844,565
Members' equity	11,826,566	-	11,826,566
Restricted for grant programs	5,308,433	7,417	5,315,850
Unrestricted	549,970	571,539	1,121,509
<b>TOTAL NET POSITION</b>	<b>\$ 18,529,534</b>	<b>\$ 578,956</b>	<b>\$ 19,108,490</b>

See accompanying notes to financial statements.



## CITY OF BELOIT

### STATEMENT OF ACTIVITIES - COMPONENT UNITS For the Year Ended December 31, 2013

	Major Community Development Authority	Nonmajor Beloit Public Library Foundation, Inc.	Totals
<b>EXPENSES</b>			
Community development	\$ 4,860,731	\$ -	\$ 4,860,731
Library services	-	31,549	31,549
Total Expenses	4,860,731	31,549	4,892,280
<b>PROGRAM REVENUES</b>			
Charges for services	185,832	-	185,832
Operating grants and contributions	3,707,205	12,943	3,720,148
Other revenue	56,265	-	56,265
Total Program Revenues	3,949,302	12,943	3,962,245
Net Revenues (Expenses)	(911,429)	(18,606)	(930,035)
<b>GENERAL REVENUES (EXPENSES)</b>			
Investment income	882,213	95,810	978,023
Interest and amortization	(1,167,343)	-	(1,167,343)
Insurance recoveries	16,965	-	16,965
Development fee	798,688	-	798,688
Miscellaneous	26,700	-	26,700
Total General Revenues (Expenses)	557,223	95,810	653,033
Revenues (Expenses) Before Contributions and Transfers	(354,206)	77,204	(277,002)
<b>CAPITAL CONTRIBUTIONS</b>	8,391,499	-	8,391,499
<b>Change in Net Position</b>	8,037,293	77,204	8,114,497
TOTAL NET POSITION - Beginning	10,492,241	501,752	10,993,993
<b>TOTAL NET POSITION - ENDING</b>	\$ 18,529,534	\$ 578,956	\$ 19,108,490

# CITY OF BELOIT

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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NOTE	Page
I. Summary of Significant Accounting Policies	17
A. Reporting Entity	17
B. Government-Wide and Fund Financial Statements	18
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	21
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	23
1. Deposits and Investments	23
2. Receivables	24
3. Inventories and Prepaid Items	25
4. Restricted Assets	26
5. Capital Assets	26
6. Deferred Outflows of Resources	27
7. Compensated Absences	27
8. Long-Term Obligations/Conduit Debt	27
9. Deferred Inflows of Resources	28
10. Equity Classifications	28
11. Basis for Existing Rates	29
II. Reconciliation of Government-Wide and Fund Financial Statements	30
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	30
III. Stewardship, Compliance, and Accountability	31
A. Budgetary Information	31
B. Excess Expenditures Over Appropriations	31
C. Deficit Balances	31
D. Limitations on the City's Tax Levy	32
IV. Detailed Notes on All Funds	32
A. Deposits and Investments	32
B. Receivables	35
C. Restricted Assets	36
D. Capital Assets	37
E. Interfund Receivables/Payables, Advances, and Transfers	39
F. Long-Term Obligations	43
G. Lease Disclosures	51
H. Net Position/Fund Balances	54
I. Component Units	57
V. Other Information	85
A. Employees' Retirement System	85
B. Risk Management	86
C. Commitments and Contingencies	88
D. Other Postemployment Benefits	89
E. Bond Covenant Disclosures	91
F. Subsequent Events	92
G. Effect of New Accounting Standards on Current-Period Financial Statements	92

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the City of Beloit, Wisconsin (the "City") conform to generally accepted accounting principles as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and is able to impose its will on that organization; (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government, or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or had the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and its component unit have substantively the same governing body and a financial benefit or burden relationship exists; (2) the primary government and the component unit have substantially the same governing body and management of the primary government has operational responsibility for the component unit; (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens; or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

#### ***Discretely Presented Component Units***

##### ***City of Beloit Community Development Authority***

The government-wide financial statements include the City of Beloit Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the city council. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the CDA, and also create a potential financial benefit to or burden on the City (see Note IV.1.). As a component unit, the CDA's financial statements are shown as a discrete column (proprietary) in the financial statements. The CDA's financial statements include transactions of two limited liability companies which are used to promote redevelopment of CDA properties. The information presented is for the fiscal year ended December 31, 2013. The CDA does not issue separate financial statements. Additional information may be obtained from the CDA's office.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### A. REPORTING ENTITY (cont.)

##### *Discretely Presented Component Units* (cont.)

##### *City of Beloit Business Improvement District (the “district”)*

The district was created under the provisions of Wisconsin Statute Section 66.608. The district, created in 1989, is a legally separate entity with a separate thirteen member board appointed and approved by the city council. Wisconsin Statutes provide circumstances whereby the City can impose its will on the district, and also create a potential financial benefit to or burden on the City. The members serve staggered terms as designated by the city council. A majority of the members own or occupy real property in the district. The district has its own budgetary authority and assessment capabilities. The district's financial statements are not included in these financial statements as the activity of the district was deemed to be immaterial to the City. Separately issued financial statements of the district may be obtained from the City of Beloit Business Improvement District.

##### *Beloit Public Library Foundation, Inc. (the “Foundation”)*

The government-wide financial statements include the Beloit Public Library Foundation, Inc. as a component unit. The Foundation is a legally separate organization. The economic resources of the Foundation are held for the direct benefit of the City of Beloit library and are significant to the City. As a component unit, the Foundation's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2013 (see Note IV.I.). Separately issued financial statements of the Foundation may be obtained from the Foundation's office.

#### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

##### *Government-Wide Financial Statements*

In November 2010, the GASB issued Statement No. 61 – *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. This standard was implemented effective January 1, 2013.

In March 2012, the GASB issued Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Government-Wide Financial Statements (cont.)***

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

##### ***Fund Financial Statements***

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

General Fund – accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

TIF District No. 10 – Special Revenue Fund – accounts for receipts of district "incremental" property taxes and other revenues that are legally restricted or committed to supporting expenditures of the district.

General Debt Service – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of principal and interest on long-term debt other than TIF or enterprise fund debt.

Capital Improvements – Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures to be used for capital improvement projects.

Equipment Replacement – Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures to be used for replacement of equipment and vehicles.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements*** (cont.)

The City reports the following major enterprise funds:

Water Utility – accounts for operations of the water system  
Sewer Utility – accounts for operations of the sewer system

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Rental Rehab (WRRP/HOME)	TIF District No. 14
Community Development Block Grant	Fire Multi-Year Grants
TIF District No. 5	DPW Multi-Year Grants
TIF District No. 6	Community Development
TIF District No. 8	Library
TIF District No. 9	Police
TIF District No. 11	Solid Waste
TIF District No. 12	Perpetual Care
TIF District No. 13	

Capital Projects Funds – used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of equipment and/or major capital facilities.

Computer Replacement

Enterprise Funds – may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Golf Course  
Cemeteries  
Ambulance  
Storm Sewer  
Transit System

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements*** (cont.)

In addition, the City reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

- Equipment Operations
- General Liability Insurance
- Health Insurance
- Retiree Health Insurance

Agency funds are used to account for assets held by the City in a trustee capacity for other governmental units for tax collections.

- Tax Collections

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and unearned revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met and recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2013, there were \$1,656,495 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

##### **1. Deposits and Investments**

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds including the cemetery perpetual care fund, is regulated by Chapter 881 of the Wisconsin Statutes. This section gives broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **1. Deposits and Investments (cont.)**

The City has adopted an investment policy. That policy follows the state statute for allowable investments. The policy includes custodial credit risk, credit risk, and concentration of credit risk.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as unrealized gain (loss) on investments. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

##### **2. Receivables**

###### *Property Taxes*

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities – agency fund.

Property tax calendar – 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due	March 31, 2014
Third installment due	May 31, 2014
Fourth installment due	July 31, 2014
Personal property taxes in full	January 31, 2014
Tax sale – 2013 delinquent real estate taxes	October 2016

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **2. Receivables (cont.)**

###### *Uncollectible Accounts*

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

###### *Interfund Loans*

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

###### *Loans*

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$6,273.

It is the City’s policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

##### **3. Inventories and Prepaid Items**

Governmental fund inventory, if material, are recorded at cost based on an average cost method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in accordance with the consumption method in both government-wide and fund financial statements.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

##### **5. Capital Assets**

###### **Government-Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and infrastructure, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. There was no interest that was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land Improvements	25 Years
Buildings	5-53 Years
Machinery, Equipment and Vehicles	4-45 Years
Sewer Mains	100 Years
Sewer Treatment Facility	30 Years
Water Mains	77 Years
Infrastructure	20-100 Years

###### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***6. Deferred Outflows of Resources***

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of the debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund statements.

##### ***7. Compensated Absences***

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2013 are determined on the basis of current salary rates and include salary related payments.

##### ***8. Long-Term Obligations/Conduit Debt***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, significant bond premiums and discounts are amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$287,238, made up of one issue.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **9. Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position that applies to a future time period and, therefore, will not be recognized as an inflow of resources (revenue) until that future time.

##### **10. Equity Classifications**

###### **Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column.

The amount is a reduction of “net investment in capital assets,” and an increase in “unrestricted” net position, shown only in the total column of \$5,394,711.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

###### **Fund Statements**

Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **10. Equity Classifications (cont.)**

###### **Fund Statements (cont.)**

- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The city council may take official action to assign amounts, 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

It is the desire of the City to maintain adequate General Fund fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. The City has adopted a financial standard to maintain a General Fund minimum unrestricted fund balance of the 15% of operating revenue or three months of General Fund operating expenditures, whichever is greater.

See Note IV. H. for further information.

##### **11. Basis for Existing Rates**

###### *Water Utility*

The water utility was authorized current rates by the Public Service Commission (PSC) effective December 1, 2010 and is allowed to earn a 5.05% rate of return.

###### *Sewer Utility*

Current sewer rates were approved by the council and effective on November 1, 2003.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

#### A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	\$ 4,971,936
Land improvements	67,854
Buildings and improvements	20,930,395
Machinery and equipment	22,980,001
Other improvements	5,335,614
Infrastructure	90,958,691
Less: Accumulated depreciation	(37,812,354)
Less: Internal service fund capital assets, net of depreciation	<u>(12,001)</u>
 Capital Assets	 <u>\$ 107,420,136</u>

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “some liabilities, including long-term debt, are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net position.” The details of this \$97,642,684 difference in liabilities are as follows:

Bonds and notes payable	\$ 49,839,619
Unamortized debt premium/loss on advance refunding	(681,511)
Compensated absences	2,427,191
Other post-employment benefit liabilities	26,890,588
Other debt	70,000
Capital leases	18,697,822
Accrued interest	<u>398,975*</u>
 Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	   <u>\$ 97,642,684</u>

\* This amount is included in other accrued liabilities on the Statement of Net Position.



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### **NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. BUDGETARY INFORMATION**

A budget has been adopted for all funds with the exception of the Perpetual Care special revenue fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

#### **B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following individual funds had an excess of expenditures over appropriations at the legal level of budgeting control for the year ended December 31, 2013:

	Excess
General Debt Service (major fund)	\$ 4,725,445
Rental Rehab (WRRP/HOME) (nonmajor fund)	89,323
Community Development Block Grant (nonmajor fund)	466,701
TIF District No. 6 (nonmajor fund)	19,176
TIF District No. 8 (nonmajor fund)	1,150
TIF District No. 9 (nonmajor fund)	579
TIF District No. 11 (nonmajor fund)	4,703
TIF District No. 12 (nonmajor fund)	150
TIF District No. 14 (nonmajor fund)	50,192
DPW Multi-Year Grants (nonmajor fund)	12,616
Police	359,124

#### **C. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2013, the following individual funds held a deficit balance:

Fund	Amount	Reason
Special Revenue – TIF District No. 6	\$ 316,107	Excess expenditures over revenues
Special Revenue – TIF District No. 8	1,182,738	Excess expenditures over revenues
Special Revenue – TIF District No. 9	2,815,210	Excess expenditures over revenues
Special Revenue – Community Development	60,170	Excess expenditures over revenues
Enterprise – Golf Course	85,962	Excess expenses over revenues
Internal Service – Retiree Health Insurance	272,497	Excess expenses over revenues
Internal Service – Health Insurance	1,223,019	Excess expenses over revenues

Tax incremental district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27) and may be extended in some cases. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

#### **D. LIMITATIONS ON THE CITY'S TAX LEVY**

Wisconsin law limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the City's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

### NOTE IV – DETAILED NOTES ON ALL FUNDS

#### **A. DEPOSITS AND INVESTMENTS**

The City's cash and investments at year end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Demand deposits	\$ 6,852,556	\$ 7,149,566	Custodial credit risk
U.S. agencies – implicitly guaranteed	7,095,689	7,095,689	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk
Municipal bonds	6,808,428	6,808,428	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk
Corporate bonds	8,019,635	8,019,635	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Certificates of deposit	928,239	928,239	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk
LGIP	13,898,359	13,898,359	Credit risk
Petty cash	8,583	-	N/A
Total Cash and Investments	\$ 43,611,489	\$ 43,899,916	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 35,632,072		
Restricted cash and investments	6,052,949		
Per statement of assets and liabilities – agency fund			
Cash and investments	1,926,468		
Total Cash and Investments	\$ 43,611,489		

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **A. DEPOSITS AND INVESTMENTS (cont.)**

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts in Category 1 above.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. Additionally, through Lloyds of London, City accounts have additional securities coverage of \$150 million per customer, subject to a \$600 million aggregate firm limit. \$500,000 of the City's investments are covered by SIPC.

The City maintains collateral agreements with its banks. At December 31, 2013, the banks had pledged various government securities in the amount of \$6,652,877 to secure the City's deposits.

#### ***Custodial Credit Risk***

For a deposit, custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2013, the City had no bank balances exposed to custodial credit risk.

As of the December 31, 2013, the City had no investments exposed to custodial credit risk.

The City's investment policy states that securities will be held by a custodian designated by the Director of Finance and evidenced by safekeeping receipts. The policy does not address the risk for deposits.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2013, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Fitch Ratings	Moody's Investor Service
U.S. agencies – implicitly guaranteed	AA+	N/A	AAA
Municipal bonds	AA- to AA	N/A	A2 to AA3
Corporate bonds	A to AAA	N/A	A1 to AA2

The City also had investments in the following which are not rated:

LGIP – external pool  
Certificates of deposit

The City's investment policy states the City shall invest in those securities having a rating which is the highest or second highest rating category assigned by S&P Corp, Moody's investors service or similar nationally recognized rating agency.

##### **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

As of December 31, 2013, of the City's total portfolio, 6.5% was invested in FHLB investments, 5.4% was invested in FFCB investments, 5.4% was invested in FNMA investments and 5.4% was invested in Wisconsin State municipal bonds.

##### **Concentration of Credit Risk (by Dealer):**

Dealer	Fair Value	Percentage of Portfolio
Multi-Bank Securities, Inc.	\$ 6,010,430	16%
BOSC, Inc.	2,828,706	8
Vining Sparks	7,684,450	21
Coastal Securities	<u>4,837,472</u>	<u>13</u>
Total Concentrated Investments	<u>\$ 21,361,058</u>	<u>58%</u>

According to the City's investment policy, the City will diversify its investments by security type and institution. No more than 40% of the City of Beloit's total investment portfolio will be invested in a single security type or with a single financial institution. The portfolio is currently in compliance with the City's investment policy.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2013, the City's investments were as follows:

Investment Type	Fair Value	Percentage of Portfolio	Maturity			
			Less than 1 Yr.	1 to 5 Yrs.	6 to 10 Yrs.	More Than 10
Federal Agency Coupon Securities	\$ 6,957,992	30%	\$ -	\$ 2,220,232	\$ 2,982,780	\$ 1,754,980
Pass Through Securities	137,697	1	137,697	-	-	-
Municipal Bonds	6,808,428	30	105,301	1,050,786	379,800	5,272,541
Corporate Bonds	8,019,635	35	514,960	5,789,050	1,715,625	-
Certificates of deposit	928,239	4	174,484	753,755	-	-
<b>Totals</b>	<b>\$ 22,851,991</b>		<b>\$ 932,442</b>	<b>\$ 9,813,823</b>	<b>\$ 5,078,205</b>	<b>\$ 7,027,521</b>

The City's investment policy does not specifically mention interest rate risk.

#### B. RECEIVABLES

Accounts receivables not expected to be collected within one year as follows:

General Fund – delinquent personal property taxes	\$ 42,142
General Fund – loans	205,000
Capital Projects – equipment replacement – loans	375,000
Capital Projects – capital improvement – special assessments	1,099,134
Nonmajor Governmental Funds – loans	<u>3,081,271</u>
Total Amount Not Expected to be Collected Within One Year	<u>\$ 4,802,547</u>

Revenues of the City are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

	Total	Current Period
Governmental Fund Types – municipal court receivable	\$ 507,072	\$ (507,072)
Governmental Fund Types – economic development loans	6,273	-
Business Type – ambulance receivables	<u>117,536</u>	<u>(117,536)</u>
Total Uncollectibles	<u>\$ 630,881</u>	<u>\$ (624,608)</u>

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

##### **B. RECEIVABLES** (cont.)

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 20,842,854	\$ -
Loans receivable	-	3,385,390
Accounts receivable – noncurrent	-	538,429
Investment income – noncurrent	-	17,748
Special assessments	-	1,179,385
Government grants	10,392	-
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 20,853,246	\$ 5,120,952

##### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

##### ***Long Term Debt Accounts***

- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

##### ***Equipment Replacement Account***

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2013:

	Water	Sewer	Storm
Bond redemption account	\$ 383,039	\$ 104,911	\$ 44,466
Equipment replacement account	-	2,731,400	-
Construction account	354,039	-	-
Bond reserve account	2,308,650	-	126,444
Total Enterprise Fund Restricted Assets	\$ 3,045,728	\$ 2,836,311	\$ 170,910

##### ***Impact Fee Account***

In 2013, the City received impact fees of \$1,852 which must be spent in accordance with local ordinance and state statutes. Any unspent funds must be refunded to the current property owner. As of December 31, 2013 the City had accumulated a total of \$94,196 in impact fees.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 4,971,936	\$ -	\$ -	\$ 4,971,936
Total Capital Assets Not Being Depreciated	4,971,936	-	-	4,971,936
Capital assets being depreciated				
Land improvements	67,854	-	-	67,854
Buildings	20,930,395	-	-	20,930,395
Machinery, equipment, and vehicles	22,062,780	1,270,982	353,761	22,980,001
Other improvements	5,335,614	-	-	5,335,614
Streets	69,144,891	-	-	69,144,891
Structures	405,684	-	-	405,684
Street lights	6,031,157	-	-	6,031,157
Traffic signals	2,562,159	-	-	2,562,159
Bridges	12,814,800	-	-	12,814,800
Total Capital Assets Being Depreciated	139,355,334	1,270,982	353,761	140,272,555
Less: Accumulated depreciation for				
Land improvements	(61,070)	-	-	(61,070)
Buildings	(5,194,714)	(393,144)	-	(5,587,858)
Machinery, equipment, and vehicles	(11,274,637)	(1,405,615)	(353,761)	(12,326,491)
Other improvements	(2,500,513)	(147,724)	-	(2,648,237)
Streets	(11,349,001)	(1,115,491)	-	(12,464,492)
Structures	(19,681)	(17,578)	-	(37,259)
Street lights	(932,585)	(115,898)	-	(1,048,483)
Traffic signals	(1,604,625)	(93,893)	-	(1,698,518)
Bridges	(1,755,354)	(184,592)	-	(1,939,946)
Total Accumulated Depreciation	(34,692,180)	(3,473,935)	(353,761)	(37,812,354)
Net Capital Assets Being Depreciated	104,663,154	(2,202,953)	-	102,460,201
 Total Governmental Activities – Capital Assets, Net of Depreciation	 \$ 109,635,090			 \$ 107,432,137

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

#### **NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

#### **D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

#### **Governmental Activities**

Finance and administrative services	\$ 187,780
Finance and administrative services (internal service)	2,940
Community development	9,621
Public safety – police	441,318
Public safety – fire	337,229
Public works, which includes the depreciation of infrastructure	2,341,285
Library	<u>153,762</u>
Total Governmental Activities Depreciation Expense	<u>\$ 3,473,935</u>

<b>Business-type Activities</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 3,752,041	\$ -	\$ 43,036	\$ 3,709,005
Total Capital Assets Not Being Depreciated	<u>3,752,041</u>	<u>-</u>	<u>43,036</u>	<u>3,709,005</u>
Other capital assets				
Land improvements	702,418	-	-	702,418
Buildings	9,287,344	1,205,590	145,244	10,347,690
Machinery, equipment, and vehicles	8,084,039	723,035	941,654	7,865,420
Sewer mains	17,041,137	237,752	-	17,278,889
Sewer treatment facility	71,122,807	96,140	63,203	71,155,744
Water mains	42,644,929	(1,297,123)	323,977	41,023,829
Storm infrastructure	12,158,603	225,688	-	12,384,291
Total Capital Assets Being Depreciated	<u>161,041,277</u>	<u>1,191,082</u>	<u>1,474,078</u>	<u>160,758,281</u>
Less: Accumulated depreciation for				
Land improvements	(646,051)	(22,862)	-	(668,913)
Buildings	(2,248,765)	(250,655)	145,244	(2,354,176)
Machinery, equipment, and Vehicles	(4,903,516)	(444,827)	941,654	(4,406,689)
Sewer mains	(4,085,648)	(179,837)	-	(4,265,485)
Sewer treatment facility	(44,246,776)	(2,379,620)	63,203	(46,563,193)
Water mains	(11,972,982)	(1,052,086)	323,977	(12,701,091)
Storm infrastructure	(2,501,812)	(149,369)	-	(2,651,181)
Total Accumulated Depreciation	<u>(70,605,550)</u>	<u>(4,479,256)</u>	<u>1,474,078</u>	<u>(73,610,728)</u>
Business-type Capital Assets, Net of Depreciation	<u>90,435,727</u>	<u>(3,288,174)</u>	<u>-</u>	<u>87,147,553</u>
Total Business-type Capital Assets, Net of Depreciation	<u>\$ 94,187,768</u>			<u>\$ 90,856,558</u>



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### **D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

##### **Business-type Activities**

Water	\$ 1,250,119
Sewer	2,609,954
Storm	149,369
Transit	282,066
Golf Course	28,127
Cemetery	<u>3,022</u>
Total Business-type Activities	
Depreciation Expense	<u>\$ 4,322,657</u>

Depreciation expense is different from accumulated depreciation additions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets. Reductions in accumulated depreciation may exceed deletions of capital assets due to the cost of removal.

#### **E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS**

##### **Interfund Receivables/Payables**

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise – Golf Course	\$ 1,414
General	Special Revenue – Community Development Block Grant	17,104
General	Special Revenue – Community Development	218,712
General	Special Revenue – Solid Waste	<u>181,686</u>
Sub-total – Fund financial statements		418,916
Less: Allocation of Internal Service funds		(99,068)
Less: Fund eliminations		<u>(417,502)</u>
Total – Government-Wide Statement of Net Position		<u>\$ (97,654)</u>

All amounts are due within one year.

The principal purpose of these interfund transactions is for deficit cash balances at year end. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### *E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS (cont.)*

##### **Advances**

The general debt service fund and the capital improvement program funds are advancing funds to various tax incremental districts. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is advancing funds to the Golf Course. The equipment replacement fund is advancing funds to the retiree health insurance fund, transit fund, and cemetery fund. The purpose of these advances is for deficit cash balances at year end. The sewer utility is also advancing funds to the water utility. A repayment schedule has been included for the sewer utility's advance to the water utility. No other repayment schedules have been established for these advances.

The sewer utility is charging 5% on its advance to the water utility.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Totals	Amount Not Due in One Year
General	Enterprise – Golf course fund	\$ 918,000	\$ 918,000
Equipment replacement	Enterprise – Cemeteries	42,663	42,663
Equipment replacement	Enterprise – Transit system	183,202	183,202
Equipment replacement	Internal Service – Retiree health insurance	287,052	287,052
General debt service	Special revenue – TIF District No. 8	1,183,738	1,183,738
General debt service	Special Revenue – TIF District No. 9	591,665	591,665
Capital improvement program	Special Revenue – TIF District No. 6	450,000	450,000
Capital improvement program	Special Revenue – TIF District No. 9	2,253,875	2,253,875
Enterprise – Sewer utility	Enterprise – Water utility	223,015	-
Sub-Totals		6,133,210	5,910,195
Less: Fund eliminations		(4,989,345)	(4,766,330)
Totals		<u>\$ 1,143,865</u>	<u>\$ 1,143,865</u>

**CITY OF BELOIT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS (cont.)**

**Advances (cont.)**

The principal purpose of these advances is due to expenditures/expenses exceeding revenues.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The water utility received an advance from the sewer utility in the amount of \$1,800,000 at 5% for 120 months. The final maturity is December, 2014.

	Balance 1-1-13	Increases	Decreases	Balance 12-31-13
Advance from sewer utility	\$ 435,176	\$ -	\$ 212,161	\$ 223,015
Totals	\$ 435,176	\$ -	\$ 212,161	\$ 223,015

Advance repayment requirements to maturity are as follows:

Years	Principal	Interest
2014	\$ 223,015	\$ 6,086
Totals	\$ 223,015	\$ 6,086

**CITY OF BELOIT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS (cont.)**

**Transfers**

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
General	Water Utility	\$ 909,594	Payment in lieu of tax
Debt Service – General Debt Service	Special Revenue – TIF District No. 5	993,637	Debt service
Debt Service – General Debt Service	Special Revenue – TIF District No. 6	499,672	Debt service
Debt Service – General Debt Service	Special Revenue – TIF District No. 8	256,014	Debt service
Debt Service – General Debt Service	Special Revenue – TIF District No. 9	12,484	Debt service
Debt Service – General Debt Service	Special Revenue – TIF District No. 10	265,596	Debt service
Debt Service – General Debt Service	Special Revenue – TIF District No. 11	74,930	Debt service
Debt Service – General Debt Service	Special Revenue – TIF District No. 12	62,993	Debt service
Debt Service – General Debt Service	Special Revenue – TIF District No. 13	81,536	Debt service
Total Debt Service – General		<u>2,246,862</u>	
Capital Projects – Capital Improvement Program	Special Revenue – Police	80,000	Capital projects funding
Capital Projects – Capital Improvement Program	Capital Projects – Equipment Replacement	80,400	Capital projects funding
Total Capital Projects – Capital Improvement Program		<u>160,400</u>	
Special Revenue – Solid Waste	Sewer Utility	70,572	Distribution of late fees
Water Utility	Sewer Utility	317,572	Distribution of penalties
Sub-Total – Fund Financial Statements		3,705,00	
Less: Capital contributions from Governmental Activities to Business-type Activities		(150,000)	
Less: Fund eliminations		<u>(2,724,834)</u>	
Total – Government-wide Statement of Activities		<u>\$ 830,166</u>	

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS (cont.)

##### Transfers (cont.)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### F. 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	-	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	-	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>

The liabilities for compensated absences and the other post employment benefit liability will be liquidated primarily from the General Fund.

**CITY OF BELOIT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation debt	\$ 5,225,896	\$ 861,000	\$ 1,226,944	\$ 4,859,952	\$ 460,601
Revenue bonds	28,325,000	5,745,000	6,960,000	27,110,000	1,295,000
CWFL revenue bond	3,267,644	-	137,760	3,129,884	141,066
Add/(Subtract) Deferred Amounts For					
Premiums	-	302,235	58,472	243,763	-
(Discounts)	<u>(237,513)</u>	<u>-</u>	<u>(20,316)</u>	<u>(217,197)</u>	<u>-</u>
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	411,883	266,538	212,876	465,545	277,235
Other post-employment benefit liability	<u>218,006</u>	<u>-</u>	<u>24,100</u>	<u>193,906</u>	<u>-</u>
Sub-total	<u>629,889</u>	<u>266,538</u>	<u>236,976</u>	<u>659,451</u>	<u>277,235</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>

**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 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2013, was \$68,856,700. Total general obligation debt outstanding at year end was \$54,699,571.

	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-13</u>
Governmental Activities – General Obligation Debt					
General obligation community development bonds Series 2005C	5-1-05	5-1-21	4.80-5.25%	\$ 1,295,000	\$ 90,000
General obligation corporate purpose bonds Series 2006A	5-1-06	5-1-26	4.00-4.375	7,587,545	478,271
General obligation promissory notes Series 2006B	5-1-06	5-1-16	4.00	639,754	225,338
General obligation corporate purpose bonds Series 2007A	6-1-07	6-1-27	4.00-4.75	11,249,589	6,677,987
General obligation promissory notes Series 2007B	6-1-07	6-1-17	3.60-4.00	3,259,405	384,905

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Debt (cont.)

	Date of Issue	Due Date	Interest Rates	Original Indebted- ness	Balance 12-31-13
Governmental Activities – General Obligation Debt (cont.)					
General obligation corporate purpose bonds Series 2008	6-19-08	6-1-28	3.75-4.10%	\$ 2,260,670	\$ 1,791,373
General obligation corporate purpose bonds Series 2009	5-28-09	5-1-29	1.10-4.60	7,057,000	2,950,000
General obligation refunding bonds Series 2009	11-5-09	12-1-15	2.00-3.25	1,325,363	477,919
General obligation refunding bonds Series 2011A	10-21-11	4-1-25	2.45	9,726,168	9,013,855
General obligation refunding bonds Series 2011B	12-8-11	3-1-25	1.00-4.10	4,280,000	3,690,000
2011 state trust fund loan	8-1-11	3-15-21	3.75	1,500,000	1,225,471
General obligation corporate purpose bonds Series 2012A	6-21-12	3-1-32	2.00-3.25	7,130,000	6,855,000
2012 state trust fund loan	10-1-12	3-15-17	2.50	330,000	330,000
General obligation refunding bonds Series 2013A	2-13-13	5-1-27	2.00-3.00	6,729,000	6,637,400
General obligation refunding bonds Series 2013C	2-13-13	5-1-21	0.55-2.50	885,000	860,000
General obligation corporate purpose bonds Series 2013D	6-13-13	4-1-33	2.00-3.38	7,485,000	7,485,000
2013 State trust fund loan	8-1-13	3-15-23	2.75	667,100	667,100
Total Governmental Activities – General Obligation Debt					<u>\$ 49,839,619</u>

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Debt (cont.)

	Date of Issue	Due Date	Interest Rates	Original Indebted- ness	Balance 12-31-13
Business-type Activities – General Obligation Debt					
General obligation corporate purpose bonds Series 2006A	5-1-06	5-1-26	4.00-4.375%	\$ 342,455	\$ 21,729
General obligation promissory notes Series 2006B	5-1-06	5-1-16	4.00	595,247	209,662
General obligation corporate purpose bonds Series 2007A	6-1-07	6-1-27	4.00-4.75	820,411	487,013
General obligation promissory notes Series 2007B	6-1-07	6-1-17	3.60-4.00	720,595	85,095
General obligation corporate purpose bonds Series 2008	6-19-08	6-1-28	3.75-4.10	1,954,330	1,548,627
General obligation corporate purpose bonds Series 2009	5-28-09	5-1-29	1.10-4.60	333,000	230,000
General obligation refunding bonds Series 2009	11-5-09	12-1-15	2.00-3.25	19,637	7,081
General obligation refunding bonds Series 2011A	10-21-11	4-1-25	2.45	1,353,832	1,261,145
General obligation corporate purpose bonds Series 2012A	6-21-12	3-1-32	2.00-3.25	110,000	110,000
2012 state trust fund loan	10-1-12	3-15-17	2.50	47,000	47,000
General obligation refunding bonds Series 2013A	2-13-13	5-1-27	2.00-3.00	601,000	592,600
General obligation corporate purpose bonds Series 2013D	6-13-13	4-1-33	2.00-3.38	250,000	250,000
2013 state trust fund loan	8-1-13	3-15-23	2.75	129,600	10,000
Total Business-type Activities – General Obligation Debt					<u>\$ 4,859,952</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2014	\$ 5,002,286	\$ 1,479,360	\$ 460,601	\$ 155,917
2015	4,788,174	1,283,103	475,920	138,177
2016	4,563,718	1,152,776	464,469	123,172
2017	4,670,161	1,022,487	397,720	109,403
2018	3,752,627	899,564	308,788	97,932
2019 – 2023	15,252,289	2,985,141	1,477,819	343,729
2024 – 2028	9,452,364	1,001,797	1,217,635	103,708
2029 – 2033	2,358,000	154,962	57,000	1,695
Totals	<u>\$ 49,839,619</u>	<u>\$ 9,979,190</u>	<u>\$ 4,859,952</u>	<u>\$ 1,073,733</u>



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **F. LONG-TERM OBLIGATIONS** (cont.)

##### **General Obligation Debt** (cont.)

###### **Advance Refundings**

On February 13, 2013 the City issued \$7,330,000 in general obligation refunding bonds with an average coupon rate of 2.84% to advance refund \$2,750,000 of outstanding 2006A bonds with an average coupon rate of 4.00%, \$2,600,000 of 2007A bonds with an average coupon rate of 4.51% and \$1,455,000 of 2007B bonds with an average coupon rate of 4.00%. The net proceeds along with existing funds of the city were used to pay debt service requirements and to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for \$2,915,000 of principal and interest payments on the series 2006A bonds, \$3,010,463 of principal and interest payments on the series 2007A bonds and \$1,542,300 of principal and interest payments on the series 2007B bonds. The City remains responsible for \$510,000 of future principal and interest payments on the 2006A bonds, \$8,917,216 of future principal and interest payments on the 2007A bonds and \$479,047 of future principal and interest payments on the 2007B bonds. As a result, portions of the 2006A, 2007A and 2007B bonds are considered to be defeased and those portions of the liabilities for those bonds have been removed from the statement of net position.

The cash flow requirements on the refunded bonds prior to the advance refunding was \$9,030,147 from 2013 through 2027. The cash flow requirements on the refunding bonds are \$8,797,869 from 2013 through 2027. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$191,750.

On February 13, 2013 the City issued \$885,000 taxable general obligation refunding bonds with an average coupon rate of 1.78% to advance refund \$795,000 of outstanding 2005C bonds with an average coupon rate of 5.08%. The net proceeds along with existing funds of the city were used to pay debt service requirements and to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for \$855,563 of future principal and interest payments on the series 2005C bonds. The City remains responsible for \$92,183 of future principal and interest payments on the 2005C bonds. As a result, a portion of the 2005C bonds is considered to be defeased and that portion of the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded bonds prior to the advance refunding was \$1,023,778 from 2013 through 2021. The cash flow requirements on the refunding bonds are \$963,661 from 2013 through 2021. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$57,367.

On February 13, 2013 the water utility issued \$5,745,000 in revenue bonds with an average coupon rate of 2.35% to advance refund \$5,670,000 of outstanding 2003 bonds with an average coupon rate of 4.26%. The net proceeds along with existing funds of the city were used to pay debt service requirements and to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all of the future principal and interest payments on the series 2003 bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded bonds prior to the advance refunding were \$6,810,580 from 2013 through 2019. The cash flow requirements on the refunding bonds are \$6,360,236 from 2013 through 2019. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$418,074.

**CITY OF BELOIT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

**Current Refunding**

On June 13, 2013 the city issued \$7,735,000 in general obligation bonds with an average coupon rate of 3.06% to refund \$588,380 of outstanding 2009 state trust fund loans with an average coupon rate of 4.50%, to refund \$437,090 of outstanding 2010 state trust fund loans with an average coupon rate of 4.25%, to refund \$3,680,000 of outstanding 2010 bonds with an average coupon rate of 5.36% and \$3,008,032 for street projects and other capital projects. The net proceeds along with existing funds of the city were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding were \$5,795,147 from 2013 through 2030. The cash flow requirements on the refunding bonds are \$5,801,059 from 2013 through 2033. The current refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$3,751.

**Capital Leases**

Refer to Note IV.G.

**Other Debt Information**

Estimated payments of compensated absences and other commitments are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the City's utility system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

**Other Debt – Governmental Activities**

In May 1999, the City of Beloit and the Town of Turtle entered a Cooperative Boundary Plan. Under this plan, the City of Beloit is obligated to pay the Town of Turtle \$10,000 per year until December 31, 2020. The original amount owed was \$200,000.

	Balance 1-1-13	Increases	Decreases	Balance 12-31-13
Town of Turtle	\$ 80,000	-	\$ 10,000	\$ 70,000
Total Other Debt	\$ 80,000	-	\$ 10,000	\$ 70,000

**CITY OF BELOIT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Other Debt – Governmental Activities (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities – Other Debt	
	Principal	Interest
2014	\$ 10,000	\$ -
2015	10,000	-
2016	10,000	-
2017	10,000	-
2018	10,000	-
2019 – 2020	20,000	-
Totals	\$ 70,000	\$ -

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the responsible proprietary fund.

The water utility has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued in 2007, 2009, 2010, and 2013. Proceeds from the bonds provided financing for the water systems. The bonds are payable solely from water revenues and are payable through 2030. Annual principal and interest payments on the bonds are expected to require 63% of net revenues. The total principal and interest remaining to be paid on the bonds is \$35,837,904. Principal and interest paid for the current year and total customer net revenues were \$2,299,519 and \$3,333,529, respectively.

The stormwater utility has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued in 2010. Proceeds from the bonds provided financing for the stormwater system. The bonds are payable solely from stormwater revenues and are payable through 2030. Annual principal and interest payments on the bonds are expected to require 46% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,031,711. Principal and interest paid for the current year and total customer net revenues were \$124,813 and \$259,811, respectively.

The sewer utility has pledged future sales revenues, net of specified operating expenses, to repay a clean water fund loan issued in 2011. Proceeds from the loan provided financing for the sewer system. The loan is payable solely from sewer revenues and is payable through 2031. Annual principal and interest payments on the bonds are expected to require 29% of net revenues. The total principal and interest remaining to be paid on the loan is \$3,853,745. Principal and interest paid for the current year and total customer net revenues were \$214,531 and \$728,268, respectively.

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### Revenue Debt (cont.)

	Date of Issue	Due Date	Interest Rates	Original Indebted- Ness	Balance 12-31-13
Water Utility					
Refunding revenue bonds	1-24-07	11-1-16	4.00-4.50%	\$ 13,975,000	\$ 13,545,000
Revenue bonds	5-28-09	11-1-29	3.50-5.00	3,910,000	3,325,000
Revenue bonds	4-6-10	11-1-30	2.00-4.50	4,025,000	3,265,000
Refunding revenue bonds	2-13-13	11-1-19	2.00-3.00	5,745,000	5,665,000
Total Water Utility Revenue Debt					25,800,000
Stormwater Utility					
Revenue bonds	4-6-10	5-1-30	1.50-6.25	1,470,000	1,310,000
Total Stormwater Utility Revenue Debt					1,310,000
Total Revenue Bonds					\$ 27,110,000

Debt service requirements to maturity are as follows:

Years	Business-type Activities – Revenue Debt	
	Principal	Interest
2014	\$ 1,295,000	\$ 1,060,905
2015	1,325,000	1,029,278
2016	1,360,000	996,674
2017	1,390,000	962,690
2018	1,420,000	927,604
2019 – 2023	8,215,000	3,794,797
2024 – 2028	10,190,000	1,863,697
2029 – 2030	1,915,000	123,970
Totals	\$ 27,110,000	\$ 10,759,615

#### Clean Water Fund Loan Revenue Bond

The sewer utility has entered into a loan agreement with the Wisconsin Department of Natural Resources for a loan up to and not exceeding \$3,481,777 at a fixed rate of 2.40% to fund the cost of constructing improvements to the City's sewerage system. The loan is payable from sewer revenues and are payable through 2031. As of December 31, 2013, the City has received \$3,397,674 in loan proceeds and paid \$137,760 and \$76,771 in principal and interest, respectively, in 2013.

	Fund Retired By	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
CWFP Loan (No. 4139-05)	Sewer	\$ 3,267,644	\$ -	\$ 137,760	\$ 3,129,884	\$ 141,066

**CITY OF BELOIT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Clean Water Fund Loan Revenue Bond (cont.)**

Annual debt service requirements to maturity for the revenue bond are as follows:

Year Ending	Principal	Interest	Business-Type Activities
2014	\$ 141,066	\$ 73,424	\$ 214,490
2015	144,452	69,998	214,450
2016	147,919	66,490	214,409
2017	151,469	62,897	214,366
2018	155,104	59,218	214,322
2019 – 2023	833,177	237,742	1,070,919
2024 – 2028	938,074	131,588	1,069,662
2029 – 2031	618,623	22,504	641,127
Totals	<u>\$ 3,129,884</u>	<u>\$ 723,861</u>	<u>\$ 3,853,745</u>

**Prior-Year Defeasance of Debt**

In prior years and the current year, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2013, \$4,980,000 of bonds outstanding are considered defeased. The bonds are callable on June 1, 2016 and May 1, 2014.

**G. LEASE DISCLOSURES**

	Balance 1-1-13	Increases	Decreases	Balance 12-31-13
<b>Capital Leases</b>				
Governmental Activities (to Note IV.F.)				
Payable to component unit	\$ 20,446,434	\$ -	\$ 2,177,053	\$ 18,269,381
Other capital leases	466,990	-	38,549	428,441
Totals	<u>\$ 20,913,424</u>	<u>\$ -</u>	<u>\$ 2,215,602</u>	<u>\$ 18,697,822</u>

**Lessee – Community Development Authority**

The City, through TIF District No. 13, TIF District No. 10, TIF District No. 6, and TIF District No. 5, is obligated to make lease payments to the Community Development Authority of Beloit (CDA) to retire debt issued by the CDA for TIF purposes.

Each lease obligation is directly attributable to the underlying debt issues noted.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### G. LEASE DISCLOSURES (cont.)

##### **Lessee – Capital Asset Capital Leases**

The Lease Rental Payments are expressly limited to: (i) tax increments generated by the tax incremental district No. 13, tax incremental district No. 10, tax incremental district No. 6, and tax incremental district No. 5; (ii) special assessments, as may be levied by the City for eligible projects; (iii) proceeds from a portion of land sales as provided in the Development Agreement by and among the City, the Authority, and the Lease; and (iv) gas and electric reimbursement amounts generated by the tax incremental district No. 13, tax incremental district No. 10, tax incremental district No. 6, and tax incremental district No. 5 (the “Rental Payments”).

The future minimum lease payments are required as follows:

Calendar Year	<u>TIF No. 13</u>	<u>TIF No. 10</u>	<u>TIF No. 6</u>	<u>TIF No. 5</u>
2014	\$ 99,551	\$ 2,096,700	\$ 252,608	\$ 674,178
2015	98,365	2,157,813	244,358	679,217
2016	101,928	2,127,318	260,483	692,246
2017	100,213	2,108,124	250,976	702,944
2018	103,141	2,075,193	256,035	1,330,042
2019	100,816	2,033,865	255,438	-
2020	103,295	1,989,800	-	-
2021	105,383	758,663	-	-
2022	107,055	736,194	-	-
2023	103,433	717,313	-	-
2024	99,675	706,513	-	-
2025	95,873	689,069	-	-
2026	91,980	-	-	-
Sub-Totals	<u>1,310,708</u>	<u>18,196,565</u>	<u>1,519,898</u>	<u>4,078,627</u>
Less: Reserve funds to be applied to final principal payment	(103,507)	(1,990,789)	(134,009)	(402,323)
Less: Amount representing interest	<u>(275,706)</u>	<u>(3,506,561)</u>	<u>(179,896)</u>	<u>(243,626)</u>
Present Value of Minimum Lease Payments	<u>\$ 931,495</u>	<u>\$ 12,699,215</u>	<u>\$ 1,205,993</u>	<u>\$ 3,432,678</u>
Total TIF No. 13, TIF No. 10, TIF No. 6, and TIF No. 5				<u>\$18,269,381</u>

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### **G. LEASE DISCLOSURES** (cont.)

##### **Lessee – Other Capital Leases**

In 2008, the City entered into a lease agreement to finance a lighting improvement project; heating, ventilating, and air conditioning improvement project; and a building envelope improvement project. The total lease amount was \$640,614. Only \$394,912 of assets were capitalized and are depreciable. The remaining amount was expensed in 2007.

<b>Asset</b>	<u>Governmental Activities</u>
Building improvements	\$ 394,912
Less: Accumulated depreciation	<u>(246,820)</u>
Total	<u><u>\$ 148,092</u></u>

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2013, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Governmental Activities</u>
2014	\$ 40,166	\$ 17,965	\$ 58,131
2015	41,850	16,280	58,130
2016	43,605	14,526	58,131
2017	45,433	12,697	58,130
2018	47,338	10,792	58,130
2019 – 2022	<u>210,049</u>	<u>22,470</u>	<u>232,519</u>
	<u><u>\$ 428,441</u></u>	<u><u>\$ 94,730</u></u>	523,171
Less: Amount representing interest			<u>(94,730)</u>
Present Value of Minimum Lease Payments			<u><u>\$ 428,441</u></u>

##### **Lessee – Operating Lease**

In 2012 the City entered into a four year lease agreement for the use of golf carts. Current year principal and interest payments totaled \$26,341 and \$3,819, respectively. Future principal and interest payments as of December 31, 2013 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Business-Type Activities</u>
2014	\$ 27,006	\$ 3,154	\$ 30,160
2015	27,697	2,463	30,160
2016	28,417	1,743	30,160
2017	<u>49,452</u>	<u>318</u>	<u>49,770</u>
	<u><u>\$ 132,572</u></u>	<u><u>\$ 7,678</u></u>	<u><u>\$ 140,250</u></u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2013 includes the following:

#### **Governmental Activities**

##### Net investment in capital assets

Land	\$ 4,971,936
Other capital assets, net of accumulated depreciation	102,460,201
Less: Related long-term debt outstanding	(39,283,384)
Less: Capital leases – payable to component unit	(16,473,852)
Less: Unamortized premium on debt	(389,297)
Add: Unamortized loss on advance refunding	1,070,808
Add: Unspent capital bond proceeds	998,123
Total Net Investment in Capital Assets	<u>53,354,535</u>

##### Restricted

General debt service	2,212,595
TIF District No. 5 – economic development	88,975
TIF District No. 10 – economic development	879,553
TIF District No. 11 – economic development	262,239
TIF District No. 12 – economic development	172,994
TIF District No. 13 – economic development	1,324,759
TIF District No. 14 – economic development	152,704
Rental rehab (WRRP/HOME) grant	1,135,614
Community Development Block Grant	2,582,452
Fire – multi-year grants	29,362
DPW – multi-year grants	193,751
Community development grants	33,673
Police grants	103,342
Library operations	744,283
Cemetery perpetual care	2,059,662
Solid waste	239,483
Park activities	94,196
Total Restricted	<u>12,309,637</u>

##### Unrestricted (deficit)

(15,825,906)

##### Total Governmental Activities Net Position

\$ 49,838,266



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### H. NET POSITION/FUND BALANCES (cont.)

##### Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2013 include the following:

	General	TIF District No. 10	General Debt Service	Capital Improvements	Equipment Replacement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances</b>							
<b>Nonspendable:</b>							
Delinquent personal property taxes	\$ 42,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,142
Inventories	456,922	-	-	-	-	-	456,922
Prepaid items	32,754	-	-	-	-	-	32,754
Advances to other funds	918,000	-	-	-	-	-	918,000
Total Nonspendable	<u>1,449,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,449,818</u>
<b>Restricted for:</b>							
Debt service	-	-	2,611,569	-	-	-	2,611,569
Capital projects	-	-	-	509,670	-	-	509,670
Economic development	-	1,123,809	-	-	-	2,245,868	3,369,677
Grant programs	-	-	-	-	-	703,371	703,371
Library operations	-	-	-	-	-	744,283	744,283
Solid waste	-	-	-	-	-	239,483	239,483
Cemetery perpetual care	-	-	-	-	-	2,041,914	2,041,914
Park activities	-	-	-	94,196	-	-	94,196
Total Restricted	<u>-</u>	<u>1,123,809</u>	<u>2,611,569</u>	<u>603,866</u>	<u>-</u>	<u>5,974,919</u>	<u>10,314,163</u>
<b>Assigned to:</b>							
Capital projects	-	-	-	3,861,005	7,842,896	527,771	12,231,672
Applied to subsequent year's expenditures	626,840	-	-	-	-	-	626,840
Total Assigned	<u>626,840</u>	<u>-</u>	<u>-</u>	<u>3,861,005</u>	<u>7,842,896</u>	<u>527,771</u>	<u>12,858,512</u>
<b>Unassigned:</b>							
	<u>8,339,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,374,225)</u>	<u>3,965,486</u>
Total Fund Balances	<u>\$ 10,416,369</u>	<u>\$ 1,123,809</u>	<u>\$ 2,611,569</u>	<u>\$ 4,464,871</u>	<u>\$ 7,842,896</u>	<u>\$ 2,128,465</u>	<u>\$ 28,587,979</u>

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### H. NET POSITION/FUND BALANCES (cont.)

##### *Business-type Activities*

	Water	Sewer	Nonmajor Proprietary Funds	Totals
Net investment in capital assets				
Land	\$ 1,052,724	\$ 1,386,281	\$ 1,270,000	\$ 3,709,005
Other capital assets, net of accumulated depreciation	34,176,365	38,043,721	14,927,467	87,147,553
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(25,375,697)</u>	<u>(4,200,302)</u>	<u>(2,932,221)</u>	<u>(32,508,220)</u>
Total Net Investment in Capital Assets	<u>9,853,392</u>	<u>35,229,700</u>	<u>13,265,246</u>	<u>58,348,338</u>
Construction account	354,039	-	-	354,039
Redemption account	383,039	104,911	44,466	532,416
Replacement account	-	2,731,400	-	2,731,400
Reserve account	2,308,650	-	126,444	2,435,094
Less: Restricted assets not funded by revenues	<u>(2,662,689)</u>	<u>-</u>	<u>-</u>	<u>(2,662,689)</u>
Less: Current liabilities payable from restricted assets	<u>(165,369)</u>	<u>(12,520)</u>	<u>(17,380)</u>	<u>(195,269)</u>
Total Restricted Net Position	<u>217,670</u>	<u>2,823,791</u>	<u>153,530</u>	<u>3,194,991</u>
Unrestricted	<u>2,376,188</u>	<u>7,607,244</u>	<u>106,254</u>	<u>10,089,686</u>
Total Enterprise Funds Net Position	<u>\$ 12,447,250</u>	<u>\$ 45,660,735</u>	<u>\$ 13,525,030</u>	
Add: Portion of internal service funds net position allocated to business-type activities				<u>99,068</u>
Total Business-type Activities Net Position				<u>\$ 71,732,083</u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### **I. COMPONENT UNITS**

This report contains the City of Beloit Community Development Authority (“CDA”), the Beloit Apartments Redevelopment – Phase 1 and 2, LLC’s, component units of the CDA, and the Beloit Public Library Foundation, Inc. (“foundation”) which are included as component units. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

#### **Community Development Authority – Primary Government**

a. Basis of Accounting/Measurement Focus

The CDA prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and flow of economic resources measurement focus.

b. Cash and Investments

The CDA's cash and investments (not including its component units) at year end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Demand deposits	\$ 881,902	\$ 926,059	Custodial credit risk
Mutual fund (U.S. agencies)	2,630,621	2,630,621	Credit risk, interest rate risk
Total Cash and Investments	\$ 3,512,523	\$ 3,556,680	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 881,902		
Restricted cash and investments	2,630,621		
Total Cash and Investments	\$ 3,512,523		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### **I. COMPONENT UNITS** (cont.)

##### **Community Development Authority – Primary Government** (cont.)

#### b. Cash and Investments (cont.)

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in calculating custodial credit risk.

Although the CDA has an investment policy, it does not discuss any of the risks below.

#### **Custodial Credit Risk**

For deposits, custodial credit risk is the risk that in the event of a financial institution failure, the CDA's deposits may not be returned to the CDA.

As of December 31, 2013, \$426,059 of the CDA's total bank balances of \$926,059 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 426,059</u>
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#### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2013, the CDA's investments were rated as follows:

Investment Type	Moody's Investor Service
Mutual Fund – U.S. Agencies	AAA

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2013, the CDA's investments were as follows:

Investment Type	Fair Value	Maturity (In months) Less than 1 month
Mutual Fund – U.S. Agencies	<u>\$ 2,630,621</u>	<u>\$ 2,630,621</u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### I. COMPONENT UNITS (cont.)

##### Community Development Authority – Primary Government (cont.)

#### c. Restricted Assets

Restricted assets at December 31, 2013, consist of the following:

Cash and cash equivalents – bond redemption and construction accounts	<u>\$ 2,630,621</u>
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#### d. Capital Assets

The useful life assigned to buildings is 40 years. Machinery and equipment are assigned useful lives ranging from 5-10 years. The change in capital assets for 2013 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 414,539	\$ -	\$ -	\$ 414,539
Capital assets being depreciated				
Buildings	914,147	5,995	84,953	835,189
Furniture, equipment, and machinery-dwellings	46,963	-	558	46,405
Furniture, equipment, and machine-administrative	175,878	3,027	11,708	167,197
Total Capital Assets Being Depreciated	1,136,988	9,022	97,219	1,048,791
Less: Accumulated Depreciation	(641,983)	(29,800)	53,018	(618,765)
Total Capital Assets, Net of Depreciation	\$ 909,544			\$ 844,565

#### e. Long-Term Obligations

##### Lease Revenue Bonds

The CDA has pledged future revenues from the City of Beloit resulting from TIF increments to repay \$20.9 million in lease revenue bonds issued between 2007-2012. Proceeds from the bonds provided financing for infrastructure improvements and other TIF district investments. The bonds are payable solely from TIF increment revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 100% of TIF increment lease payments. The total principal and interest remaining to be paid on the bonds is \$25,105,789. Principal and interest paid for the current year and total pledged revenues were both \$3,131,191.

The following is a summary of the lease revenue bond transactions for the year ended December 31, 2013.

	Balance 1-1-13	Increases	Decreases	Balance 12-31-13
Lease revenue bonds	\$ 23,150,000	\$ -	\$ 2,250,000	\$ 20,900,000

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

##### *I. COMPONENT UNITS* (cont.)

##### *Community Development Authority – Primary Government* (cont.)

##### e. Long-Term Obligations (cont.)

##### *Lease Revenue Bonds* (cont.)

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebted- Ness	Balance 12-31-13
2007A Lease Revenue Refunding Bonds	02-21-07	03-01-20	3.50-4.20%	\$ 8,915,000	\$ 7,560,000
2007B Lease Revenue Bonds	07-12-07	06-01-19	3.70-4.35%	2,015,000	1,340,000
2008A Lease Revenue Refunding Bonds	06-19-08	03-01-25	4.00-6.75%	2,640,000	2,305,000
2008B Lease Revenue Refunding Bonds	08-29-08	03-01-14	4.15-5.30%	3,010,000	535,000
2009A Lease Revenue Bonds	07-01-09	03-01-25	1.30-5.00%	5,340,000	4,290,000
2011A Lease Revenue Bonds	06-27-11	06-01-18	1.00-3.05%	3,175,000	2,315,000
2011B Lease Revenue Bonds	06-27-11	06-01-26	2.90-4.40%	1,165,000	1,035,000
2012A Lease Revenue Bonds	06-21-12	06-01-18	0.80-1.82%	1,665,000	<u>1,520,000</u>
Totals					<u>\$ 20,900,000</u>

Debt service requirements to maturity are as follows:

Calendar Year	Principal	Interest	Totals
2014	\$ 2,320,000	\$ 803,037	\$ 3,123,037
2015	2,460,000	719,752	3,179,752
2016	2,550,000	631,973	3,181,973
2017	2,625,000	537,257	3,162,257
2018	3,335,000	429,410	3,764,410
2019	2,065,000	325,119	2,390,119
2020	1,855,000	238,095	2,093,095
2021	685,000	179,045	864,045
2022	700,000	143,249	843,249
2023	715,000	105,745	820,745
2024	740,000	66,187	806,187
2025	760,000	24,940	784,940
2026	90,000	1,980	91,980
Totals	<u>\$ 20,900,000</u>	<u>\$ 4,205,789</u>	<u>\$ 25,105,789</u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### *I. COMPONENT UNITS* (cont.)

##### *Community Development Authority – Primary Government* (cont.)

e. Long-Term Obligations (cont.)

There were no current or advance refundings in 2013.

f. Employee Retirement System

All eligible authority employees participate in the Wisconsin Retirement System (“system”), a cost-sharing defined benefit multiple-employer public employee retirement system (PERS). All authority employees are considered to be City employees. Refer to Note V.A. for details.

g. Lease Disclosures

Refer to Note IV.G.

h. Net Position

Net position at December 31, 2013 includes the following:

Net investment in capital assets	
Land	\$ 414,539
Other capital assets, net of accumulated depreciation	<u>430,026</u>
Total Net Investment in Capital Assets	<u>844,565</u>
Restricted	
Members’ Equity	11,826,566
Section 8 Rental Voucher Program	549,947
Low Rent Public Housing	<u>5,097,023</u>
Total Restricted	<u>17,473,536</u>
Unrestricted	<u>211,433</u>
Total Net Position	<u>\$ 18,529,534</u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **I. COMPONENT UNITS (cont.)**

##### ***Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC***

#### a. Nature of Business and Significant Accounting Policies

##### **Nature of Business**

Beloit Apartments Redevelopment – Phase 1, LLC (the company) was organized on January 14, 2009, as a limited liability company (LLC) formed under the Wisconsin Limited Liability Company Act (the Act). The company was formed to acquire, rehabilitate, and operate a 39 building, 65-unit duplex and single family home complex located on scattered sites in Beloit, Wisconsin, called Beloit Apartments Redevelopment, Phase 1 (the project). The project qualifies for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code (IRC). The original property, including the buildings and land, was acquired under a capital lease dated September 22, 2010. The company completed the rehabilitation of 14 units on various dates in December 2010 and completed the rehabilitation of the remaining 51 units on various dates from January through July of 2011.

The company consists of one managing member and three investor members, with rights, preferences, and privileges as described in the Amended and Restated Operating Agreement (operating agreement). Each member's liability for the debts and obligations of the company shall be limited to the maximum extent permitted by the Act and other applicable laws.

The company's income tax filings are subject to audit by various taxing authorities. Open periods subject to audit for federal and Wisconsin purposes are generally the previous three and four years of tax returns filed, respectively. There were no interest or penalties recorded for the period ended December 31, 2013.

The company shall be operated in a manner consistent with its treatment as a partnership for federal and state income tax purposes. Therefore, the accompanying financial statements do not include the personal or corporate assets and liabilities of the members, their obligation for income taxes on their distributive shares of the net income of the company or their rights to refunds on its net loss, nor any provision for income tax expense.

The operating agreement states that the company shall be perpetual unless sooner terminated in accordance with the operating agreement.

##### **Significant Accounting Policies**

A summary of significant accounting policies follows:

##### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **I. COMPONENT UNITS** (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC** (cont.)

#### a. Nature of Business and Significant Accounting Policies (cont.)

##### **Significant Accounting Policies** (cont.)

###### **Cash and Cash Equivalents**

For purposes of reporting cash flows, the company considers all investments purchased with a maturity of three months or less to be cash equivalents, with the exception of cash not available to the project due to restrictions placed on it.

###### **Accounts Receivable and Revenue Recognition**

The company utilizes the direct write-off method of accounting for bad debts. The use of this method has no material effect on the financial statements. A receivable is considered past due if payments have not been received by the company for 10 days. Accounts are generally written off as uncollectible if no payments are received after 30 days. No fee is charged to customers for late payment.

Rental revenue is recognized when earned. The company leases apartments to eligible applicants under operating leases which are substantially all on a yearly basis.

###### **Rental Property**

Rental property is stated at cost. Depreciation of rental property is computed on the straight-line method based upon the following estimated useful lives of the assets:

	<u>Years</u>
Land and buildings under capital lease	98
Building improvements	40
Land improvements	15
Furnishings and equipment	5

Maintenance and repairs of rental property and equipment are charged to operations, and major improvements are capitalized. Upon retirement, sale, or other disposition of rental property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

It is the company's policy to include amortization expense on assets acquired under capital leases with depreciation expense on owned assets.

###### **Impairment of Long-Lived Assets**

The company reviews long-lived assets, including rental property and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **I. COMPONENT UNITS** (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC** (cont.)

- a. Nature of Business and Significant Accounting Policies (cont.)

##### **Significant Accounting Policies** (cont.)

###### **Financing Costs**

Financing costs incurred by the company totaled \$15,000. The company is amortizing these costs into interest expense on the straight-line method over 39 years and 9 months, the life of the loans. The use of the straight-line method rather than the effective interest method has no material effect on the financial statements.

Amortized costs included in interest expense amounted to \$377 for the year ended December 31, 2013.

###### **Tax Credit Fees**

In connection with obtaining an allocation of low-income housing tax credits, the company paid fees totaling \$114,034 to the Wisconsin Housing and Economic Development Authority (WHEDA). The company is amortizing these fees over the related tax credit compliance period of 15 years using the straight-line method.

###### **Unearned Revenue**

Governmental agencies have provided grant funding to the company to encourage the development of affordable housing. The company received funds under the Tax Credit Exchange Program (TCEP) (See Note I.h. in this section). The unearned revenue relating to this grant is recognized as other income in the statement of operations (shown as amortization of unearned revenue) under the straight-line method over the estimated useful lives of the underlying assets purchased or constructed.

###### **Current Vulnerability Due to Certain Concentrations**

The project's operations are concentrated in the low-income, public housing residential real estate market. In addition, the project operates in a heavily regulated environment. The operations of the project are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies including, but not limited to, the Community Development Authority of the City of Beloit (CDA) under the Regulatory & Operating Agreement (R&O Agreement). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the CDA. Such changes may occur with little or inadequate funding to pay for the related cost, including additional administrative burden to comply with a change.

###### **Subsequent Events**

These financial statements have not been updated for subsequent events occurring after March 13, 2014, which is the date these financial statements were available to be issued. The company has no responsibility to update these financial statements for events and circumstances occurring after this date.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC (cont.)**

#### b. Restricted Cash

Restricted cash is comprised of the following:

Replacement reserve	\$	60,289
Operating reserve		100,095
Tenants' security deposits		33,350
Rent-up reserve		<u>45,022</u>
Total	\$	<u>238,756</u>

#### **Replacement Reserve**

The operating agreement and R&O Agreement require the company to make monthly deposits to the replacement reserve initially equal to \$300 per unit per year, and increasing annually by 3%. Disbursements are restricted to capital improvements and repairs of the project. Disbursements in excess of \$5,000 or 10% of the balance in the reserve at such time will require written approval of the investor members. Any funds remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement.

Balance, beginning	\$	-
Monthly deposits		60,273
Interest earned		<u>16</u>
Balance, Ending	\$	<u>60,289</u>

#### **Operating Reserve**

The R&O Agreement and the operating agreement require the company to fund and maintain an operating reserve in the amount of \$100,000, commencing on the placed in service date. The operating reserve shall be funded before any payment of fees or other payments to the managing member and its affiliates. To the extent funds in the reserve fall below the initial deposit, the managing member must replenish the reserve from available cash flow as defined in the operating agreement. Disbursements in excess of \$10,000 or 10% of the then balance of the reserve require written approval from the investor members.

Balance, beginning	\$	-
Monthly deposits		100,000
Interest earned		<u>95</u>
Balance, Ending	\$	<u>100,095</u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

**I. COMPONENT UNITS** (cont.)

**Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC** (cont.)

b. Restricted Cash (cont.)

**Rent-up Reserve**

The operating agreement requires the managing member to establish a rent-up reserve in the amount of \$45,000. The funds shall be used to pay for costs incurred during the initial lease-up period. Any funds remaining after the initial lease up period is completed shall be deposited in the operating reserve.

Balance, beginning	\$	-
Monthly deposits		45,000
Interest earned		<u>22</u>
Balance, Ending	\$	<u><u>45,022</u></u>

c. Rental Property, Net

Rental property, net is comprised of the following:

Land	\$	11,349
Land and buildings under capital lease		1,950,000
Building improvements		8,382,243
Land improvements		164,412
Furnishings and equipment		<u>260,764</u>
		10,768,768
Less: Accumulated depreciation		<u>815,673</u>
Total	\$	<u><u>9,953,095</u></u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### *I. COMPONENT UNITS* (cont.)

#### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC** (cont.)

d. Mortgage and Other Notes Payable

Mortgage and other notes payable consists of the following:

BMO Harris Bank (BMO), investor member, (construction loan); interest at a variable rate based on the LIBOR Rate plus 4.0%, but no less than 5.5%; due March 22, 2012; guaranteed by the CDA; collateralized by assignment of interest under the capital lease agreement; interest expense totaled \$828 for the year ended December 31, 2013; accrued interest was \$0 as of December 31, 2013.	\$ -
CDA; managing member; non-recourse mortgage note payable under the capital lease described in Note I.e.; due in one installment on September 21, 2050, together with interest at 4.47% compounded annually; collateralized by a mortgage on the project's rental property; interest expense totaled \$96,369 for the year ended December 31, 2013; accrued interest was \$302,116 as of December 31, 2013.	1,950,000
CDA; non-recourse mortgage note in the original amount of \$500,000; non-interest bearing; due in one installment on September 21, 2040; collateralized by a mortgage on the project's rental property.	500,000
CDA; non-recourse mortgage note in the original amount of \$619,253; non-interest bearing; due in one installment on September 21, 2040; collateralized by a mortgage on the project's rental property.	430,559
CDA; non-recourse mortgage note in the original amount of \$350,000; due in one installment on September 23, 2040, together with interest at 4.0% compounded annually; collateralized by a security interest on the project's rental property; interest expense totaled \$14,467 for the year ended December 31, 2013; accrued interest was \$26,134 as of December 31, 2013.	350,000
City of Beloit; non-recourse mortgage note in the original amount of \$170,639; non-interest bearing; principal due in one installment on September 21, 2040; collateralized by a mortgage on the project's rental property; the mortgage note was not funded as of December 31, 2013.	-
Total	\$ 3,230,559

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC (cont.)**

#### d. Mortgage and Other Notes Payable (cont.)

Repayment of principal on the mortgage and other notes payable as of December 31, 2013, is as follows:

##### Year Ending December 31,

2014	\$	-
2015		-
2016		-
2017		-
2018		-
Thereafter		<u>3,230,559</u>
Total	\$	<u>3,230,559</u>

#### e. Capital Lease

The company has entered into a capital lease agreement with the CDA dated September 22, 2010, to operate and manage the project during the term of the capital lease in accordance with all applicable public housing requirements. Rental property recorded under this non-cancellable capital lease consists of:

Land	\$	409,500
Buildings		<u>1,540,500</u>
Total	\$	<u>1,950,000</u>

In accordance with accounting principles generally accepted in the United States of America, the land and building are capitalized as a single unit and amortized over the lease term of 98 years. Accumulated depreciation on the land and buildings under the capital lease was \$64,668 as of December 31, 2013.

Base rent under the lease was payable in a single installment of \$1,950,000 on September 22, 2010. The balance of unpaid base rent accrues interest at 4.47%, compounded annually (see Note I.d. in this section). Payments made by the company shall be applied first to accrued interest and then against the unpaid base rent amount. The base rent and all accrued interest thereon is due September 21, 2050. The capital lease obligation is secured by a mortgage note as described in Note I.d. The lease expires September 21, 2108.

In addition to the base rent and related interest payments, the company is obligated to make an annual payment in lieu of taxes (PILOT) to the City of Beloit (see Note I.g. in this section).

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **I. COMPONENT UNITS** (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC** (cont.)

#### f. Members' Capital Contributions

The company has one managing member, the CDA, which has a .01% interest, and three investor members, BMO, First National Bank and Trust Company (FNB), and Blackhawk State Bank (BSB) which have 19.998%, 39.996%, and 39.996% interests, respectively.

The CDA is required to make capital contributions of \$100,000. Of this amount, there have been no contributions made as of December 31, 2013. The investor members are required to make capital contributions totaling \$6,439,817. All contributions were made as of December 31, 2013.

During 2013, the managing member made contributions of rental property in the amount of \$71,232.

#### g. Related Party Transactions

##### **Development Fee**

The company has entered into a development agreement with the CDA (developer). The agreement provides for the payment of a development fee of \$1,026,632. The entire fee has been capitalized into building costs. The development fee will be paid from proceeds of mortgage notes and capital contributions. Development fee payable was \$0 as of December 31, 2013.

##### **Accounts Payable**

Included in accounts payable are amounts owed to the CDA for reimbursement of operating expenses totaling \$77,855 as of December 31, 2013.

##### **Property Management Agreement**

The company has entered into a property management agreement with the CDA under which the company is obligated to pay a property management fee equal to 5% of gross residential rents on a monthly basis. The agreement is automatically renewed from year to year unless otherwise terminated. Property management fees totaled \$1,460 for the period ended December 31, 2013.

##### **Asset Management Fee**

The company is obligated to pay BMO an annual asset management fee of \$3,250. The fee is payable solely from cash flow as defined in the operating agreement, is cumulative, and accrues interest at the Prime Rate plus 3%.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **I. COMPONENT UNITS** (cont.)

##### ***Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC*** (cont.)

#### g. Related Party Transactions (cont.)

##### **PILOT**

The company and the CDA entered into a PILOT agreement with the City of Beloit, Wisconsin (the City), under which the company will make an annual PILOT payment to the City beginning in 2010 and ending in the final calendar year of the project's compliance period (2025). The PILOT shall be equal to 10% of the difference between the annual tenant's portion of the collected rents for all of the residential rental units in the buildings and the annual utility bills incurred by the company with respect to the project. The PILOT is required for as long as the land and building under capital lease constitutes property of the CDA that is exempt from taxation under the Wisconsin Statutes.

##### **Operating Deficit Guaranty**

The managing member is obligated, after all funds in the operating reserve account have been depleted, to fund operating deficits during the operating deficit guaranty period. The operating deficit guaranty period is defined as the period beginning with the date of achievement of breakeven operations and ending on the later of the third anniversary of the date of achievement of breakeven operations or when the project has maintained the operating reserve target amount of \$100,000 during the compliance period and the project has made all required deposits to the replacement reserve. The obligation to fund operating deficits shall be limited to \$145,000. Such loans are non-interest bearing and repayable solely from available cash flow as defined in the operating agreement. There was no operating deficit loans as of December 31, 2013.

##### **R&O Agreement**

The company has entered into an R&O Agreement with the CDA. Provisions of the agreement require the company to maintain all units as public housing units. The CDA is to pay operating subsidies to the company equal to the project expenses less project income. The agreement will expire upon the earliest to occur of the expiration of 40 years from the date of first occupancy (December 2050) or at the option of the project at the close of the first project year of which the CDA ceases to pay operating subsidies. Operating subsidies totaling \$204,408 were earned during the period ended December 31, 2013. Included in accounts receivable are operating subsidies of \$12,566 as of December 31, 2013.



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **I. COMPONENT UNITS** (cont.)

##### ***Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 1, LLC*** (cont.)

#### h. Commitments and Contingencies

##### **Land Use Restriction Agreement (LURA)**

The company has entered into a LURA with the Wisconsin Housing and Economic Development Authority (WHEDA) as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, the company must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the company fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits, and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member's. The company is obligated to certify tenant eligibility.

##### **Tax Credit Exchange Program (TCEP)**

The company has entered into a TCEP Subaward Agreement (Subaward Agreement) with WHEDA. Under the Subaward Agreement, the company was awarded and received grant funds totaling \$1,345,125, pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009. If the company fails to continuously comply with the guidelines of the Subaward Agreement, it may be required to refund up to the full amount of the grant funds received and reimburse WHEDA for the costs and fees incurred in connection with the recapture event. As a condition to making the Subaward Agreement, WHEDA required the owner to enter into a corporate guarantee. The Subaward Agreement terminates at the expiration of the low-income housing tax credit compliance period.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### *I. COMPONENT UNITS* (cont.)

##### ***Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC***

#### a. Nature of Business and Significant Accounting Policies

##### **Nature of Business**

Beloit Apartments Redevelopment – Phase 2, LLC (the company) was organized on March 5, 2010, as a limited liability company (LLC) formed under the Wisconsin Limited Liability Company Act (the Act). The company was formed to acquire, rehabilitate, develop, and operate a 66-unit project comprised of 41 elderly and 25 family residential units, located on scattered sites in Beloit, Wisconsin, called Beloit Apartments Redevelopment – Phase 2, LLC (the project). The project qualifies for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code (IRC). The original property, including the buildings and land, was acquired under a capital lease dated October 14, 2011. The company completed the rehabilitation of the existing structures on various dates from January through May of 2012. The new construction portion of the projects was placed in service on various dates in August and December 2012.

The company consists of one managing member and one investor member, with rights, preferences and privileges as described in the Amended and Restated Operating Agreement (operating agreement). Each member's liability for the debts and obligations of the company shall be limited to the maximum extent permitted by the Act and other applicable laws.

The company's income tax filings are subject to audit by various taxing authorities. Open periods subject to audit for federal and Wisconsin purposes are generally the previous three and four years of tax returns filed, respectively. There were no interest or penalties recorded for the period ended December 31, 2013.

The company shall be operated in a manner consistent with its treatment as a partnership for federal and state income tax purposes. Therefore, the accompanying financial statements do not include the personal or corporate assets and liabilities of the members, their obligation for income taxes on their distributive shares of the net income of the company or their rights to refunds on its net loss, nor any provision for income tax expense.

The operating agreement states that the company shall be perpetual unless sooner terminated in accordance with the operating agreement.

##### **Significant Accounting Policies**

A summary of significant accounting policies follows:

##### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **I. COMPONENT UNITS** (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC** (cont.)

#### a. Nature of Business and Significant Accounting Policies (cont.)

##### **Significant Accounting Policies** (cont.)

###### **Cash and Cash Equivalents**

For purposes of reporting cash flows, the company considers all investments purchased with a maturity of three months or less to be cash equivalents, with the exception of cash not available to the company due to restrictions placed on it.

###### **Accounts Receivable and Revenue Recognition**

The company utilizes the direct write-off method of accounting for bad debts. The use of this method has no material effect on the financial statements. A receivable is considered past due if payments have not been received by the company for 10 days. Accounts are generally written off as uncollectible if no payments are received after 30 days. No fee is charged to customers for late payment.

Rental revenue is recognized when earned. The company leases apartments to eligible applicants under operating leases which are substantially all on a yearly basis.

###### **Rental Property**

Rental property is stated at cost. Depreciation of rental property is computed on the straight-line method based upon the following estimated useful lives of the assets:

	<u>Years</u>
Land and buildings under capital lease	98
Buildings and improvements	27.5
Land improvements	15
Furnishings and equipment	5

Maintenance and repairs of rental property and equipment are charged to operations, and major improvements are capitalized. Upon retirement, sale, or other disposition of rental property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

It is the company's policy to include amortization expense on assets acquired under capital leases with depreciation expense on owned assets.

###### **Impairment of Long-Lived Assets**

The company reviews long-lived assets, including rental property and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### I. COMPONENT UNITS (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC (cont.)**

#### a. Nature of Business and Significant Accounting Policies (cont.)

##### **Significant Accounting Policies (cont.)**

###### **Financing Costs**

Financing costs incurred by the company totaled \$12,000. The company is amortizing these costs into interest expense on the straight-line method over 39 years and 9 months, the life of the loans. The use of the straight-line method rather than the effective interest method has no material effect on the financial statements. Amortized costs included in interest expense amounted to \$302 for the period ended December 31, 2013.

###### **Tax Credit Fees**

In connection with obtaining an allocation of low-income housing tax credits from the Wisconsin Housing and Economic Authority (WHEDA), the company incurred fees totaling \$128,263. The company is amortizing these fees over the related tax credit compliance period of 15 years using the straight-line method.

###### **Current Vulnerability Due to Certain Concentrations**

The project's operations are concentrated in the low-income, public housing residential real estate market. In addition, the project operates in a heavily regulated environment. The operations of the project are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies including, but not limited to, the Community Development Authority of the City of Beloit (CDA) under the Regulatory & Operating Agreement (R&O Agreement). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the CDA. Such changes may occur with little or inadequate funding to pay for the related cost, including additional administrative burden to comply with a change.

###### **Subsequent Events**

These financial statements have not been updated for subsequent events occurring after March 17, 2014, which is the date these financial statements were available to be issued. The company has no responsibility to update these financial statements for events and circumstances occurring after this date.

#### b. Restricted Cash

Restricted cash is comprised of the following:

Replacement reserve	\$	25,348
Operating reserve		190,127
ACC reserve		280,186
Tenants' security deposits		23,969
Total	\$	<u>519,630</u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### I. COMPONENT UNITS (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC (cont.)**

#### b. Restricted Cash (cont.)

##### **Replacement Reserve**

The operating agreement and R&O Agreement require the company to make monthly deposits to the replacement reserve initially equal to \$300 per unit per year, and increasing annually by 3%. Disbursements are restricted to capital improvements and repairs of the project. Disbursements in excess of \$5,000 in the aggregate in any given month will require written approval of the managing member and the asset manager. Any funds remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement.

Balance, beginning	\$	-
Monthly deposits		25,344
Interest earned		<u>4</u>
Balance, Ending	\$	<u>25,348</u>

##### **Operating Reserve**

The R&O Agreement and the operating agreement require the company to fund and maintain an operating reserve in the amount of \$190,000 upon receipt of the investor member's third installment of project equity. Any excess amount remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement, subject to consent by any lender or the United States Department of Housing and Urban Development (HUD). If the balance in the operating reserve falls below \$190,000, the company is obligated to replenish the operating reserve from cash flow or the proceeds of sales or refinancing. Disbursements require the approval of the managing member and the asset manager.

Balance, beginning	\$	-
Monthly deposits		190,000
Interest earned		<u>127</u>
Balance, Ending	\$	<u>190,127</u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### *I. COMPONENT UNITS* (cont.)

#### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC** (cont.)

##### b. Restricted Cash (cont.)

#### **Annual Contributions Contract (ACC) Reserve**

The operating agreement and R & O Agreement require the company to fund an ACC reserve equal to \$280,000 upon the receipt of the investor member's third installment of project equity. Disbursements are to be used to pay operating and debt service deficits that directly result from the reduction or loss of a reduction in the projected HUD mixed finance subsidies. Funds may only be withdrawn with the approval of the managing member and asset manager. Any funds remaining at the end of the compliance period shall, subject to any required lender or HUD consent, be distributed to the members as provided for in the operating agreement.

Balance, beginning	\$	-
Monthly deposits		280,000
Interest earned		<u>186</u>
Balance, Ending	\$	<u><u>280,186</u></u>

##### c. Rental Property, Net

Rental property, net is comprised of the following:

Land	\$	175,397
Land and buildings under capital lease		1,410,000
Buildings and improvements		9,214,904
Land improvements		397,055
Furnishings and equipment		<u>309,631</u>
		11,506,987
Less: Accumulated depreciation		<u><u>558,326</u></u>
Total	\$	<u><u>10,948,661</u></u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### I. COMPONENT UNITS (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC (cont.)**

d. Mortgage and Other Notes Payable

Mortgage and other notes payable consists of the following:

Wisconsin Bank & Trust (construction loan); interest at a variable rate based on the Prime Rate plus 1.0%, but no less than 5.25%; due October 14, 2013; guaranteed by the CDA; collateralized by a mortgage under the capital lease agreement; subject to a prepayment penalty if repayment is financed through another financial institution; paid in full during 2013.	\$ -
CDA; managing member; non-recourse mortgage note payable under the capital lease described in Note I.e.; due in one installment on October 13, 2051, together with interest at 4.19% compounded annually; collateralized by a mortgage on the project's rental property; interest expense totaled \$62,107 for the year ended December 31, 2013; accrued interest was \$134,340 as of December 31, 2013.	1,410,000
CDA; non-recourse mortgage note in the original amount of \$230,074; due in one installment on October 13, 2051, together with interest at 0.50%; collateralized by a mortgage on the project's rental property; interest expense totaled \$767 for the year ended December 31, 2013; accrued interest was \$767 as of December 31, 2013.	230,074
CDA; non-recourse mortgage note in the original amount of \$256,500; due in one installment on October 13, 2051, together with interest at 0.50%; collateralized by a mortgage on the project's rental property; interest expense totaled \$1,176 for the year ended December 31, 2013; accrued interest was \$1,176 as of December 31, 2013.	256,500
CDA; non-recourse mortgage note in the original amount of \$540,000; non-interest bearing; due in one installment on October 13, 2051, collateralized by a mortgage on the project's rental property.	540,000
CDA; non-recourse mortgage note in the original amount of \$600,000; principal due in one installment on October 13, 2051, together with interest at 0.50%; collateralized by a mortgage on the project's rental property; interest expense totaled \$1,333 for the year ended December 31, 2013; accrued interest was \$1,333, as of December 31, 2013.	474,260
Total	<u>\$ 2,910,834</u>

Interest capitalized into building costs amounted to \$0 for the period ended December 31, 2013.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC (cont.)**

#### d. Mortgage and Other Notes Payable (cont.)

Repayment of principal on the mortgage and other notes payable as of December 31, 2013, is as follows:

##### Year Ending December 31,

2014	\$	-
2015		-
2016		-
2017		-
2018		-
Thereafter		<u>2,910,834</u>
Total	\$	<u>2,910,834</u>

Interest capitalized into building costs amounted to \$136,251 for the period ended December 31, 2013.

#### e. Capital Lease

The company has entered into a capital lease agreement with the CDA dated October 14, 2011, to operate and manage the project during the term of the capital lease in accordance with all applicable public housing requirements. Rental property recorded under this non-cancellable capital lease consists of:

Land	\$	770,000
Buildings		<u>640,000</u>
Total	\$	<u>1,410,000</u>

In accordance with accounting principles generally accepted in the United States of America, the land and building are capitalized as a single unit and amortized over the lease term of 98 years. Accumulated depreciation on the land and building under the capital lease was \$32,373 as of December 31, 2013.

Base rent under the lease was payable in a single installment of \$1,410,000 on October 14, 2011. The balance of unpaid base rent accrues interest at 4.19%, compounded annually (see Note I.d. in this section). Payments made by the company shall be applied first to accrued interest and then against the unpaid base rent amount. The base rent and all accrued interest thereon is due October 13, 2051. The capital lease obligation is secured by a mortgage note as described in Note I.d. The lease expires October 13, 2109.

In addition to the base rent and related interest payments, the company is obligated to make an annual payment in lieu of taxes (PILOT) to the City of Beloit, Wisconsin (the City) (see Note I.g. in this section).



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **I. COMPONENT UNITS** (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC** (cont.)

#### f. Members' Capital Contributions

The company has one managing member, the CDA, which has a .01% interest, and one investor member, NEF Assignment Corporation (NEF), as nominee, which has a 99.99% interest. The CDA is required to make capital contributions of \$100. All contributions were made as of December 31, 2013. NEF is required to make capital contributions totaling \$9,441,409. All contributions were made as of December 31, 2013.

Contributions are subject to adjustment depending on certain conditions being met, primarily conditions relating to the amount of low-income housing tax credits the company is able to obtain.

During 2013, the managing member made contributions of rental property in the amount of \$7,991.

#### g. Related Party Transactions

##### **Development Fee**

The company has entered into a development agreement with the CDA (developer). The agreement provides for the payment of a development fee of \$1,140,900. It is anticipated that the development fee will be paid from proceeds of mortgage notes and capital contributions. Development fee earned and capitalized into building costs totaled \$1,140,900. Development fee payable was \$0 as of December 31, 2013.

##### **Construction Payable**

Included in construction payable are amounts owed to the CDA for reimbursement of construction costs totaling \$0 as of December 31, 2013.

##### **Accounts Payable**

Included in accounts payable are amounts owed to the CDA for reimbursement of operating expenses totaling \$10,052 as of December 31, 2013.

##### **Property Management Agreement**

The company has entered into a property management agreement with the CDA under which the company is now obligated to pay a property management fee equal to 5% of gross residential rents and ACC operating subsidy received on a monthly basis. The agreement is automatically renewed from year to year unless otherwise terminated. Property management fees totaled \$10,725 for the period ended December 31, 2013.

##### **Asset Management Fee**

The company is obligated to pay an affiliate of the investor member, NEF Community Investments, Inc., an annual asset management fee of \$6,600, increasing annually by 3%. The fee shall begin accruing as of the placed in service date of the final building (December 12, 2012). The fee is payable solely from cash flow as defined in the operating agreement and shall be cumulative and accrued if not paid. Asset management fees incurred were \$6,798 for the period ended December 31, 2013. Asset management fees accrued and included in accrued expenses were \$7,142 as of December 31, 2013.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### **Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC (cont.)**

#### g. Related Party Transactions (cont.)

##### **Development Completion Guaranty**

Under terms of the operating agreement, the managing member is obligated to complete the required rehabilitation of the project. In the event the company lacks sufficient funds from the member capital contributions and proceeds from the construction and permanent mortgages to pay for the rehabilitation costs, the managing member is obligated to provide such funds to the company in the form of capital contributions or an unsecured loan. The managing member is also required to fund any operating deficits until the project achieves stabilized occupancy. Any loans under this agreement shall not bear interest and shall be payable in accordance with the operating agreement. There was no development completion guaranty loan as of December 31, 2013.

##### **Operating Deficit Guaranty**

The managing member is obligated, after all funds in the operating reserve account have been depleted, to fund operating deficits during the operating deficit guaranty period. The operating deficit guaranty period is defined as the period beginning with the date of achievement of stabilized occupancy and ending on after achievement of 36 consecutive months with an expense coverage ratio of 1.00 or better commencing on or after the second anniversary of the later of the achievement of stabilized occupancy or repayment in full of the construction loan. The obligation to fund operating deficits shall be limited to \$190,000. Such loans are non-interest bearing and repayable solely from available cash flow as defined in the operating agreement. There was no operating deficit guaranty loans as of December 31, 2013.

##### **R&O Agreement**

The company has entered into an R&O Agreement with the CDA. Provisions of the agreement require the company to maintain all units as public housing units. The CDA is to pay operating subsidies to the company equal to the project expenses less project income. The agreement will expire upon the earliest to occur of the expiration of 40 years from the date of first occupancy or at the option of the project at the close of the first project year of which the CDA ceases to pay operating subsidies. Operating subsidies totaling \$165,398 were earned during the period ended December 31, 2013. Included in accounts receivables are operating subsidies receivable of \$25,060 as of December 31, 2013.

##### **PILOT**

The company and the CDA entered into a PILOT agreement with the City, in which the company will make an annual PILOT payment to the City beginning in 2011 and ending in the final calendar year of the project's compliance period (2026). The PILOT shall be equal to 10% of the difference between the annual tenant's portion of the collected rents for all of the residential rental units in the buildings and the annual utility bills incurred by the company with respect to the project. The PILOT is required for as long as the land and building under capital lease constitutes property of the CDA that is exempt from taxation under the Wisconsin Statutes.

## CITY OF BELOIT

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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##### *I. COMPONENT UNITS* (cont.)

##### ***Community Development Authority Component Unit - Beloit Apartments Redevelopment-Phase 2, LLC*** (cont.)

##### h. Company Profits and Losses and Distributions

All profits and losses are allocated .01% to the managing member and 99.99% to the investor member.

Distributable cash flow, as defined by the operating agreement, is allocated .01% to the managing member and 99.99% to the investor member.

Gain, if any, from a sale or exchange or other disposition of the property owned by the company is allocable as follows:

1. To all members having negative balances in their capital accounts prior to the distribution of any sale or refinancing proceeds, an amount of such gain to increase their negative balance to zero.
2. To all members until their capital account balances are equal to net projected tax liabilities as defined in the company agreement.
3. The remainder of such gain, if any, 99.99% to the investor member and .01% to the managing member.

##### i. Commitments and Contingencies

##### **Land Use Restriction Agreement (LURA)**

The company has entered into a LURA with the Wisconsin Housing and Economic Development Authority as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, the company must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the company fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits, and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. The company is obligated to certify tenant eligibility.

##### **Affordable Housing Program (AHP)**

On October 14, 2011, the CDA, on behalf of Beloit Apartments Redevelopment – Phase 2, LLC, entered into an AHP Agreement with The First National Bank and Trust Company (the bank) in the original amount of \$256,500. In connection with the AHP agreement, the CDA and the company entered into a Retention/Recapture Agreement with the bank. As a condition of receiving these funds, the CDA and the company have agreed to make 40 units, 25 units, and 1 unit of the project affordable for and occupied by households whose income does not exceed 50%, 60%, and 80%, respectively, of the county median income (CMI) of Rock County, Wisconsin. The compliance period will terminate 15 years from the date of project completion.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### *I. COMPONENT UNITS* (cont.)

##### ***Beloit Public Library Foundation, Inc.***

#### a. Organization

The Beloit Public Library Foundation, Inc., (Foundation) is organized to raise and provide support monies for the Beloit, Wisconsin Public Library (Library).

#### b. Summary of Significant Accounting Policies

1. The Foundation's financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America as promulgated by the American Institute of Certified Public Accountants.
2. The Foundation accounts for contributions in accordance with generally accepted accounting principles (GAAP). All contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. The Foundation reports gifts of cash as restricted support if they are received with donor stipulations that limit the use of the donated cash. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net position is reclassified to unrestricted net position and reported in the Statement of Activities as net position released from restrictions. Donor-restricted contributions are booked in the temporarily restricted class for restrictions expiring during the fiscal year, and then reclassified to the unrestricted class.

#### c. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2013, the Foundation had no uninsured cash balances.

#### d. Temporarily Restricted Net Position

Temporarily restricted net position – Net position subject to grantor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations.

The following funds have been temporarily restricted from general operating use by grantors:

	<u>12-31-13</u>
Bookquest fund	\$ 1,500
Library building fund	<u>5,917</u>
Total	<u>\$ 7,417</u>

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### *Beloit Public Library Foundation, Inc.* (cont.)

#### e. Investments

In accordance with GAAP, investments are reported at fair market value. At December 31, as quoted by the trustee or from stock quotes, the market and cost are as follows:

	2013	
	Market	Cost
Mutual Funds -		
Equity	\$ 396,923	\$ 289,709
Fixed income	184,965	184,414
Totals	<u>\$ 581,888</u>	<u>\$ 474,123</u>

Unrealized gains amounted to \$107,765 as of December 31, 2013. Current unrealized gains of \$45,428 have been reflected in the Statement of Activities for 2013.

Interest and dividends earned on the above investments amounted to \$10,891 for 2013. Investments are exposed to potential risks including interest rate risk, credit risk, and overall market volatility. Accordingly, it is reasonably possible that changes in the value of investments will occur in the near term and such changes could be material in amount.

#### f. Fair Value Measurements

The Foundation has adopted the Financial Accounting Standards Board (FASB) FASB ASC 820-10, *Fair Value Measurements and Disclosures*. FASB ASC 820-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants in the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Foundation considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

FASB ASC 820-10 establishes a fair value hierarchy that requires the Foundation to maximize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level on input that is significant to the fair value measurement.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Significant other observable inputs other than Level 1 that are either directly or indirectly, such as quoted market prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full terms of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

---

#### I. COMPONENT UNITS (cont.)

##### *Beloit Public Library Foundation, Inc.* (cont.)

f. Fair Value Measurements (cont.)

The fair values of assets measured on a recurring basis at December 31, 2013 are as follows.

<u>December 31, 2013</u>	<u>Fair Value Measurements at Reporting Date Using</u>	
	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
Marketable securities	<u>\$ 581,888</u>	<u>\$ 581,888</u>

g. Income Taxes

The Foundation is a nonprofit organization and is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and, therefore, there is no provision for income taxes in the financial statements.

Management of the Foundation has evaluated for uncertain tax positions and has determined that there are no uncertain tax positions as of December 31, 2013. The Foundation is subject to income taxes in the United States Federal jurisdiction and the State of Wisconsin. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. Tax returns remain open for federal examination for the past three years and state examination for the past four years.

h. Related Organization

The Library is a separate tax exempt organization organized to provide books, audio books, magazines, CD's, movies and reading programs to the citizens of Beloit, Wisconsin. Program services expenses of the Foundation are for the benefit of the Library.

i. Library Campaign Pledge

During 2008, the Foundation approved a \$250,000 pledge to the Beloit Public Library renovation and relocation project. This pledge is being paid over a five year period at \$50,000 per year beginning in March 2010, with the final payment due in 2014.

j. Library Campaign Deposits

The Foundation has agreed to accept Beloit Public Library Capital Campaign contributions which are deposited into a separate account. As funds are collected, a monthly transfer is made to the City of Beloit. These campaign deposits are not reported as income of the Foundation. As of December 31, 2013, contributions received in the amount of \$500 are recorded as an accounts payable to be transferred to the City of Beloit.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE V – OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM**

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year, and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year, and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for City employees covered by WRS for the year ended December 31, 2013 was \$22,231,597; the employer's total payroll was \$23,124,367. The total required contribution for the year ended December 31, 2013 was \$3,572,609 or 16.1% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2012 and 2011 were \$3,506,565 and \$3,493,443, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting an application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**CITY OF BELOIT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

**NOTE V – OTHER INFORMATION (cont.)**

**B. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year. However, other risks, such as health care of its employees, liability claims, and worker’s compensation are accounted for and financed by the City in the internal service funds.

**Self Insurance**

The City has a limited risk management program for employee health and dental benefits with claims processed by a third party claims administrator on behalf of the City. The claims are being paid out of the internal service fund, and are funded by allocations charged to other funds. Interfund premiums are based on claims experience. As a part of the plan a reinsurance policy has been purchased which picks up claims in excess of \$100,000 per individual with an unlimited lifetime limit of liability per covered participant. A separate insurance rider provides transplant coverage with a lifetime maximum of \$1 million. Settled claims have exceeded this stop-loss amount per individual in each of the past three years. Total amounts charged back to the various departments during the year were \$7,021,950.

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year end. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The liability is considered a current liability of the City as incurred but not reported claims are normally paid within two months of year end and represent the majority of claims payable at December 31, 2013. The estimated liability for self insured losses for this program consisted of the following at December 31, 2013:

Reported and Known Claims	\$ 585,534
Incurred but not Reported Claims	<u>1,166,174</u>
Total	<u>\$ 1,751,708</u>

Changes in the claims payable follow:

	<u>Balance January 1</u>	<u>Incurred Claims</u>	<u>Claims Paid</u>	<u>Balance December 31</u>
2012	\$ 2,493,175	\$ 6,666,030	\$ 7,031,798	\$ 2,127,407
2013	2,127,407	6,756,797	7,132,496	1,751,708



# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE V – OTHER INFORMATION (cont.)

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#### ***B. RISK MANAGEMENT*** (cont.)

##### ***Public Entity Risk Pool***

##### ***Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)***

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 19, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is approximately 3.59%.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$1,575,475 in the insurance internal service fund.

The City pays an annual premium to CVMIC for its general automobile, public official, and liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$50,000 per occurrence and an annual aggregate limit of \$200,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2013. A total liability of approximately \$249,516 at December 31, 2013 was recorded as claims payable in the internal service fund.

##### ***Transit Mutual Insurance Corporation of Wisconsin (TMI)***

Transit Mutual Insurance Corporation of Wisconsin (TMI) is a municipal mutual insurance corporation, which insures auto liability and vehicle physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The City insures its transit systems' auto liability and physical damage with TMI and is an owner of the corporation.

In 2013, TMI issued to the City an auto liability insurance policy with a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,000,000 and reinsures \$5,000,000 with Genesis Insurance. In addition, the City's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

The physical damage policy issued by TMI to the City provides collision and comprehensive coverage for the lesser of the agreed value or the cost of repairs minus a \$500 per accident deductible for private passenger and service units and a \$1,000 per accident deductible for bus units.

**CITY OF BELOIT**

**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2013

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**NOTE V – OTHER INFORMATION (cont.)**

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***B. RISK MANAGEMENT (cont.)***

***Transit Mutual Insurance Corporation of Wisconsin (TMI) (cont.)***

Management of TMI consists of a board of directors comprised of one representative for each member. The City does not exercise any control over the activities of the corporation beyond its representation on the board of directors.

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The City's share of this corporation is 1.22% for auto liability and 1.96% of physical damage liability. A list of the other members and their share of participation is available in the TMI report which is available from TMI, PO Box 1135, Appleton, WI 54915-1483 or by email from [tmi@transitmutual.com](mailto:tmi@transitmutual.com).

***C. COMMITMENTS AND CONTINGENCIES***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has the following encumbrances outstanding at year end, relating to funds on hand:

Capital Improvements Fund	\$	91,710
TIF District No. 10		26,291
Nonmajor Funds		1,142,952

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE V – OTHER INFORMATION (cont.)

#### **D. OTHER POSTEMPLOYMENT BENEFITS**

The City administers a single-employer defined benefit healthcare plan. The plan provides for eligible retirees and their spouses through the City which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses be at established contribution rates.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The City makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. The City contributes 100% and 100% of the current year premiums for a family and a single plan, respectively, for eligible retired plan members and their spouses. For fiscal year 2013, the City contributed \$2,581,000 to the plan. Fire and police plan members receiving benefits contribute 0% and 0% of their premium costs for a family plan and a single plan, respectively. The City offered an early retirement incentive program to employees who were age 60 or over and had 20 or more years of service with the City, effective July 2010. These employees had to retire on or before December 31, 2010. The City pays 100% of the premium for pre-Medicare coverage for these retirees. All others pay 100% of their premiums. For fiscal year 2013, total member contributions were \$0 and there were 343 active and 165 retiree plan participants.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	8,534,419
Interest on net OPEB obligation		687,333
Adjustment to annual required contribution		<u>(704,958)</u>
Annual OPEB cost		8,516,794
Contributions made		<u>(2,581,060)</u>
Increase in Net OPEB Obligation		5,935,794
Net OPEB Obligation – Beginning of Year		<u>21,148,700</u>
Net OPEB Obligation – End of Year	\$	<u><u>27,084,494</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2012 and 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 8,516,794	30%	\$ 27,084,494
12/31/12	8,212,660	30%	21,148,700
12/31/11	7,068,406	31%	15,406,039

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE V – OTHER INFORMATION (cont.)

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#### **D. OTHER POSTEMPLOYMENT BENEFITS** (cont.)

The funded status of the plan as of January 1, 2013, as determined at January 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 136,395,684
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 136,395,684</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 22,231,597
UAAL as a percentage of covered payroll	613.52%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the City's actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 3.25% investment rate of return and an annual healthcare cost trend rate of 4.60% initially, reduced by decrements to an ultimate rate of 4.70%. Both rates include a 3.5% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2013 was 30 years.

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

### NOTE V – OTHER INFORMATION (cont.)

#### **E. BOND COVENANT DISCLOSURES**

The following information is provided as required by the resolution creating the 2003 water revenue bonds.

#### **Sales**

The following is the customer count and water volume basis for water revenues as of December 31, 2013:

	Water – 2013	
	Customers	Gallons
Residential	13,655	656,614
Commercial	1,488	315,553
Industrial	13	370,435
Public Authority	50	75,134
Totals	15,206	1,417,736

#### **Debt Coverage**

The revenue bond resolutions require revenue less operating expenses excluding depreciation and tax equivalent (defined net earnings) to exceed 1.25 times in the water and storm water utilities the corresponding principal and interest. The Clean Water Fund revenue bonds require revenue less operating expenses excluding depreciation to exceed 1.10 times in the sewer utility the corresponding principal and interest.

	Water – 2013	Storm Water – 2013	Sewer – 2013
Operating revenues	\$ 5,542,677	\$ 944,958	\$ 6,615,442
Investment income	57,351	14,022	164,278
Operating expenses excluding depreciation	(2,266,499)	(699,169)	(6,051,452)
Defined Earnings	\$ 3,333,529	\$ 259,811	\$ 728,268
Annual debt service on revenue bonds	\$ 2,299,519	\$ 124,813	\$ 214,490
Coverage factor	x 1.25	x 1.25	x 1.10
Required Net Earnings	\$ 2,874,399	\$ 156,016	\$ 235,939

# CITY OF BELOIT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### **NOTE V – OTHER INFORMATION (cont.)**

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#### ***F. SUBSEQUENT EVENTS***

On May 15, 2014, the City issued General Obligation Notes in the amount of \$1,120,000. The amount will be used to finance projects in the City's Capital Improvement Program.

On May 15, 2014, the City issued General Obligation Refunding Bonds in the amount of \$8,165,000. The amount will be used to refund the Series 2007A Bonds and to finance projects in the City's Capital Improvement Program.

#### ***G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved the following:

- > GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BELOIT**

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>TAXES</b>				
Current Levy	\$ 6,736,336	\$ 6,736,336	\$ 6,794,942	\$ 58,606
Mobile home taxes	14,000	14,000	13,462	(538)
Prior year tax collection/rescinded taxes	3,000	3,000	1,773	(1,227)
Payment in lieu of taxes - housing authority	-	-	9,089	9,089
Motel tax	50,000	50,000	67,408	17,408
Total Taxes	<u>6,803,336</u>	<u>6,803,336</u>	<u>6,886,674</u>	<u>83,338</u>
<b>INTERGOVERNMENTAL</b>				
Shared aidable revenue	16,176,491	16,176,491	16,192,893	16,402
Fire distribution fee	59,656	59,656	57,332	(2,324)
Expenditure restraint payment	655,728	655,728	658,869	3,141
State highway aids	1,860,584	1,860,584	1,859,497	(1,087)
State aid - connecting streets	259,338	259,338	259,338	-
Military affairs - emergency management	-	11,220	-	(11,220)
Motor vehicle registration	270,000	270,000	255,441	(14,559)
Municipal service payment	18,000	18,000	18,271	271
Computer exemption aid	62,450	62,450	70,593	8,143
Total Intergovernmental Revenues	<u>19,362,247</u>	<u>19,373,467</u>	<u>19,372,234</u>	<u>(1,233)</u>
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor - malt permits	52,155	52,155	61,436	9,281
Cable TV	360,000	360,000	384,291	24,291
Other licenses	30,430	30,430	37,550	7,120
Total Licenses	<u>442,585</u>	<u>442,585</u>	<u>483,277</u>	<u>40,692</u>
Permits				
Construction permits	124,587	124,587	165,541	40,954
Other permits	159,697	159,697	199,718	40,021
Underground storage tank inspection	2,800	2,800	3,822	1,022
Total Permits	<u>287,084</u>	<u>287,084</u>	<u>369,081</u>	<u>81,997</u>
Total Licenses and Permits	<u>729,669</u>	<u>729,669</u>	<u>852,358</u>	<u>122,689</u>



**CITY OF BELOIT**

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>FINES, FORFEITURES AND PENALTIES</b>				
Municipal court costs	\$ 150,000	\$ 150,000	\$ 133,681	\$ (16,319)
Nontraffic fines	425,000	425,000	365,540	(59,460)
Traffic fines	200,000	200,000	196,755	(3,245)
Parking fines	250,000	250,000	191,435	(58,565)
Penalties on taxes	140,000	140,000	148,132	8,132
Other	110,000	110,000	93,753	(16,247)
Total Fines, Forfeitures and Penalties	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,129,296</u>	<u>(145,704)</u>
<b>FEES AND SERVICE CHARGES</b>				
Animal shelter	7,500	7,500	10,331	2,831
Recreation				
Other recreation	96,158	96,158	84,146	(12,012)
Telfer Park and Rivercenter	121,407	121,407	129,464	8,057
Swimming pool	78,432	78,432	68,609	(9,823)
Total Recreation	<u>295,997</u>	<u>295,997</u>	<u>282,219</u>	<u>(13,778)</u>
Other General Revenue				
Fire inspection fees	139,500	139,500	151,750	12,250
Property transfer certificates	12,100	12,100	18,355	6,255
In-house fees	30,500	30,500	45,702	15,202
Hazardous material response	12,000	12,000	(7,833)	(19,833)
Donations and miscellaneous	70,345	70,345	80,194	9,849
Nutrition coordinator	7,500	7,500	3,647	(3,853)
Recoveries from city	2,000	2,000	-	(2,000)
Miscellaneous police revenues	100,000	100,000	103,077	3,077
Total Other General Revenue	<u>373,945</u>	<u>373,945</u>	<u>394,892</u>	<u>20,947</u>
Total Fees and Service Charges	<u>677,442</u>	<u>677,442</u>	<u>687,442</u>	<u>10,000</u>

**CITY OF BELOIT**

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>RENT</b>	\$ 31,000	\$ 31,000	\$ 13,031	\$ (17,969)
<b>INVESTMENT INCOME</b>	295,800	295,800	254,757	(41,043)
<b>UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	-	-	(509,836)	(509,836)
<b>OTHER</b>	37,074	37,074	37,093	19
Total Revenues	<u>29,211,568</u>	<u>29,222,788</u>	<u>28,723,049</u>	<u>(499,739)</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of city property	15,000	15,000	84,709	69,709
Transfers in - tax equivalent	<u>745,300</u>	<u>745,300</u>	<u>909,594</u>	<u>164,294</u>
Total Other Financing Sources	<u>760,300</u>	<u>760,300</u>	<u>994,303</u>	<u>234,003</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 29,971,868</u>	<u>\$ 29,983,088</u>	<u>\$ 29,717,352</u>	<u>\$ (265,736)</u>

**CITY OF BELOIT**

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
 BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended December 31, 2013

<b>CURRENT EXPENDITURES</b>	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT</b>				
City Council, Manager, Attorney				
Council	\$ 46,486	\$ 46,486	\$ 50,627	\$ (4,141)
City manager	326,903	331,584	335,687	(4,103)
City attorney	402,902	472,719	471,328	1,391
Total City Council, Manager and Attorney	<u>776,291</u>	<u>850,789</u>	<u>857,642</u>	<u>(6,853)</u>
Finance and Administrative Services				
Personnel and labor relations	250,528	255,591	248,952	6,639
Municipal court	366,207	371,456	366,915	4,541
Computer information systems	579,221	580,809	532,091	48,718
Records and elections	298,098	303,877	311,705	(7,828)
Property appraisal	194,908	197,767	178,340	19,427
Collections	80,153	80,788	79,092	1,696
Accounting	293,210	298,659	298,118	541
Financial management	488,585	323,313	327,949	(4,636)
Licenses and permits	246,874	50,052	45,530	4,522
Bad debts	3,000	3,000	-	3,000
Insurance	278,766	278,766	278,769	(3)
City hall operation	290,779	293,011	302,818	(9,807)
Total Finance and Administrative Services	<u>3,370,329</u>	<u>3,037,089</u>	<u>2,970,279</u>	<u>66,810</u>
Total General Government	<u>4,146,620</u>	<u>3,887,878</u>	<u>3,827,921</u>	<u>59,957</u>

**CITY OF BELOIT**

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
 BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended December 31, 2013

<b>CURRENT EXPENDITURES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>COMMUNITY DEVELOPMENT</b>				
City planning	\$ 648,943	\$ 659,065	\$ 665,261	\$ (6,196)
Economic development	233,072	240,090	239,036	1,054
Code enforcement	<u>488,982</u>	<u>495,342</u>	<u>456,208</u>	<u>39,134</u>
Total Community Development	<u>1,370,997</u>	<u>1,394,497</u>	<u>1,360,505</u>	<u>33,992</u>
<b>PUBLIC SAFETY</b>				
Police Department				
Staff services	<u>11,667,564</u>	<u>11,691,016</u>	<u>11,715,001</u>	<u>(23,985)</u>
Total Police Department	<u>11,667,564</u>	<u>11,691,016</u>	<u>11,715,001</u>	<u>(23,985)</u>
Fire Department				
Staff services	581,247	669,832	685,373	(15,541)
Inspection and prevention	294,098	298,630	295,658	2,972
Fire fighting and rescue	<u>6,529,299</u>	<u>6,563,969</u>	<u>6,637,227</u>	<u>(73,258)</u>
Total Fire Department	<u>7,404,644</u>	<u>7,532,431</u>	<u>7,618,258</u>	<u>(85,827)</u>
Total Public Safety	<u>19,072,208</u>	<u>19,223,447</u>	<u>19,333,259</u>	<u>(109,812)</u>

**CITY OF BELOIT**

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
 BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC WORKS</b>				
DPW engineering				
DPW administration and engineering	\$ 750,154	\$ 759,298	\$ 666,368	\$ 92,930
Total DPW engineering	<u>750,154</u>	<u>759,298</u>	<u>666,368</u>	<u>92,930</u>
DPW operations				
Streets and sanitation	2,767,723	2,831,047	3,067,087	(236,040)
Central stores	<u>32,674</u>	<u>33,513</u>	<u>33,336</u>	<u>177</u>
Total DPW operations	<u>2,800,397</u>	<u>2,864,560</u>	<u>3,100,423</u>	<u>(235,863)</u>
DPW parks and recreation				
Parks	1,549,988	1,561,997	1,513,120	48,877
Recreation	301,148	305,792	286,156	19,636
Edwards pavilion	214,765	218,822	208,226	10,596
Senior center	112,292	112,292	151,106	(38,814)
Rotary river center	35,764	35,903	28,620	7,283
Swimming pools	<u>206,563</u>	<u>208,483</u>	<u>193,934</u>	<u>14,549</u>
Total DPW parks and recreation	<u>2,420,520</u>	<u>2,443,289</u>	<u>2,381,162</u>	<u>62,127</u>
Total Public Works	<u>5,971,071</u>	<u>6,067,147</u>	<u>6,147,953</u>	<u>(80,806)</u>
Total Expenditures	<u>30,560,896</u>	<u>30,572,969</u>	<u>30,669,638</u>	<u>(96,669)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 30,560,896</u>	<u>\$ 30,572,969</u>	<u>\$ 30,669,638</u>	<u>\$ (96,669)</u>

## CITY OF BELOIT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 10 (MAJOR FUND)  
For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 4,991,211	\$ 4,913,954	\$ (77,257)
Intergovernmental	-	135,616	135,616
Investment income	26,800	17,913	(8,887)
Other	-	10,658	10,658
Total Revenues	<u>5,018,011</u>	<u>5,078,141</u>	<u>60,130</u>
<b>EXPENDITURES</b>			
Capital Outlay	1,955,414	1,559,826	395,588
Debt Service			
Principal retirement	1,430,000	1,439,950	(9,950)
Interest and fiscal charges	703,414	703,414	-
Total Expenditures	<u>4,088,828</u>	<u>3,703,190</u>	<u>385,638</u>
Excess of Revenues Over Expenditures	<u>929,183</u>	<u>1,374,951</u>	<u>445,768</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(265,596)</u>	<u>(265,596)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(265,596)</u>	<u>(265,596)</u>	<u>-</u>
Net Change in Fund Balance	663,587	1,109,355	445,768
FUND BALANCE - Beginning	<u>14,454</u>	<u>14,454</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 678,041</u>	<u>\$ 1,123,809</u>	<u>\$ 445,768</u>

See accompanying auditors' report and notes to required supplementary information.

**CITY OF BELOIT**

OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS  
For the Year Ended December 31, 2013

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit Actuarial Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2012	\$	- \$ 136,395,684	\$ 136,395,684	0%	\$ 22,231,597	613.52%
1/1/2010		- 100,219,009	100,219,009	0%	20,844,743	480.78%
1/1/2008		- 66,942,287	66,942,287	0%	21,911,189	305.52%

See accompanying auditors' report and notes to required supplementary information.

## CITY OF BELOIT

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2013

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#### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund.

All City departments are required to submit their annual budget requests for the ensuing year to the city manager by August 25. The Department of Finance, acting as staff for the city manager, reviews the requests in detail with the departments during August, September, and October. After all of the requests have been reviewed, the city manager submits the proposed budget to the city council. The City's ordinances require that this be done on or before October 15.

All adopted budgets for the governmental funds are prepared in accordance with the modified accrual basis of accounting. All adopted budgets for proprietary funds are prepared in accordance with the accrual basis of accounting, except for the treatment of depreciation and capital outlays. For budget purposes, capital outlays are included as expenditures whereas for accounting purposes, depreciation is included as an expense.

The legal level of control for each budget is by department, as defined. Once the budget is adopted, transfers of appropriations among departments require approval by the city council and are permitted at any time during the year. Supplemental appropriations for the purpose of public emergencies may be made from unanticipated revenues received or surplus, as defined, by resolution adopted by a vote by the city council.

Every appropriation lapses at December 31, to the extent that it has not been expended, encumbered or administratively carried over to the next year. Operating account appropriations which are administratively carried forward are reviewed and approved by the city council. An appropriation for a capital expenditure or a major repair continues in force until the purpose for which it was made has been accomplished or abandoned. There were no carryovers to 2014. Budgets are adopted at the department level of expenditure.

The budgeted amounts are as originally adopted by the City Council. The city manager may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

#### ***FUNDING PROGRESS DATA***

Data in the schedule of funding progress was taken from the reports issued by the actuary.



**SUPPLEMENTARY INFORMATION**

**CITY OF BELOIT**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2013

	Special Revenue Funds					
	Rental Rehab (WRRP/HOME)	Community Development Block Grant	TIF District No. 5	TIF District No. 6	TIF District No. 8	TIF District No. 9
<b>ASSETS</b>						
Cash and investments	\$ 153,571	\$ -	\$ 319,709	\$ 133,893	\$ -	\$ 6,727
Receivables						
Taxes	-	-	836,205	860,598	120,047	82,388
Delinquent personal property taxes	-	-	-	-	-	-
Accounts (net)	-	-	20,894	-	1,000	94,412
Loans	1,011,395	2,281,875	-	-	-	-
Accrued interest	-	-	-	-	-	-
Due from other governmental units	1,083	374,922	-	-	-	-
Due from component unit	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,166,049</b>	<b>\$ 2,656,797</b>	<b>\$ 1,176,808</b>	<b>\$ 994,491</b>	<b>\$ 121,047</b>	<b>\$ 183,527</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
Liabilities						
Accounts payable	\$ 30,435	\$ 57,241	\$ 7,431	\$ -	\$ -	\$ -
Due to other funds	-	17,104	-	-	-	-
Advances from other funds	-	-	-	450,000	1,183,738	2,845,540
<b>Total Liabilities</b>	<b>30,435</b>	<b>74,345</b>	<b>7,431</b>	<b>450,000</b>	<b>1,183,738</b>	<b>2,845,540</b>
Deferred Inflows of Resources						
Unearned revenue	-	-	836,205	860,598	120,047	82,388
Unavailable revenue	1,011,395	2,280,152	-	-	-	70,809
<b>Total Deferred Inflows of Resources</b>	<b>1,011,395</b>	<b>2,280,152</b>	<b>836,205</b>	<b>860,598</b>	<b>120,047</b>	<b>153,197</b>
Fund Balances (Deficits)						
Restricted	124,219	302,300	333,172	-	-	-
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(316,107)	(1,182,738)	(2,815,210)
<b>Total Fund Balances (Deficits)</b>	<b>124,219</b>	<b>302,300</b>	<b>333,172</b>	<b>(316,107)</b>	<b>(1,182,738)</b>	<b>(2,815,210)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	<b>\$ 1,166,049</b>	<b>\$ 2,656,797</b>	<b>\$ 1,176,808</b>	<b>\$ 994,491</b>	<b>\$ 121,047</b>	<b>\$ 183,527</b>

Special Revenue Funds						
TIF District No. 11	TIF District No. 12	TIF District No. 13	TIF District No. 14	Fire Multi-Year Grants	DPW Multi-Year Grants	Community Development
\$ 262,239	\$ 122,404	\$ 1,357,067	\$ 152,704	\$ 29,916	\$ 137,357	\$ -
229,258	89,981	247,609	28,075	-	26,000	-
-	-	-	-	-	-	-
-	50,590	-	-	-	79,254	-
-	-	-	-	-	-	93,843
-	-	-	-	-	-	-
-	-	-	-	-	-	2,053
-	-	-	-	-	-	188,282
<u>\$ 491,497</u>	<u>\$ 262,975</u>	<u>\$ 1,604,676</u>	<u>\$ 180,779</u>	<u>\$ 29,916</u>	<u>\$ 242,611</u>	<u>\$ 284,178</u>
\$ -	\$ -	\$ 32,308	\$ -	\$ 554	\$ 22,860	\$ 31,793
-	-	-	-	-	-	218,712
-	-	-	-	-	-	-
-	-	32,308	-	554	22,860	250,505
229,258	89,981	247,609	28,075	-	26,000	-
-	-	-	-	-	49,603	93,843
<u>229,258</u>	<u>89,981</u>	<u>247,609</u>	<u>28,075</u>	<u>-</u>	<u>75,603</u>	<u>93,843</u>
262,239	172,994	1,324,759	152,704	29,362	144,148	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(60,170)
<u>262,239</u>	<u>172,994</u>	<u>1,324,759</u>	<u>152,704</u>	<u>29,362</u>	<u>144,148</u>	<u>(60,170)</u>
<u>\$ 491,497</u>	<u>\$ 262,975</u>	<u>\$ 1,604,676</u>	<u>\$ 180,779</u>	<u>\$ 29,916</u>	<u>\$ 242,611</u>	<u>\$ 284,178</u>

CITY OF BELOIT

Continued From  
Previous Page

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
As of December 31, 2013

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Library	Police	Solid Waste	Perpetual Care	Computer Replacement	
<b>ASSETS</b>						
Cash and investments	\$ 780,530	\$ 108,352	\$ -	\$ 2,041,914	\$ 529,699	\$ 6,136,082
Receivables						
Taxes	1,775,877	125,500	25,076	-	-	4,446,614
Delinquent personal property taxes	-	-	5,466	-	-	5,466
Accounts (net)	-	-	441,917	-	-	688,067
Loans	-	-	-	-	-	3,387,113
Accrued interest	-	-	-	17,748	-	17,748
Due from other governmental units	-	6,632	-	-	-	384,690
Due from component unit	-	-	-	-	-	188,282
<b>TOTAL ASSETS</b>	<b>\$ 2,556,407</b>	<b>\$ 240,484</b>	<b>\$ 472,459</b>	<b>\$ 2,059,662</b>	<b>\$ 529,699</b>	<b>\$ 15,254,062</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
Liabilities						
Accounts payable	\$ 36,247	\$ 1,250	\$ 51,290	\$ -	\$ 1,928	\$ 273,337
Due to other funds	-	-	181,686	-	-	417,502
Advances from other funds	-	-	-	-	-	4,479,278
<b>Total Liabilities</b>	<b>36,247</b>	<b>1,250</b>	<b>232,976</b>	<b>-</b>	<b>1,928</b>	<b>5,170,117</b>
Deferred Inflows of Resources						
Unearned revenue	1,775,877	135,892	-	-	-	4,431,930
Unavailable revenue	-	-	-	17,748	-	3,523,550
<b>Total Deferred Inflows of Resources</b>	<b>1,775,877</b>	<b>135,892</b>	<b>-</b>	<b>17,748</b>	<b>-</b>	<b>7,955,480</b>
Fund Balances (Deficits)						
Restricted	744,283	103,342	239,483	2,041,914	-	5,974,919
Assigned	-	-	-	-	527,771	527,771
Unassigned (deficit)	-	-	-	-	-	(4,374,225)
<b>Total Fund Balances (Deficits)</b>	<b>744,283</b>	<b>103,342</b>	<b>239,483</b>	<b>2,041,914</b>	<b>527,771</b>	<b>2,128,465</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	<b>\$ 2,556,407</b>	<b>\$ 240,484</b>	<b>\$ 472,459</b>	<b>\$ 2,059,662</b>	<b>\$ 529,699</b>	<b>\$ 15,254,062</b>

## CITY OF BELOIT

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2013

	Special Revenue Funds					
	Rental Rehab (WRRP/HOME)	Community Development Block Grant	TIF District No. 5	TIF District No. 6	TIF District No. 8	TIF District No. 9
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 930,892	\$ 892,032	\$ 121,872	\$ 92,978
Intergovernmental	120,865	1,059,717	59,635	84,411	-	559
Licenses and permits	-	-	-	-	-	-
Fees and service charges	-	-	-	-	-	-
Investment income (loss)	16,380	21,534	(1,974)	7,082	(10,093)	2,115
Unrealized gain (loss) on investments	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	85,325
Other	40,134	354,875	98,948	-	33,022	-
Total Revenues	177,379	1,436,126	1,087,501	983,525	144,801	180,977
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	1,000	-	-
Community development	238,620	1,233,382	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks, recreation, and education	-	-	-	-	-	-
Capital Outlay	-	-	36,279	61,407	1,650	1,079
Debt Service						
Principal retirement	-	-	528,164	157,496	-	-
Interest and fiscal charges	-	-	82,016	60,251	-	-
Total Expenditures	238,620	1,233,382	646,459	280,154	1,650	1,079
Excess (deficiency) of revenues over (under) expenditures	(61,241)	202,744	441,042	703,371	143,151	179,898
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt issued - refunding	-	-	535,000	-	-	-
Sale of city property	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(993,637)	(499,672)	(256,014)	(12,484)
Total Other Financing Sources (Uses)	-	-	(458,637)	(499,672)	(256,014)	(12,484)
Net Change in Fund Balances	(61,241)	202,744	(17,595)	203,699	(112,863)	167,414
FUND BALANCES (DEFICIT) - Beginning of Year	185,460	99,556	350,767	(519,806)	(1,069,875)	(2,982,624)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 124,219	\$ 302,300	\$ 333,172	\$ (316,107)	\$ (1,182,738)	\$ (2,815,210)

Special Revenue Funds							
TIF District No. 11	TIF District No. 12	TIF District No. 13	TIF District No. 14	Fire Multi-Year Grants	DPW Multi-Year Grants	Community Development	Library
\$ 115,520	\$ 76,803	\$ 493,904	\$ 42,575	\$ -	\$ 25,000	\$ -	\$ 1,775,877
428	4,387	2,252	2,626	179,370	123,418	476,766	288,070
-	-	-	-	-	1,852	-	-
-	-	-	-	-	-	-	45,291
5,104	2,424	24,400	3,250	791	702	4,460	22,441
-	-	-	-	-	-	-	-
-	114,457	-	-	-	-	-	30,808
-	-	-	-	500	5,285	27,175	3,306
<u>121,052</u>	<u>198,071</u>	<u>520,556</u>	<u>48,451</u>	<u>180,661</u>	<u>156,257</u>	<u>508,401</u>	<u>2,165,793</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	620,072	-
-	-	-	-	179,993	-	-	-
-	-	-	-	-	200,727	-	-
-	-	-	-	-	-	-	2,038,937
19,099	650	135,552	50,692	15,182	-	-	24,183
-	-	61,443	-	-	-	-	-
-	-	37,510	-	-	-	-	-
<u>19,099</u>	<u>650</u>	<u>234,505</u>	<u>50,692</u>	<u>195,175</u>	<u>200,727</u>	<u>620,072</u>	<u>2,063,120</u>
<u>101,953</u>	<u>197,421</u>	<u>286,051</u>	<u>(2,241)</u>	<u>(14,514)</u>	<u>(44,470)</u>	<u>(111,671)</u>	<u>102,673</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	500	-
-	-	-	-	-	-	-	-
(74,930)	(62,993)	(81,536)	-	-	-	-	-
<u>(74,930)</u>	<u>(62,993)</u>	<u>(81,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>
27,023	134,428	204,515	(2,241)	(14,514)	(44,470)	(111,171)	102,673
<u>235,216</u>	<u>38,566</u>	<u>1,120,244</u>	<u>154,945</u>	<u>43,876</u>	<u>188,618</u>	<u>51,001</u>	<u>641,610</u>
<u>\$ 262,239</u>	<u>\$ 172,994</u>	<u>\$ 1,324,759</u>	<u>\$ 152,704</u>	<u>\$ 29,362</u>	<u>\$ 144,148</u>	<u>\$ (60,170)</u>	<u>\$ 744,283</u>

CITY OF BELOIT

Continued From  
Previous Page

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2013

	Special Revenue Funds			Capital Projects Funds	Total Nonmajor Governmental Funds
	Police	Solid Waste	Perpetual Care	Computer Replacement	
<b>REVENUES</b>					
Taxes	\$ 119,500	\$ 26,846	\$ -	\$ -	\$ 4,713,799
Intergovernmental	249,741	138,231	-	-	2,790,476
Licenses and permits	-	9,005	-	-	10,857
Fees and service charges	-	-	-	-	45,291
Investment income (loss)	6,132	-	319	9,322	114,389
Unrealized gain (loss) on investments	-	-	(174,608)	-	(174,608)
Public charges for services	156,891	2,265,905	49,690	-	2,703,076
Other	140,414	-	-	43,788	747,447
Total Revenues	<u>672,678</u>	<u>2,439,987</u>	<u>(124,599)</u>	<u>53,110</u>	<u>10,950,727</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	1,000
Community development	-	-	-	-	2,092,074
Public safety	858,861	-	-	-	1,038,854
Public works	-	2,535,292	-	-	2,736,019
Parks, recreation, and education	-	-	-	-	2,038,937
Capital Outlay	-	-	-	37,920	383,693
Debt Service					
Principal retirement	-	-	-	-	747,103
Interest and fiscal charges	-	-	-	-	179,777
Total Expenditures	<u>858,861</u>	<u>2,535,292</u>	<u>-</u>	<u>37,920</u>	<u>9,217,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(186,183)</u>	<u>(95,305)</u>	<u>(124,599)</u>	<u>15,190</u>	<u>1,733,270</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt issued - refunding	-	-	-	-	535,000
Sale of city property	-	-	-	-	500
Transfers in	-	70,572	-	-	70,572
Transfers out	(80,000)	-	-	-	(2,061,266)
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>70,572</u>	<u>-</u>	<u>-</u>	<u>(1,455,194)</u>
Net Change in Fund Balances	(266,183)	(24,733)	(124,599)	15,190	278,076
FUND BALANCES (DEFICIT) - Beginning of Year	<u>369,525</u>	<u>264,216</u>	<u>2,166,513</u>	<u>512,581</u>	<u>1,850,389</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 103,342</u>	<u>\$ 239,483</u>	<u>\$ 2,041,914</u>	<u>\$ 527,771</u>	<u>\$ 2,128,465</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL DEBT SERVICE FUND (MAJOR FUND) For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 4,445,195	\$ 4,445,195	\$ -
Intergovernmental	102,472	69,019	(33,453)
Investment income	-	26,993	26,993
Other	205,100	351,221	146,121
Total Revenues	<u>4,752,767</u>	<u>4,892,428</u>	<u>139,661</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	4,639,688	9,147,621	(4,507,933)
Interest and fiscal charges	1,741,344	1,958,856	(217,512)
Total Expenditures	<u>6,381,032</u>	<u>11,106,477</u>	<u>(4,725,445)</u>
Deficiency of Revenues Under Expenditures	<u>(1,628,265)</u>	<u>(6,214,049)</u>	<u>(4,585,784)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt issued - refunding	-	11,544,111	11,544,111
Payment to escrow agent	-	(7,664,827)	(7,664,827)
Debt premium	-	423,115	423,115
Transfers in	1,628,265	2,246,862	618,597
Total Other Financing Sources (Uses)	<u>1,628,265</u>	<u>6,549,261</u>	<u>4,920,996</u>
Net Change in Fund Balance	-	335,212	335,212
FUND BALANCE - Beginning	<u>2,276,357</u>	<u>2,276,357</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,276,357</u>	<u>\$ 2,611,569</u>	<u>\$ 335,212</u>



# CITY OF BELOIT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND (MAJOR FUND)  
For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 82,608	\$ 82,608
Fines, forfeitures and penalties	-	5,368	5,368
Special assessments	195,000	188,098	(6,902)
Investment income	4,700	2,247	(2,453)
Other	1,093,545	838,999	(254,546)
Total Revenues	<u>1,293,245</u>	<u>1,117,320</u>	<u>(175,925)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>5,116,395</u>	<u>4,793,043</u>	<u>323,352</u>
Total Expenditures	<u>5,116,395</u>	<u>4,793,043</u>	<u>323,352</u>
Deficiency of Revenues Under Expenditures	<u>(3,823,150)</u>	<u>(3,675,723)</u>	<u>147,427</u>
<b>OTHER FINANCING SOURCES</b>			
Debt issued	3,573,240	3,686,989	113,749
Transfers in	<u>277,616</u>	<u>160,400</u>	<u>(117,216)</u>
Total Other Financing Sources	<u>3,850,856</u>	<u>3,847,389</u>	<u>(3,467)</u>
Net Change in Fund Balance	27,706	171,666	143,960
FUND BALANCE - Beginning	<u>4,293,205</u>	<u>4,293,205</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 4,320,911</u>	<u>\$ 4,464,871</u>	<u>\$ 143,960</u>

## CITY OF BELOIT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - EQUIPMENT REPLACEMENT FUND (MAJOR FUND)  
 For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Investment income	\$ 120,500	\$ 163,753	\$ 43,253
Unrealized gain (loss) on investments	-	(280,108)	(280,108)
Other	<u>984,024</u>	<u>940,260</u>	<u>(43,764)</u>
Total Revenues	<u>1,104,524</u>	<u>823,905</u>	<u>(280,619)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>1,160,278</u>	<u>518,261</u>	<u>642,017</u>
Total Expenditures	<u>1,160,278</u>	<u>518,261</u>	<u>642,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(55,754)</u>	<u>305,644</u>	<u>361,398</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sales of city property	-	65,218	65,218
Transfers out	<u>-</u>	<u>(80,400)</u>	<u>(80,400)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(15,182)</u>	<u>(15,182)</u>
Net Change in Fund Balance	(55,754)	290,462	346,216
FUND BALANCE - Beginning	<u>7,552,434</u>	<u>7,552,434</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 7,496,680</u>	<u>\$ 7,842,896</u>	<u>\$ 346,216</u>

## CITY OF BELOIT

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RENTAL REHAB (WRRP/HOME) FUND For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 149,297	\$ 120,865	\$ (28,432)
Investment income	-	16,380	16,380
Other	-	40,134	40,134
Total Revenues	<u>149,297</u>	<u>177,379</u>	<u>28,082</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>149,297</u>	<u>238,620</u>	<u>(89,323)</u>
Total Expenditures	<u>149,297</u>	<u>238,620</u>	<u>(89,323)</u>
Net Change in Fund Balance	-	(61,241)	(61,241)
FUND BALANCE, Beginning	<u>185,460</u>	<u>185,460</u>	-
FUND BALANCE, ENDING	<u>\$ 185,460</u>	<u>\$ 124,219</u>	<u>\$ (61,241)</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT

For the Year Ended December 31, 2013

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 579,581	\$ 1,059,717	\$ 480,136
Investment income	-	21,534	21,534
Other	187,100	354,875	167,775
Total Revenues	<u>766,681</u>	<u>1,436,126</u>	<u>669,445</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>766,681</u>	<u>1,233,382</u>	<u>(466,701)</u>
Total Expenditures	<u>766,681</u>	<u>1,233,382</u>	<u>(466,701)</u>
Net Change in Fund Balance	-	202,744	202,744
FUND BALANCE - Beginning	<u>99,556</u>	<u>99,556</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 99,556</u>	<u>\$ 302,300</u>	<u>\$ 202,744</u>

## CITY OF BELOIT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 5  
 For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 1,062,020	\$ 930,892	\$ (131,128)
Intergovernmental	-	59,635	59,635
Investment income (loss)	5,400	(1,974)	(7,374)
Other	115,156	98,948	(16,208)
Total Revenues	<u>1,182,576</u>	<u>1,087,501</u>	<u>(95,075)</u>
<b>EXPENDITURES</b>			
Capital Outlay	49,000	36,279	12,721
Debt Service			
Principal retirement	580,000	528,164	51,836
Interest and fiscal charges	82,015	82,016	(1)
Total Expenditures	<u>711,015</u>	<u>646,459</u>	<u>64,556</u>
Excess of Revenues Over Expenditures	<u>471,561</u>	<u>441,042</u>	<u>(30,519)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Capital lease	-	535,000	535,000
Transfers out	(472,041)	(993,637)	(521,596)
Total Other Financing Sources (Uses)	<u>(472,041)</u>	<u>(458,637)</u>	<u>13,404</u>
Net Change in Fund Balance	(480)	(17,595)	(17,115)
FUND BALANCE - Beginning	<u>350,767</u>	<u>350,767</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 350,287</u>	<u>\$ 333,172</u>	<u>\$ (17,115)</u>

## CITY OF BELOIT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 6  
 For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 931,694	\$ 892,032	\$ (39,662)
Intergovernmental	-	84,411	84,411
Investment income	4,900	7,082	2,182
Total Revenues	<u>936,594</u>	<u>983,525</u>	<u>46,931</u>
<b>EXPENDITURES</b>			
Current			
General government	-	1,000	(1,000)
Capital Outlay	25,727	61,407	(35,680)
Debt Service			
Principal retirement	175,000	157,496	17,504
Interest and fiscal charges	60,251	60,251	-
Total Expenditures	<u>260,978</u>	<u>280,154</u>	<u>(19,176)</u>
Excess of Revenues Over Expenditures	<u>675,616</u>	<u>703,371</u>	<u>27,755</u>
<b>OTHER FINANCING USES</b>			
Transfers out	(502,164)	(499,672)	2,492
Total Other Financing Uses	<u>(502,164)</u>	<u>(499,672)</u>	<u>2,492</u>
Net Change in Fund Balance	173,452	203,699	30,247
FUND BALANCE (DEFICIT) - Beginning	<u>(519,806)</u>	<u>(519,806)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (346,354)</u>	<u>\$ (316,107)</u>	<u>\$ 30,247</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 8 For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 118,085	\$ 121,872	\$ 3,787
Investment income (loss)	-	(10,093)	(10,093)
Other	-	33,022	33,022
Total Revenues	<u>118,085</u>	<u>144,801</u>	<u>26,716</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>500</u>	<u>1,650</u>	<u>(1,150)</u>
Total Expenditures	<u>500</u>	<u>1,650</u>	<u>(1,150)</u>
Excess of Revenues Over Expenditures	<u>117,585</u>	<u>143,151</u>	<u>25,566</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of city property	33,023	-	(33,023)
Transfers out	<u>(150,608)</u>	<u>(256,014)</u>	<u>(105,406)</u>
Total Other Financing Sources (Uses)	<u>(117,585)</u>	<u>(256,014)</u>	<u>(138,429)</u>
Net Change in Fund Balance	-	(112,863)	(112,863)
FUND BALANCE (DEFICIT) - Beginning	<u>(1,069,875)</u>	<u>(1,069,875)</u>	-
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (1,069,875)</u>	<u>\$ (1,182,738)</u>	<u>\$ (112,863)</u>

## CITY OF BELOIT

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 9 For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 90,454	\$ 92,978	\$ 2,524
Intergovernmental	-	559	559
Public charges for services	64,611	85,325	20,714
Investment income	1,100	2,115	1,015
Total Revenues	<u>156,165</u>	<u>180,977</u>	<u>24,812</u>
<b>EXPENDITURES</b>			
Capital Outlay	500	1,079	(579)
Total Expenditures	<u>500</u>	<u>1,079</u>	<u>(579)</u>
Excess of Revenues Over Expenditures	<u>155,665</u>	<u>179,898</u>	<u>24,233</u>
<b>OTHER FINANCING USES</b>			
Transfer out	(142,000)	(12,484)	129,516
Total Other Financing Uses	<u>(142,000)</u>	<u>(12,484)</u>	<u>129,516</u>
Net Change in Fund Balance	13,665	167,414	153,749
FUND BALANCE (DEFICIT) - Beginning	<u>(2,982,624)</u>	<u>(2,982,624)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (2,968,959)</u>	<u>\$ (2,815,210)</u>	<u>\$ 153,749</u>



# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 11 For the Year Ended December 31, 2013

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	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 112,185	\$ 115,520	3,335
Intergovernmental	-	428	428
Investment income	2,700	5,104	2,404
Total Revenues	<u>114,885</u>	<u>121,052</u>	<u>6,167</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>14,396</u>	<u>19,099</u>	<u>(4,703)</u>
Total Expenditures	<u>14,396</u>	<u>19,099</u>	<u>(4,703)</u>
Excess of Revenues Over Expenditures	<u>100,489</u>	<u>101,953</u>	<u>1,464</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(74,930)</u>	<u>(74,930)</u>	<u>-</u>
Total Other Financing Uses	<u>(74,930)</u>	<u>(74,930)</u>	<u>-</u>
Net Change in Fund Balance	25,559	27,023	1,464
FUND BALANCE - Beginning	<u>235,216</u>	<u>235,216</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 260,775</u>	<u>\$ 262,239</u>	<u>\$ 1,464</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 12 For the Year Ended December 31, 2013

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	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 75,286	\$ 76,803	\$ 1,517
Intergovernmental	-	4,387	4,387
Investment income	1,200	2,424	1,224
Public charges for services	66,253	114,457	48,204
Total Revenues	<u>142,739</u>	<u>198,071</u>	<u>55,332</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>500</u>	<u>650</u>	<u>(150)</u>
Total Expenditures	<u>500</u>	<u>650</u>	<u>(150)</u>
Excess of Revenues Over Expenditures	<u>142,239</u>	<u>197,421</u>	<u>55,182</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(65,781)</u>	<u>(62,993)</u>	<u>2,788</u>
Total Other Financing Uses	<u>(65,781)</u>	<u>(62,993)</u>	<u>2,788</u>
Net Change in Fund Balance	76,458	134,428	57,970
FUND BALANCE - Beginning	<u>38,566</u>	<u>38,566</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 115,024</u>	<u>\$ 172,994</u>	<u>\$ 57,970</u>

**CITY OF BELOIT**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 13  
For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 481,585	\$ 493,904	\$ 12,319
Intergovernmental	-	2,252	2,252
Investment income	9,500	24,400	14,900
Total Revenues	<u>491,085</u>	<u>520,556</u>	<u>29,471</u>
<b>EXPENDITURES</b>			
Capital Outlay	521,500	135,552	385,948
Debt Service			
Principal retirement	65,000	61,443	3,557
Interest and fiscal charges	35,510	37,510	(2,000)
Total Expenditures	<u>622,010</u>	<u>234,505</u>	<u>387,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(130,925)</u>	<u>286,051</u>	<u>416,976</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(82,946)	(81,536)	1,410
Total Other Financing Sources (Uses)	<u>(82,946)</u>	<u>(81,536)</u>	<u>1,410</u>
Net Change in Fund Balance	(213,871)	204,515	418,386
FUND BALANCE - Beginning	<u>1,120,244</u>	<u>1,120,244</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 906,373</u>	<u>\$ 1,324,759</u>	<u>\$ 418,386</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 14 For the Year Ended December 31, 2013

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 43,309	\$ 42,575	\$ (734)
Intergovernmental	-	2,626	2,626
Investment income	1,100	3,250	2,150
Total Revenues	<u>44,409</u>	<u>48,451</u>	<u>4,042</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>500</u>	<u>50,692</u>	<u>(50,192)</u>
Total Expenditures	<u>500</u>	<u>50,692</u>	<u>(50,192)</u>
Net Change in Fund Balance	43,909	(2,241)	(46,150)
FUND BALANCE - Beginning	<u>154,945</u>	<u>154,945</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 198,854</u>	<u>\$ 152,704</u>	<u>\$ (46,150)</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FIRE MULTI-YEAR GRANTS For the Year Ended December 31, 2013

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	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 884,565	\$ 179,370	\$ (705,195)
Investment income	-	791	791
Other	-	500	500
Total Revenues	<u>884,565</u>	<u>180,661</u>	<u>(703,904)</u>
<b>EXPENDITURES</b>			
Current			
Public safety	884,565	179,993	704,572
Capital Outlay	-	15,182	(15,182)
Total Expenditures	<u>884,565</u>	<u>195,175</u>	<u>689,390</u>
Net Change in Fund Balance	-	(14,514)	(14,514)
FUND BALANCE - Beginning	<u>43,876</u>	<u>43,876</u>	-
FUND BALANCE - ENDING	<u>\$ 43,876</u>	<u>\$ 29,362</u>	<u>\$ (14,514)</u>

## CITY OF BELOIT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL - DPW MULTI-YEAR GRANTS  
 For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 25,000	\$ 25,000	\$ -
Intergovernmental	163,111	123,418	(39,693)
Licenses and permits	-	1,852	1,852
Investment income (loss)	-	702	702
Other	-	5,285	5,285
Total Revenues	<u>188,111</u>	<u>156,257</u>	<u>(31,854)</u>
<b>EXPENDITURES</b>			
Current			
Public works	<u>188,111</u>	<u>200,727</u>	<u>(12,616)</u>
Total Expenditures	<u>188,111</u>	<u>200,727</u>	<u>(12,616)</u>
Net Change in Fund Balance	-	(44,470)	(44,470)
FUND BALANCE - Beginning	<u>188,618</u>	<u>188,618</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 188,618</u>	<u>\$ 144,148</u>	<u>\$ (44,470)</u>

## CITY OF BELOIT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT  
For the Year Ended December 31, 2013

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 783,248	\$ 476,766	\$ (306,482)
Investment income	-	4,460	4,460
Other	-	<u>27,175</u>	<u>27,175</u>
Total Revenues	<u>783,248</u>	<u>508,401</u>	<u>(274,847)</u>
<b>EXPENDITURES</b>			
Current			
Community development	<u>783,248</u>	<u>620,072</u>	<u>163,176</u>
Total Expenditures	<u>783,248</u>	<u>620,072</u>	<u>163,176</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>(111,671)</u>	<u>(111,671)</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of city property	<u>-</u>	<u>500</u>	<u>500</u>
Total Other Financing Sources	<u>-</u>	<u>500</u>	<u>500</u>
Net Change in Fund Balance	-	(111,171)	(111,171)
FUND BALANCE - Beginning	<u>51,001</u>	<u>51,001</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 51,001</u>	<u>\$ (60,170)</u>	<u>\$ (111,171)</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 1,775,877	\$ 1,775,877	\$ -
Intergovernmental	288,070	288,070	-
Fees and service charges	55,000	45,291	(9,709)
Investment income	8,800	22,441	13,641
Public charges for services	33,250	30,808	(2,442)
Other	3,600	3,306	(294)
Total Revenues	<u>2,164,597</u>	<u>2,165,793</u>	<u>1,196</u>
<b>EXPENDITURES</b>			
Current			
Parks, recreation and education	2,124,597	2,038,937	85,660
Capital Outlay	<u>40,000</u>	<u>24,183</u>	<u>15,817</u>
Total Expenditures	<u>2,164,597</u>	<u>2,063,120</u>	<u>101,477</u>
Net Change in Fund Balance	-	102,673	102,673
FUND BALANCE - Beginning	<u>641,610</u>	<u>641,610</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 641,610</u>	<u>\$ 744,283</u>	<u>\$ 102,673</u>



## CITY OF BELOIT

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 116,000	\$ 119,500	\$ 3,500
Intergovernmental	383,737	249,741	(133,996)
Public charges for services	-	156,891	156,891
Investment income	-	6,132	6,132
Other	-	140,414	140,414
Total Revenues	<u>499,737</u>	<u>672,678</u>	<u>172,941</u>
<b>EXPENDITURES</b>			
Current			
Public safety	<u>499,737</u>	<u>858,861</u>	<u>(359,124)</u>
Total Expenditures	<u>499,737</u>	<u>858,861</u>	<u>(359,124)</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>(186,183)</u>	<u>(186,183)</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(80,000)</u>	<u>(80,000)</u>
Total Other Financing Uses	<u>-</u>	<u>(80,000)</u>	<u>(80,000)</u>
Net Change in Fund Balance	-	(266,183)	(266,183)
FUND BALANCE - Beginning	<u>369,525</u>	<u>369,525</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 369,525</u>	<u>\$ 103,342</u>	<u>\$ (266,183)</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SOLID WASTE For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 42,910	\$ 26,846	\$ (16,064)
Intergovernmental	138,000	138,231	231
Licenses and permits	1,500	9,005	7,505
Public charges for services	<u>2,289,280</u>	<u>2,265,905</u>	<u>(23,375)</u>
Total Revenues	<u>2,471,690</u>	<u>2,439,987</u>	<u>(31,703)</u>
<b>EXPENDITURES</b>			
Current			
Public works	<u>2,542,262</u>	<u>2,535,292</u>	<u>6,970</u>
Deficiency of Revenues Under Expenditures	<u>(70,572)</u>	<u>(95,305)</u>	<u>(24,733)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>70,572</u>	<u>70,572</u>	<u>-</u>
Total Other Financing Sources	<u>70,572</u>	<u>70,572</u>	<u>-</u>
Net Change in Fund Balance	-	(24,733)	(24,733)
FUND BALANCE - Beginning	<u>264,216</u>	<u>264,216</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 264,216</u>	<u>\$ 239,483</u>	<u>\$ (24,733)</u>

# CITY OF BELOIT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMPUTER REPLACEMENT For the Year Ended December 31, 2013

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment income	\$ -	\$ 9,322	\$ 9,322
Other	-	<u>43,788</u>	<u>43,788</u>
Total Revenues	-	<u>53,110</u>	<u>53,110</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>87,560</u>	<u>37,920</u>	<u>49,640</u>
Net Change in Fund Balance	(87,560)	15,190	102,750
FUND BALANCE - Beginning	<u>512,581</u>	<u>512,581</u>	-
FUND BALANCE - ENDING	<u>\$ 425,021</u>	<u>\$ 527,771</u>	<u>\$ 102,750</u>

**CITY OF BELOIT**

COMBINING STATEMENT OF NET POSITION (DEFICIT) - NONMAJOR PROPRIETARY FUNDS  
As of December 31, 2013

	Enterprise Funds					Totals
	Golf Course	Cemeteries	Ambulance	Storm Sewer	Transit System	
<b>ASSETS</b>						
Current Assets						
Cash and investments	\$ 750	\$ 50	\$ 178,479	\$ 569,970	\$ 1,264	\$ 750,513
Receivables						
Taxes	50,000	28,114	-	-	534,367	612,481
Customer accounts	-	-	453,758	163,982	37,845	655,585
Other	-	-	-	6,083	-	6,083
Due from other governmental units	-	-	-	-	94,084	94,084
Inventories	-	-	-	-	126,460	126,460
Restricted Assets						
Bond redemption account	-	-	-	44,466	-	44,466
Total Current Assets	<u>50,750</u>	<u>28,164</u>	<u>632,237</u>	<u>784,501</u>	<u>794,020</u>	<u>2,289,672</u>
Noncurrent Assets						
Restricted Assets						
Bond reserve account	-	-	-	126,444	-	126,444
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,444</u>	<u>-</u>	<u>126,444</u>
Capital Assets						
Land	816,000	322,000	-	-	132,000	1,270,000
Land improvements	666,970	35,448	-	-	-	702,418
Buildings	280,988	120,153	-	-	4,444,507	4,845,648
Machinery, equipment, and vehicles	56,741	43,028	-	-	3,556,364	3,656,133
Infrastructure	-	-	-	12,384,291	-	12,384,291
Less: accumulated depreciation	(915,704)	(138,639)	-	(2,651,181)	(2,955,499)	(6,661,023)
Total Capital Assets, Net	<u>904,995</u>	<u>381,990</u>	<u>-</u>	<u>9,733,110</u>	<u>5,177,372</u>	<u>16,197,467</u>
Total Noncurrent Assets	<u>904,995</u>	<u>381,990</u>	<u>-</u>	<u>9,859,554</u>	<u>5,177,372</u>	<u>16,323,911</u>
Total Assets	<u>955,745</u>	<u>410,154</u>	<u>632,237</u>	<u>10,644,055</u>	<u>5,971,392</u>	<u>18,613,583</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Unamortized loss on advance refunding	-	-	-	-	2,738	2,738
<b>LIABILITIES</b>						
Current Liabilities						
Accounts payable	7,453	2,815	45,517	30,236	40,196	126,217
Accrued liabilities	-	-	-	3,975	2,781	6,756
Due to other funds	1,414	-	-	-	-	1,414
Compensated absences	8,885	1,662	42,826	3,892	69,733	126,998
Current maturities of general obligation debt	7,529	10,824	-	78,798	106,259	203,410
Other current liabilities	7,122	-	-	-	-	7,122
Current Liabilities Payable From Restricted Assets						
Current maturities of revenue debt	-	-	-	55,000	-	55,000
Accrued interest	-	-	-	17,380	-	17,380
Total Current Liabilities	<u>32,403</u>	<u>15,301</u>	<u>88,343</u>	<u>189,281</u>	<u>218,969</u>	<u>544,297</u>
Noncurrent Liabilities						
General obligation debt	16,552	35,405	-	1,037,359	342,739	1,432,055
Compensated absences	19,598	2,180	-	-	12,826	34,604
Other post-employment benefits	5,154	5,154	-	17,181	54,744	82,233
Revenue debt, less current maturities	-	-	-	1,255,000	-	1,255,000
Unamortized debt discount	-	-	-	(13,244)	-	(13,244)
Advances from other funds	918,000	42,663	-	-	183,202	1,143,865
Total Noncurrent Liabilities	<u>959,304</u>	<u>85,402</u>	<u>-</u>	<u>2,296,296</u>	<u>593,511</u>	<u>3,934,513</u>
Total Liabilities	<u>991,707</u>	<u>100,703</u>	<u>88,343</u>	<u>2,485,577</u>	<u>812,480</u>	<u>4,478,810</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned revenue	50,000	28,114	-	-	534,367	612,481
<b>NET POSITION (DEFICIT)</b>						
Net investment in capital assets	880,914	335,761	-	7,320,197	4,728,374	13,265,246
Restricted	-	-	-	153,530	-	153,530
Unrestricted (deficit)	(966,876)	(54,424)	543,894	684,751	(101,091)	106,254
TOTAL NET POSITION (DEFICIT)	<u>\$ (85,962)</u>	<u>\$ 281,337</u>	<u>\$ 543,894</u>	<u>\$ 8,158,478</u>	<u>\$ 4,627,283</u>	<u>\$ 13,525,030</u>

## CITY OF BELOIT

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT) - NONMAJOR PROPRIETARY FUNDS For the Year Ended December 31, 2013

	Enterprise Funds					Totals
	Golf Course	Cemeteries	Ambulance	Storm Sewer	Transit System	
<b>OPERATING REVENUES</b>						
Charges for services	\$ 402,328	\$ 168,389	\$ 1,015,491	\$ 944,958	\$ 204,153	\$ 2,735,319
Other	2,780	7,020	-	-	36,541	46,341
Total Operating Revenues	405,108	175,409	1,015,491	944,958	240,694	2,781,660
<b>OPERATING EXPENSES</b>						
Operation and maintenance	491,120	340,582	1,189,299	521,597	1,785,037	4,327,635
Contractual services	-	-	-	177,572	104,360	281,932
Depreciation	28,127	3,022	-	149,369	282,066	462,584
Total Operating Expenses	519,247	343,604	1,189,299	848,538	2,171,463	5,072,151
Operating Income (Loss)	(114,139)	(168,195)	(173,808)	96,420	(1,930,769)	(2,290,491)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	-	-	-	-	1,163,443	1,163,443
Investment income (loss)	(354)	105,637	4,775	14,022	(2,301)	121,779
Interest expense	(359)	(207)	-	(136,072)	(17,479)	(154,117)
Amortization of debt discount	-	-	-	(1,314)	-	(1,314)
General property taxes	-	20,000	-	-	534,367	554,367
Gain on sale of property	-	-	-	-	5,250	5,250
Interest subsidy received on Build America Bonds	-	-	-	22,439	-	22,439
Total Nonoperating Revenues (Expenses)	(713)	125,430	4,775	(100,925)	1,683,280	1,711,847
Income (loss) before contributions	(114,852)	(42,765)	(169,033)	(4,505)	(247,489)	(578,644)
Capital contributions	-	-	-	-	42,560	42,560
Change in Net Position	(114,852)	(42,765)	(169,033)	(4,505)	(204,929)	(536,084)
TOTAL NET POSITION - Beginning	28,890	324,102	712,927	8,162,983	4,832,212	14,061,114
TOTAL NET POSITION (DEFICIT) - Ending	\$ (85,962)	\$ 281,337	\$ 543,894	\$ 8,158,478	\$ 4,627,283	\$ 13,525,030

## CITY OF BELOIT

### STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS For the Year Ended December 31, 2013

	Enterprise Funds					Totals
	Golf Course	Cemeteries	Ambulance	Storm Sewer	Transit System	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Received from customers	\$ 405,108	\$ 175,409	\$ 989,517	\$ 958,515	\$ 248,430	\$ 2,776,979
Paid to suppliers for goods and services	(281,868)	(178,876)	(238,292)	(466,002)	(1,124,791)	(2,289,829)
Payments to employees for services	(208,765)	(164,051)	(934,415)	(245,665)	(779,756)	(2,332,652)
Net Cash Provided by Operating Activities	<u>(85,525)</u>	<u>(167,518)</u>	<u>(183,190)</u>	<u>246,848</u>	<u>(1,656,117)</u>	<u>(1,845,502)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Operating grants received	-	-	-	-	1,203,763	1,203,763
Property taxes received	-	20,000	-	-	534,367	554,367
Non-capital advance (and repayment)	92,000	36,007	-	-	43,495	171,502
Net Cash Provided by Noncapital Financing Activities	<u>92,000</u>	<u>56,007</u>	<u>-</u>	<u>-</u>	<u>1,781,625</u>	<u>1,929,632</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Debt retired	(6,239)	(3,869)	-	(131,890)	(99,604)	(241,602)
Interest paid	(359)	(207)	-	(113,652)	(16,273)	(130,491)
Interest subsidy received on BABs	-	-	-	22,655	-	22,655
Proceeds from issuance of new debt	-	10,000	-	19,955	904	30,859
Acquisition and construction of capital assets	-	-	-	(210,314)	(63,810)	(274,124)
Construction grants received	-	-	-	-	56,480	56,480
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,598)</u>	<u>5,924</u>	<u>-</u>	<u>(413,246)</u>	<u>(122,303)</u>	<u>(536,223)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment income (loss)	(354)	105,637	4,775	14,022	(2,301)	121,779
Net Cash Provided (Used) by Investing Activities	<u>(354)</u>	<u>105,637</u>	<u>4,775</u>	<u>14,022</u>	<u>(2,301)</u>	<u>121,779</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(477)	50	(178,415)	(152,376)	904	(330,314)
CASH AND CASH EQUIVALENTS - Beginning	1,227	-	356,894	893,256	360	1,251,737
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 750</u>	<u>\$ 50</u>	<u>\$ 178,479</u>	<u>\$ 740,880</u>	<u>\$ 1,264</u>	<u>\$ 921,423</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>						
Operating income (Loss)	\$ (114,139)	\$ (168,195)	\$ (173,808)	\$ 96,420	\$ (1,930,769)	\$ (2,290,491)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities						
Depreciation expense	28,127	3,022	-	149,369	282,066	462,584
Change in noncash Components of Working Capital						
Accounts receivable	-	-	(25,974)	13,557	7,736	(4,681)
Taxes accrued	-	(8,114)	-	-	-	(8,114)
Inventories	-	-	-	-	(4,806)	(4,806)
Accounts payable	3,032	(1,205)	6,052	469	(13,861)	(5,513)
Other post-employment benefits	(634)	(634)	-	(2,113)	(6,976)	(10,357)
Due to other funds	1,414	-	-	-	-	1,414
Unearned revenue	-	8,114	-	-	-	8,114
Compensated absences	-	-	-	(10,854)	10,493	(361)
Other current liabilities	(3,325)	(506)	10,540	-	-	6,709
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (85,525)</u>	<u>\$ (167,518)</u>	<u>\$ (183,190)</u>	<u>\$ 246,848</u>	<u>\$ (1,656,117)</u>	<u>\$ (1,845,502)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>						
Cash and investments - statement of net position	\$ 750	\$ 50	\$ 178,479	\$ 569,970	\$ 1,264	\$ 750,513
Restricted cash and investments - statement of net position:						
Bond redemption account	-	-	-	44,466	-	44,466
Bond reserve account	-	-	-	126,444	-	126,444
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 750</u>	<u>\$ 50</u>	<u>\$ 178,479</u>	<u>\$ 740,880</u>	<u>\$ 1,264</u>	<u>\$ 921,423</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITY</b>						
During 2013, \$159,300 of Stormwater refunding bonds were issued to advance refund \$139,345 of debt and finance \$19,955 of issuance costs.						
During 2013, \$41,000 of Transit refunding bonds were issued to advance refund \$40,096 of debt and finance \$904 of issuance costs.						

**CITY OF BELOIT**

ENTERPRISE FUND - BELOIT MASS TRANSIT  
DETAILED SCHEDULE OF REVENUES AND EXPENSES - REGULATORY BASIS  
For the Year Ended December 31, 2013

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	<u>2013</u>
<b>REVENUE</b>	
401 - Passenger fares for transit service	\$ 204,153
407 - Non-transportation revenue	
Advertising	15,888
Investment Income	(2,301)
Rental Income	20,091
Charter and miscellaneous	563 *
409 - Local operating assistance - city levy	534,367
409 - Local operating assistance - inter-government	79,219
411 - State operating assistance	461,344
State paratransit grant	16,871
413 - Federal operating assistance	606,009
Capital contributions	<u>42,560</u>
 Total Revenue	 <u>1,984,014</u>
<b>EXPENSES - BY OBJECT CLASS TOTAL</b>	
501 - Labor	779,756
502 - Fringe benefits	669,928
503 - Services	42,807
504 - Materials and supplies	267,871
505 - Utilities	49,563
506 - Casualty and liability costs	48,368
508 - Purchased transportation services	22,914
509 - Miscellaneous	8,191
509 - Interest expense	17,479
513 - Depreciation	<u>282,066</u>
 Total Expenses	 <u>2,188,943</u>
 EXCESS EXPENSES OVER REVENUES FOR THE YEAR	  <u>\$ (204,929)</u>

\* Contra expense for state subsidy purposes.

**CITY OF БЕЛОIT**

ENTERPRISE FUND - БЕЛОIT MASS TRANSIT  
 RECONCILIATION OF REVENUES AND EXPENSES TO WISDOT AND FEDERAL  
 RECOGNIZED REVENUES AND EXPENSES  
 For the Year Ended December 31, 2013

	<u>Per WisDOT Guidelines</u>	<u>Per Federal Guidelines</u>
Beloit Revenues	\$ 1,984,014	\$ 1,984,014
Less Unrecognized Revenues		
Advertising Revenue	-	15,888
Charter Revenue	563	563
Investment income	(2,301)	(2,301)
Rental income	20,091	20,091
Local Operating Assistance	613,586	613,586
State Operating Assistance	478,215	478,215
Federal Operating Assistance	606,009	606,009
Capital Contributions	1     42,560	42,560
<b>ADJUSTED REVENUES</b>	<u>\$ 225,291</u>	<u>\$ 209,403</u>
 Total Expenses	 \$ 2,188,943	 \$ 2,188,943
Less Non-Recognized Expenses		
Interest	17,479	17,479
Depreciation	282,066	282,066
Other	7,000	7,000
Less Contra Expenses		
Charter Revenue	563	563
State Paratransit Assistance	16,871	16,871
Capital Contributions for Operating Expenses	2     -	-
<b>RECOGNIZED EXPENSES</b>	<u>\$ 1,864,964</u>	<u>\$ 1,864,964</u>
<b>RECOGNIZED EARNINGS (DEFICITS)</b>	<u>\$ (1,639,673)</u>	<u>\$ (1,655,561)</u>
 1 - Capital contributions - assets capitalized	 \$ 42,560	
Capital contributions - expensed	<u>-</u>	
Total capital contributions	<u>\$ 42,560</u>	
 2 - Capital contributions - expensed	 \$ -	
Federal share	<u>80%</u>	
Federal and local share of expenses	<u>\$ -</u>	



**CITY OF БЕЛОIT**

ENTERPRISE FUND - БЕЛОIT MASS TRANSIT  
COMPUTATION OF THE DEFICIT DISTRIBUTION AMONG THE SUBSIDY GRANTORS  
For the Year Ended December 31, 2013

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**STATE FUNDS**

WisDOT Contract Amount		<u>\$ 461,344</u>
Local Operating Subsidy	<u>\$ 613,586</u>	
5 Times Operating Subsidy		<u>\$ 3,067,930</u>
WisDOT Recognized Deficit	<u>\$ 1,644,923</u>	
Federal Share of Operating Assistance	<u>\$ 606,009</u>	
Remaining State Share of Deficit		<u>\$ 1,038,914</u>
WisDOT Recognized Expenses	<u>\$ 1,864,964</u>	
Maximum State and Federal Operating Assistance	60.00%	
	<u>\$ 1,118,978</u>	
Federal Share of Operating Assistance	<u>\$ 606,009</u>	
Remaining State Share of Operating Assistance		<u>\$ 512,969</u>
State Share – Least of the Five		<u>\$ 461,344</u>

**FEDERAL SECTION 9 FUNDS**

Federally Recognized Deficit	<u>\$ 1,660,811</u>	
50% of Federal Deficit		<u>\$ 830,406</u>
Federal Recognized Deficit	\$ 1,660,811	
Less: State share	<u>461,344</u>	
Local Share		<u>\$ 1,199,467</u>
Maximum Federal Share Per Grant Award	<u>\$ 606,009</u>	
Federal Section 9 Share – Least of the Three		<u>\$ 606,009</u>

## CITY OF BELOIT

### COMBINING STATEMENT OF NET POSITION (DEFICIT) - INTERNAL SERVICE FUNDS As of December 31, 2013

	<u>Equipment Operations</u>	<u>General Liability Insurance</u>	<u>Health Insurance</u>	<u>Retiree Health Insurance</u>	<u>Totals</u>
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 60,456	\$ 307,211	\$ 495,484	\$ -	\$ 863,151
Accounts receivable	<u>26,937</u>	<u>288</u>	<u>36,716</u>	<u>14,555</u>	<u>78,496</u>
Total Current Assets	<u>87,393</u>	<u>307,499</u>	<u>532,200</u>	<u>14,555</u>	<u>941,647</u>
Noncurrent Assets					
Restricted Assets					
Deposit with risk pool	<u>-</u>	<u>1,575,475</u>	<u>-</u>	<u>-</u>	<u>1,575,475</u>
Total Restricted Assets	<u>-</u>	<u>1,575,475</u>	<u>-</u>	<u>-</u>	<u>1,575,475</u>
Capital Assets					
Machinery, equipment, and vehicles	67,165	-	-	-	67,165
Less: Accumulated depreciation	<u>(55,164)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,164)</u>
Net Capital Assets	<u>12,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,001</u>
Total Noncurrent Assets	<u>12,001</u>	<u>1,575,475</u>	<u>-</u>	<u>-</u>	<u>1,587,476</u>
Total Assets	<u>99,394</u>	<u>1,882,974</u>	<u>532,200</u>	<u>14,555</u>	<u>2,529,123</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	36,078	5,876	3,511	-	45,465
Claims payable	<u>-</u>	<u>249,516</u>	<u>1,751,708</u>	<u>-</u>	<u>2,001,224</u>
Total Current Liabilities	<u>36,078</u>	<u>255,392</u>	<u>1,755,219</u>	<u>-</u>	<u>2,046,689</u>
Noncurrent Liabilities					
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,052</u>	<u>287,052</u>
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,052</u>	<u>287,052</u>
Total Liabilities	<u>36,078</u>	<u>255,392</u>	<u>1,755,219</u>	<u>287,052</u>	<u>2,333,741</u>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	12,001	-	-	-	12,001
Unrestricted (deficit)	<u>51,315</u>	<u>1,627,582</u>	<u>(1,223,019)</u>	<u>(272,497)</u>	<u>183,381</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 63,316</u>	<u>\$ 1,627,582</u>	<u>\$ (1,223,019)</u>	<u>\$ (272,497)</u>	<u>\$ 195,382</u>

## CITY OF BELOIT

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION (DEFICIT) -  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013

	Equipment Operations	General Liability Insurance	Health Insurance	Retiree Health Insurance	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,447,277	\$ 1,343,311	\$ 7,224,451	\$ 1,929,406	\$ 11,944,445
Other	1,779	-	-	-	1,779
Total Operating Revenue	<u>1,449,056</u>	<u>1,343,311</u>	<u>7,224,451</u>	<u>1,929,406</u>	<u>11,946,224</u>
<b>OPERATING EXPENSES</b>					
Operation and maintenance	1,369,244	754,734	6,497,628	1,873,226	10,494,832
Contractual services	28,094	766,177	-	-	794,271
Depreciation	2,940	-	-	-	2,940
Total Operating Expenses	<u>1,400,278</u>	<u>1,520,911</u>	<u>6,497,628</u>	<u>1,873,226</u>	<u>11,292,043</u>
Operating Income (loss)	48,778	(177,600)	726,823	56,180	654,181
TOTAL NET POSITION (DEFICIT) - Beginning	<u>14,538</u>	<u>1,805,182</u>	<u>(1,949,842)</u>	<u>(328,677)</u>	<u>(458,799)</u>
TOTAL NET POSITION (DEFICIT) - ENDING	<u>\$ 63,316</u>	<u>\$ 1,627,582</u>	<u>\$ (1,223,019)</u>	<u>\$ (272,497)</u>	<u>\$ 195,382</u>

## CITY OF БЕЛОIT

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2013

	Equipment Operations	General Liability Insurance	Health Insurance	Retiree Health Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 1,422,119	\$ 1,343,311	\$ 7,203,112	\$ 2,025,418	\$ 11,993,960
Paid to suppliers for goods and services	(919,713)	(1,355,823)	(6,869,816)	(1,901,154)	(11,046,506)
Payments to employees for services	(474,877)	(83,700)	-	-	(558,577)
Net Cash Provided (Used) by Operating Activities	<u>27,529</u>	<u>(96,212)</u>	<u>333,296</u>	<u>124,264</u>	<u>388,877</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Non-capital advance (and repayment)	-	-	-	(124,264)	(124,264)
Net Cash Used by Noncapital Financing Activities	-	-	-	(124,264)	(124,264)
Net Increase (Decrease) in Cash and Cash Equivalents	27,529	(96,212)	333,296	-	264,613
CASH AND CASH EQUIVALENTS - Beginning	32,927	403,423	162,188	-	598,538
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 60,456</u>	<u>\$ 307,211</u>	<u>\$ 495,484</u>	<u>\$ -</u>	<u>\$ 863,151</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 48,778	\$ (177,600)	\$ 726,823	\$ 56,180	\$ 654,181
Adjustments to Reconcile Operating Income (loss) to Net Cash Flows From Operating Activities					
Depreciation expense	2,940	-	-	-	2,940
Change in noncash components of working capital					
Accounts receivable	(26,937)	-	(21,339)	96,012	47,736
Accounts payable	2,748	(58,417)	3,511	(27,928)	(80,086)
Claims payable	-	139,805	(375,699)	-	(235,894)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 27,529</u>	<u>\$ (96,212)</u>	<u>\$ 333,296</u>	<u>\$ 124,264</u>	<u>\$ 388,877</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>					
Cash and investments - statement of net position	<u>\$ 60,456</u>	<u>\$ 307,211</u>	<u>\$ 495,484</u>	<u>\$ -</u>	<u>\$ 863,151</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 60,456</u>	<u>\$ 307,211</u>	<u>\$ 495,484</u>	<u>\$ -</u>	<u>\$ 863,151</u>

# CITY OF BELOIT

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - TAX COLLECTIONS For the Year Ended December 31, 2013

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	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
<b>TAX COLLECTIONS</b>				
<b>Assets</b>				
Cash and investments	\$ 6,612,316	\$ 1,926,468	\$ 6,612,316	\$ 1,926,468
Property taxes receivable	<u>17,604,787</u>	<u>22,026,377</u>	<u>17,604,787</u>	<u>22,026,377</u>
<b>TOTAL ASSETS</b>	<u>\$ 24,217,103</u>	<u>\$ 23,952,845</u>	<u>\$ 24,217,103</u>	<u>\$ 23,952,845</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,104	\$ -	\$ 2,104	\$ -
Due to other taxing units	<u>24,214,999</u>	<u>23,952,845</u>	<u>24,214,999</u>	<u>23,952,845</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 24,217,103</u>	<u>\$ 23,952,845</u>	<u>\$ 24,217,103</u>	<u>\$ 23,952,845</u>

**CITY OF БЕЛОIT**

COMBINING STATEMENT OF NET POSITION - COMMUNITY DEVELOPMENT AUTHORITY  
As of December 31, 2013

	Primary Government					Component Units			Totals Before Eliminations	Eliminations	Totals
	Major	Major	Major	Major	Major	Total Primary Government	Beloit Apartments Redevelopment Phase 1, LLC	Beloit Apartments Redevelopment Phase 2, LLC			
	Rental Voucher Program	Low Rent Public Housing	Project Based Vouchers	Administration	Leases Receivable						
<b>ASSETS</b>											
Current Assets											
Cash and investments	\$ 605,109	\$ 55,281	\$ 64,641	\$ 156,871	\$ -	\$ 881,902	\$ 27,768	\$ 34,203	\$ 943,873	\$ -	\$ 943,873
Receivables											
Accounts	38,658	9,016	2,623	-	-	50,297	19,711	26,877	96,885	(37,626)	59,259
Lease receivable from Beloit Apartments Redevelopment - Phase 1 - LLC	-	2,800,000	-	-	-	2,800,000	-	-	2,800,000	(2,800,000)	-
Lease receivable from Beloit Apartments Redevelopment - Phase 2 - LLC	-	2,580,074	-	-	-	2,580,074	-	-	2,580,074	(2,580,074)	-
Lease receivable from primary government	-	-	-	-	2,320,000	2,320,000	-	-	2,320,000	-	2,320,000
Due from Beloit Apartments Redevelopment - Phase 1 - LLC	-	77,934	-	-	-	77,934	-	-	77,934	(77,934)	-
Due from Beloit Apartments Redevelopment - Phase 2 - LLC	-	16,226	-	-	-	16,226	-	-	16,226	(16,226)	-
Due from other governmental units	-	103,526	-	-	-	103,526	-	-	103,526	-	103,526
Financing costs	-	-	-	-	-	-	13,868	11,396	25,264	-	25,264
Tax credit fees	-	-	-	-	-	-	91,227	111,161	202,388	-	202,388
Prepaid items	5,362	5,170	-	-	-	10,532	2,352	2,230	15,114	-	15,114
Total Current Assets	649,129	5,647,227	67,264	156,871	2,320,000	8,840,491	154,926	185,867	9,181,284	(5,511,860)	3,669,424
Noncurrent Assets											
Restricted Assets											
Cash and investments	-	-	-	-	2,630,621	2,630,621	238,756	519,630	3,389,007	-	3,389,007
Capital Assets											
Land	-	344,067	70,472	-	-	414,539	420,849	945,397	1,780,785	(1,179,500)	601,285
Land improvements	-	-	-	-	-	-	164,412	397,055	561,467	-	561,467
Buildings	-	134,412	700,777	-	-	835,189	1,540,500	640,000	3,015,689	(975,520)	2,040,169
Building improvements	-	-	-	-	-	-	8,382,243	9,214,904	17,597,147	-	17,597,147
Machinery, equipment, furnishings and vehicles	16,092	162,604	34,906	-	-	213,602	260,764	309,631	783,997	-	783,997
Less: Accumulated depreciation	(11,818)	(247,152)	(359,795)	-	-	(618,765)	(815,673)	(558,326)	(1,992,764)	-	(1,992,764)
Total Capital Assets, Net	4,274	393,931	446,360	-	-	844,565	9,953,095	10,948,661	21,746,321	(2,155,020)	19,591,301
Other Assets											
Lease receivable from primary government	-	-	-	-	15,949,379	15,949,379	-	-	15,949,379	-	15,949,379
Total Noncurrent Assets	4,274	393,931	446,360	-	18,580,000	19,424,565	10,191,851	11,468,291	41,084,707	(2,155,020)	38,929,687
Total Assets	653,403	6,041,158	513,624	156,871	20,900,000	28,265,056	10,346,777	11,654,158	50,265,991	(7,666,880)	42,599,111

	Primary Government					Component Units					Totals Before Eliminations	Eliminations	Totals	
	Major	Major	Major	Major	Major	Total Primary Government	Beloit Apartments Redevelopment	Beloit Apartments Redevelopment	Totals Before Eliminations	Eliminations				Totals
	Section 8 Rental Voucher Program	Low Rent Public Housing	Project Based Vouchers	Administration	Leases Receivable		Phase 1, LLC	Phase 2, LLC						
<b>LIABILITIES</b>														
<b>Current Liabilities</b>														
Accounts payable	\$ 13,393	\$ 10,381	\$ 2,981	\$ -	\$ -	\$ 26,755	\$ 77,876	\$ 16,668	\$ 121,299	\$ (89,518)	\$ 31,781			
Accrued liabilities	28,336	29,210	4,121	-	-	61,667	331,014	161,191	553,872	(6,174)	547,698			
Due to Beloit Apartments Redevelopment - Phase 1 - LLC	-	11,548	-	-	-	11,548	-	-	11,548	(11,548)	-			
Due to Beloit Apartments Redevelopment - Phase 2 - LLC	-	24,546	-	-	-	24,546	-	-	24,546	(24,546)	-			
Due to primary government	29,607	46,495	-	-	-	76,102	-	-	76,102	-	76,102			
Deposits	12,479	-	5,600	-	-	18,079	33,100	23,675	74,854	-	74,854			
Lease revenue bonds payable	-	-	-	-	2,320,000	2,320,000	-	-	2,320,000	-	2,320,000			
Total Current Liabilities	83,815	122,180	12,702	-	2,320,000	2,538,697	441,990	201,534	3,182,221	(131,786)	3,050,435			
<b>Noncurrent Liabilities</b>														
Compensated absences	15,367	25,856	-	-	-	41,223	-	-	41,223	-	41,223			
Loans payable	-	402,168	-	-	-	402,168	-	-	402,168	-	402,168			
Mortgage notes payable	-	-	-	-	-	-	2,800,000	2,580,074	5,380,074	(5,380,074)	-			
Other notes payable	-	-	-	-	-	-	430,559	330,760	761,319	-	761,319			
Lease revenue bonds payable	-	-	-	-	18,580,000	18,580,000	-	-	18,580,000	-	18,580,000			
Total Noncurrent Liabilities	15,367	428,024	-	-	18,580,000	19,023,391	3,230,559	2,910,834	25,164,784	(5,380,074)	19,784,710			
Total Liabilities	99,182	550,204	12,702	-	20,900,000	21,562,088	3,672,549	3,112,368	28,347,005	(5,511,860)	22,835,145			
<b>DEFERRED INFLOWS OF RESOURCES</b>														
Unearned revenue	-	-	-	-	-	-	1,234,432	-	1,234,432	-	1,234,432			
<b>NET POSITION</b>														
Net investment in capital assets	4,274	393,931	446,360	-	-	844,565	-	-	844,565	-	844,565			
Members' equity	-	-	-	-	-	-	5,439,796	8,541,790	13,981,586	(2,155,020)	11,826,566			
Restricted for grant programs	211,410	5,097,023	-	-	-	5,308,433	-	-	5,308,433	-	5,308,433			
Unrestricted	338,537	-	54,562	156,871	-	549,970	-	-	549,970	-	549,970			
<b>TOTAL NET POSITION</b>	<b>\$ 554,221</b>	<b>\$ 5,490,954</b>	<b>\$ 500,922</b>	<b>\$ 156,871</b>	<b>\$ -</b>	<b>\$ 6,702,968</b>	<b>\$ 5,439,796</b>	<b>\$ 8,541,790</b>	<b>\$ 20,684,554</b>	<b>\$ (2,155,020)</b>	<b>\$ 18,529,534</b>			

**CITY OF БЕЛОIT**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - COMMUNITY DEVELOPMENT AUTHORITY  
For the Year Ended December 31, 2013

	Primary Government					Total Primary Government	Component Units		Totals Before Eliminations	Eliminations	Totals
	Major	Major	Major	Major	Major		Beloit	Beloit			
	Section 8 Rental Voucher Program	Low Rent Public Housing	Project Based Vouchers	Administration	Lease Receivable		Apartments Redevelopment Phase 1, LLC	Apartments Redevelopment Phase 2, LLC			
<b>EXPENSES</b>											
Community development	\$ 3,230,706	\$ 705,123	\$ 63,088	\$ 11,280	\$ -	\$ 4,010,197	\$ 456,859	\$ 676,332	\$ 5,143,388	\$ (282,657)	\$ 4,860,731
<b>PROGRAM REVENUES</b>											
Charges for services	-	14,628	45,588	-	-	60,216	26,766	98,850	185,832	-	185,832
Operating grants and contributions	3,050,244	734,652	-	-	-	3,784,896	204,408	165,398	4,154,702	(447,497)	3,707,205
Other revenue	-	-	205	-	-	205	46,314	9,746	56,265	-	56,265
Total Program Revenues	3,050,244	749,280	45,793	-	-	3,845,317	277,488	273,994	4,396,799	(447,497)	3,949,302
Net Revenues (Expenses)	(180,462)	44,157	(17,295)	(11,280)	-	(164,880)	(179,371)	(402,338)	(746,589)	(164,840)	(911,429)
<b>GENERAL REVENUES (EXPENSES)</b>											
Investment income	198	346	-	-	881,191	881,735	149	329	882,213	-	882,213
Interest and amortization	(296)	(12,517)	-	-	(881,191)	(894,004)	(119,643)	(153,696)	(1,167,343)	-	(1,167,343)
Insurance recoveries	-	-	16,965	-	-	16,965	-	-	16,965	-	16,965
Development fee	-	-	-	798,688	-	798,688	-	-	798,688	-	798,688
Payment to Beloit Apartments Redevelopment - Phase 1 - LLC	-	(112,005)	-	-	-	(112,005)	-	-	(112,005)	112,005	-
Payment to Beloit Apartments Redevelopment - Phase 2 - LLC	-	(52,835)	-	-	-	(52,835)	-	-	(52,835)	52,835	-
Miscellaneous	14,230	18,905	-	-	-	33,135	363	(6,798)	26,700	-	26,700
Total General Revenue (Expenses)	14,132	(158,106)	16,965	798,688	-	671,679	(119,131)	(160,165)	392,383	164,840	557,223
Revenues (Expenses) Before Contributions and Transfers	(166,330)	(113,949)	(330)	787,408	-	506,799	(298,502)	(562,503)	(354,206)	-	(354,206)
Capital contributions	-	-	-	-	-	-	769,641	7,621,858	8,391,499	-	8,391,499
Transfers in (out)	-	630,537	-	(630,537)	-	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	(166,330)	516,588	(330)	156,871	-	506,799	471,139	7,059,355	8,037,293	-	8,037,293
NET POSITION – Beginning of Year	720,551	4,974,366	501,252	-	-	6,196,169	4,968,657	1,482,435	12,647,261	(2,155,020)	10,492,241
<b>NET POSITION – END OF YEAR</b>	\$ 554,221	\$ 5,490,954	\$ 500,922	\$ 156,871	\$ -	\$ 6,702,968	\$ 5,439,796	\$ 8,541,790	\$ 20,684,554	\$ (2,155,020)	\$ 18,529,534



**CITY OF BELOIT**

COMBINING STATEMENT OF CASH FLOWS - COMMUNITY DEVELOPMENT AUTHORITY  
For the Year Ended December 31, 2013

	Primary Government					Totals
	Major Section 8 Rental Voucher Program	Major Low Rent Public Housing	Major Project Based Vouchers	Major Administration	Major Leases Receivable	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Received from customers	\$ 41,802	\$ 43,633	\$ 50,085	\$ -	\$ -	\$ 135,520
Paid to suppliers for goods and services	(3,030,782)	(66,693)	(18,635)	(11,280)	-	(3,127,390)
Payments to employees for services	(190,361)	(258,378)	(27,974)	-	-	(476,713)
Payments to city for tax equivalent	-	(2,423)	-	-	-	(2,423)
Net Cash Flows From Operating Activities	(3,179,341)	(283,861)	3,476	(11,280)	-	(3,471,006)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Governmental grants received	3,050,244	652,266	-	-	-	3,702,510
Paid to LLC's	-	(164,840)	-	-	-	(164,840)
Received from LLC's	-	199,651	-	-	-	199,651
Loan to LLC's	-	(1,176,137)	-	-	-	(1,176,137)
Collections on leases receivable	-	-	-	-	2,177,054	2,177,054
Development fee	-	-	-	798,688	-	798,688
Transfers	-	630,537	-	(630,537)	-	-
Net Cash Flows From Non-Capital Financing Activities	3,050,244	141,477	-	168,151	2,177,054	5,536,926
<b>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</b>						
Debt retired	-	-	-	-	(2,250,000)	(2,250,000)
Interest paid	(296)	-	-	-	(881,191)	(881,487)
Insurance proceeds	-	-	61,165	-	-	61,165
Governmental grants received	-	8,182	-	-	-	8,182
Acquisition and construction of capital assets	(839)	(20,699)	-	-	-	(21,538)
Net Cash Flows From Capital and Related Financing Activities	(1,135)	(12,517)	61,165	-	(3,131,191)	(3,083,678)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment income	198	346	-	-	881,191	881,735
Net Cash Flows From Investing Activities	198	346	-	-	881,191	881,735
Net Change in Cash and Cash Equivalents	(130,034)	(154,555)	64,641	156,871	(72,946)	(136,023)
CASH AND CASH EQUIVALENTS - Beginning of Year	735,143	209,836	-	-	2,703,567	3,648,546
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 605,109	\$ 55,281	\$ 64,641	\$ 156,871	\$ 2,630,621	\$ 3,512,523
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating loss	\$ (3,230,706)	\$ (690,495)	\$ (17,295)	\$ (11,280)	\$ -	\$ (3,949,776)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities						
Non-operating income	14,230	18,905	-	-	-	33,135
Depreciation	1,129	7,407	21,264	-	-	29,800
Change in Assets and Liabilities						
Accounts receivable	27,572	10,100	(2,623)	-	-	35,049
Prepaid items	(5,362)	(3,366)	-	-	-	(8,728)
Accounts payable and accrued liabilities	10,349	(20,778)	(670)	-	-	(11,099)
Due to primary government	(7,952)	394,179	-	-	-	386,227
Deposits	-	-	2,800	-	-	2,800
Other liabilities	11,399	187	-	-	-	11,586
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (3,179,341)	\$ (283,861)	\$ 3,476	\$ (11,280)	\$ -	\$ (3,471,006)
<b>NONCASH CAPITAL AND FINANCING ACTIVITIES</b>						
Loans to LLC's	\$ -	\$ 761,319	\$ -	\$ -	\$ -	\$ 761,319

## Statistical Section

This section of the City of Beloit's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial condition through multi-year comparative data.

### Contents

### Pages

#### **Financial Trends - Schedules 1 through 5**

142 - 148

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

#### **Revenue Capacity - Schedules 6 through 10**

149 - 153

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

#### **Debt Capacity - Schedules 11 through 14**

154 - 157

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

#### **Demographic and Economic Information - Schedules 15 and 16**

158 - 159

These schedules provide demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time with other governments.

#### **Operating Information - Schedules 17 through 19**

160 - 162

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

City of Beloit, Wisconsin  
 Net Position by Component,  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 32,455,579	\$ 34,301,380	\$ 39,628,194	\$ 41,730,847	\$ 34,379,310	\$ 35,513,141	\$ 32,392,062	\$ 32,741,870	\$ 54,274,785	\$ 53,354,535
Restricted	10,863,873	11,768,879	13,459,223	11,760,200	10,428,457	8,816,905	8,659,283	15,589,925	11,580,550	12,309,637
Unrestricted (deficit)	17,504,451	14,956,037	8,766,021	4,566,212	10,045,542	2,934,357	2,410,345	(5,964,986)	(11,324,043)	(15,825,906)
Total governmental activities net position	<u>\$ 60,823,903</u>	<u>\$ 61,026,296</u>	<u>\$ 61,853,438</u>	<u>\$ 58,057,259</u>	<u>\$ 54,853,309</u>	<u>\$ 47,264,403</u>	<u>\$ 43,461,690</u>	<u>\$ 42,366,809</u>	<u>\$ 54,531,292</u>	<u>\$ 49,838,266</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 39,876,034	\$ 42,866,172	\$ 43,679,392	\$ 51,141,052	\$ 56,401,815	\$ 62,058,630	\$ 62,944,168	\$ 63,001,736	\$ 60,323,671	\$ 58,348,338
Restricted	9,258,839	7,524,675	8,032,063	8,110,918	6,694,042	2,899,983	3,138,458	3,157,163	3,169,002	3,194,991
Unrestricted	8,475,678	8,052,070	9,232,479	9,583,948	7,893,186	9,454,212	8,713,964	9,051,974	10,967,316	10,188,754
Total business-type activities net position	<u>\$ 57,610,551</u>	<u>\$ 58,442,917</u>	<u>\$ 60,943,934</u>	<u>\$ 68,835,918</u>	<u>\$ 70,989,043</u>	<u>\$ 74,412,825</u>	<u>\$ 74,796,590</u>	<u>\$ 75,210,873</u>	<u>\$ 74,459,989</u>	<u>\$ 71,732,083</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 72,331,613	\$ 77,167,552	\$ 78,969,214	\$ 92,871,899	\$ 86,261,662	\$ 93,328,072	\$ 89,611,229	\$ 89,992,940	\$ 108,794,859	\$ 106,308,162
Restricted	20,122,712	20,885,644	21,491,286	19,871,118	17,122,499	11,716,888	11,797,741	18,747,088	14,749,552	15,504,628
Unrestricted	25,980,129	21,416,017	22,336,872	14,150,160	22,458,191	16,632,268	16,849,310	8,837,654	5,446,870	(242,441)
Total primary government net position	<u>\$ 118,434,454</u>	<u>\$ 119,469,213</u>	<u>\$ 122,797,372</u>	<u>\$ 126,893,177</u>	<u>\$ 125,842,352</u>	<u>\$ 121,677,228</u>	<u>\$ 118,258,280</u>	<u>\$ 117,577,682</u>	<u>\$ 128,991,281</u>	<u>\$ 121,570,349</u>

Note: The 2004 balances were restated for the retroactive reporting of infrastructure capital assets.

The primary government section includes an adjustment for capital assets owned by the business-type activities, but financed by the debt of the governmental activities. Refer to Note I D. 10c.

**City of Beloit, Wisconsin**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>Fiscal Year</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 612,189	\$ 723,994	\$ 715,922	\$ 776,459	\$ 804,713	\$ 780,235	\$ 680,410	\$ 820,889	\$ 747,997	\$ 788,296
Finance and administrative services	4,202,312	4,354,243	4,782,420	6,767,790	7,277,848	6,927,516	7,947,872	9,029,097	4,249,269	4,589,561
Community development	2,819,663	2,673,273	3,774,720	2,743,751	2,221,424	3,173,955	3,569,817	3,978,299	3,593,036	3,271,431
Economic development	232,040	225,825	241,839	264,699	266,796	278,919	315,893	336,540	283,643	340,202
Public safety:										
Police services	9,689,839	9,657,237	10,780,470	10,969,806	14,125,683	13,176,014	14,431,648	14,780,278	15,044,071	15,892,086
Fire services	6,279,879	6,553,907	6,794,772	7,335,343	7,544,082	8,709,729	9,460,266	9,797,889	10,210,826	10,883,679
Health	1,816,663	1,625,005	200,144	-	-	-	-	-	-	-
Public works	11,396,417	11,159,001	13,460,584	13,366,204	12,973,727	20,115,663	13,882,641	12,828,126	16,676,877	15,538,957
Library	1,766,186	1,862,844	1,988,168	2,050,640	2,117,408	2,701,175	2,222,913	2,272,383	2,211,860	2,242,126
Interest and fiscal charges	2,322,088	2,508,848	2,813,184	3,501,709	2,084,379	3,063,257	3,164,857	3,042,878	2,956,048	3,796,706
Total governmental activities	<u>41,137,276</u>	<u>41,344,177</u>	<u>45,552,223</u>	<u>47,776,401</u>	<u>49,416,060</u>	<u>58,926,463</u>	<u>55,676,317</u>	<u>56,886,379</u>	<u>55,973,627</u>	<u>57,343,044</u>
Business-type activities:										
Water	3,863,256	4,287,366	3,972,012	3,939,599	4,293,844	4,799,644	4,505,850	4,467,294	4,436,025	5,075,698
Sewer	7,775,483	8,419,122	7,013,940	7,189,675	7,500,706	7,683,971	7,920,544	8,019,535	8,445,553	8,739,011
Other non-major enterprise funds	3,081,295	3,407,599	3,552,212	4,345,532	4,630,975	4,699,156	4,962,055	5,030,578	5,029,201	5,183,296
Total business-type activities	<u>14,720,034</u>	<u>16,114,087</u>	<u>14,538,164</u>	<u>15,474,806</u>	<u>16,425,525</u>	<u>17,182,771</u>	<u>17,388,449</u>	<u>17,517,407</u>	<u>17,910,779</u>	<u>18,998,005</u>
Total expenses	<u>\$ 55,857,310</u>	<u>\$ 57,458,264</u>	<u>\$ 60,090,387</u>	<u>\$ 63,251,207</u>	<u>\$ 65,841,585</u>	<u>\$ 76,109,234</u>	<u>\$ 73,064,766</u>	<u>\$ 74,403,786</u>	<u>\$ 73,884,406</u>	<u>\$ 76,341,049</u>
<b>Program Revenues (see Schedule 3)</b>										
Governmental activities:										
Charges for services:										
General government	\$ 20,388	\$ 26,742	\$ 22,074	\$ 21,402	\$ 17,856	\$ 15,507	\$ 26,550	\$ 31,670	\$ 35,761	\$ 45,430
Finance and administrative services	1,915,701	1,029,731	2,180,127	1,454,134	2,804,954	2,870,541	3,670,559	4,529,164	1,181,472	1,599,407
Community development	172,899	-	139,683	367,089	19,496	143,657	113,941	180,125	115,177	262,901
Economic development	68,227	23,091	14,585	-	-	-	-	-	-	-
Public safety:										
Police services	1,226,210	1,123,379	1,146,735	1,429,750	969,005	1,322,122	1,383,631	1,429,097	1,254,166	1,368,350
Fire services	63,229	60,024	22,061	19,589	164,324	40,676	52,421	1,310	38,329	2,676
Health	91,599	85,037	759	-	-	-	-	-	-	-
Public works	1,966,409	2,004,048	2,364,965	2,259,768	2,359,255	2,214,592	2,519,039	2,477,014	2,631,861	2,674,811
Library	63,308	103,841	150,241	140,446	160,832	195,909	194,405	199,207	188,106	179,073
Operating grants and contributions	4,308,531	2,755,787	2,398,066	1,157,167	1,861,658	2,693,755	1,992,886	2,640,623	2,212,186	2,083,822
Capital grants and contributions	1,779,114	767,858	846,026	233,136	262,640	1,157,709	234,354	507,677	14,404,161	75,722
Total governmental activities	<u>11,675,615</u>	<u>7,979,538</u>	<u>9,285,322</u>	<u>7,082,481</u>	<u>8,620,020</u>	<u>10,654,468</u>	<u>10,187,786</u>	<u>11,995,887</u>	<u>22,061,219</u>	<u>8,292,192</u>
Business-type activities:										
Charges for services:										
Water	4,469,255	4,507,623	4,660,075	4,605,675	4,693,431	4,690,251	5,029,628	5,428,312	5,812,294	5,542,677
Sewer	7,503,078	7,500,532	7,523,826	7,479,230	7,189,691	6,809,634	6,946,357	6,742,228	6,792,043	6,615,442
Other non-major enterprise funds	1,263,756	1,555,212	1,636,118	2,302,068	2,531,473	2,580,501	2,873,575	2,737,877	2,886,428	2,781,660
Operating grants and contributions	944,628	1,087,975	1,074,996	1,107,569	1,119,323	1,132,853	-	-	-	22,439
Capital grants and contributions	1,097,293	1,362,933	1,500,373	1,173,071	934,212	4,871,996	-	27,386	32,203	147,573
Total business-type activities	<u>15,278,010</u>	<u>16,014,275</u>	<u>16,395,388</u>	<u>16,667,613</u>	<u>16,468,130</u>	<u>20,085,235</u>	<u>14,849,560</u>	<u>14,935,803</u>	<u>15,522,968</u>	<u>15,109,791</u>
Total revenues	<u>\$ 26,953,625</u>	<u>\$ 23,993,813</u>	<u>\$ 25,680,710</u>	<u>\$ 23,750,094</u>	<u>\$ 25,088,150</u>	<u>\$ 30,739,703</u>	<u>\$ 25,037,346</u>	<u>\$ 26,931,690</u>	<u>\$ 37,584,187</u>	<u>\$ 23,401,983</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (29,461,661)	\$ (33,364,639)	\$ (36,266,901)	\$ (40,693,920)	\$ (40,796,040)	\$ (48,271,995)	\$ (45,488,531)	\$ (44,890,492)	\$ (33,912,408)	\$ (49,050,852)
Business-type activities	557,976	(99,812)	1,857,224	1,192,807	42,605	2,902,464	(2,538,889)	(2,581,604)	(2,387,811)	(3,888,214)
Total net expense	<u>\$ (28,903,685)</u>	<u>\$ (33,464,451)</u>	<u>\$ (34,409,677)</u>	<u>\$ (39,501,113)</u>	<u>\$ (40,753,435)</u>	<u>\$ (45,369,531)</u>	<u>\$ (48,027,420)</u>	<u>\$ (47,472,096)</u>	<u>\$ (36,300,219)</u>	<u>\$ (52,939,066)</u>

(continued)

(concluded)

**City of Beloit, Wisconsin**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>Fiscal Year</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General revenues</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	\$ 4,689,377	\$ 4,843,078	\$ 5,156,577	\$ 5,375,871	\$ 5,570,069	\$ 5,654,118	\$ 5,990,830	\$ 6,170,168	\$ 6,167,786	\$ 6,794,942
Property taxes, levied for debt service	3,079,460	2,752,289	2,502,289	2,882,495	3,603,871	3,816,130	4,298,477	4,573,523	4,873,523	4,445,195
Property taxes, levied for other	3,193,143	3,304,771	3,808,617	4,360,329	6,816,113	7,492,551	8,560,888	8,555,227	9,117,555	9,600,907
Other taxes	114,248	291,301	619,176	508,753	551,547	510,674	612,327	561,291	567,650	658,072
Intergovernmental revenues not restricted to specific programs	18,667,021	20,368,636	21,794,494	20,671,176	20,071,655	20,679,687	21,209,003	21,957,459	21,707,260	20,511,649
Public gifts and/or grants	-	6,311	760	-	-	-	-	-	-	-
Investment income	640,920	562,780	1,793,770	2,397,498	691,086	630,129	39,470	986,271	1,163,493	(384,380)
Gain (loss) on sale of property	-	-	300,835	623,359	318,690	86,179	172,518	20,672	52,738	65,842
Miscellaneous	347,364	1,137,866	341,679	1,646,145	992,256	1,327,240	1,628,340	1,661,285	1,651,813	1,835,433
Transfers	300,000	300,000	775,846	(1,567,885)	(1,023,197)	486,381	584,499	(690,285)	775,073	830,166
Total general revenues and transfers	<u>31,031,533</u>	<u>33,567,032</u>	<u>37,094,043</u>	<u>36,897,741</u>	<u>37,592,090</u>	<u>40,683,089</u>	<u>43,096,352</u>	<u>43,795,611</u>	<u>46,076,891</u>	<u>44,357,826</u>
Business-type activities:										
Taxes	503,520	618,208	754,260	700,697	594,530	530,980	519,980	567,256	537,256	554,367
Intergovernmental revenues not restricted to specific programs	-	-	-	-	-	-	1,172,108	1,194,315	1,154,514	1,163,443
Investment income	561,506	586,234	574,614	669,637	492,793	457,938	377,693	529,770	592,441	343,408
Miscellaneous	15,483	27,736	-	-	-	15,781	26,838	14,261	-	-
Gain (loss) on sale of property	-	-	-	-	-	3,000	-	-	127,789	(70,744)
Transfers	(300,000)	(300,000)	(775,846)	1,567,885	1,023,197	(486,381)	(584,499)	690,285	(775,073)	(830,166)
Total business-type activities	<u>780,509</u>	<u>932,178</u>	<u>553,028</u>	<u>2,938,219</u>	<u>2,110,520</u>	<u>521,318</u>	<u>1,512,120</u>	<u>2,995,887</u>	<u>1,636,927</u>	<u>1,160,308</u>
Total primary government	<u>\$ 31,812,042</u>	<u>\$ 34,499,210</u>	<u>\$ 37,647,071</u>	<u>\$ 39,835,960</u>	<u>\$ 39,702,610</u>	<u>\$ 41,204,407</u>	<u>\$ 44,608,472</u>	<u>\$ 46,791,498</u>	<u>\$ 47,713,818</u>	<u>\$ 45,518,134</u>
<b>Change in net position</b>										
Governmental activities	\$ 1,569,872	\$ 202,393	\$ 827,142	\$ (3,796,179)	\$ (3,203,950)	\$ (7,588,906)	\$ (2,392,179)	\$ (1,094,881)	\$ 12,164,483	\$ (4,693,026)
Business-type activities	1,338,485	832,366	2,410,252	4,131,026	2,153,125	3,423,782	(1,026,769)	414,283	(750,884)	(2,727,906)
Total change in net position	<u>\$ 2,908,357</u>	<u>\$ 1,034,759</u>	<u>\$ 3,237,394</u>	<u>\$ 334,847</u>	<u>\$ (1,050,825)</u>	<u>\$ (4,165,124)</u>	<u>\$ (3,418,948)</u>	<u>\$ (680,598)</u>	<u>\$ 11,413,599</u>	<u>\$ (7,420,932)</u>

**Note:** In 2006 the city consolidated its Health Department with the Rock County Health Department. The county now provides these services to city residents.

**City of Beloit, Wisconsin**  
**Program Revenues by Function/Program,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>Program Revenues</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Function/Program</b>										
Governmental activities:										
General government	\$ 20,388	\$ 26,742	\$ 22,074	\$ 21,402	\$ 17,856	\$ 15,507	\$ 26,550	\$ 31,670	\$ 35,761	\$ 45,430
Finance and administrative services	1,922,133	1,036,048	2,183,782	1,455,401	2,817,806	3,086,078	3,873,509	4,847,967	1,556,285	1,979,567
Community development	1,791,483	781,256	970,331	588,969	199,078	1,665,932	1,059,927	1,681,051	1,181,594	1,221,147
Economic development	68,227	40,357	396,608	166,421	11,076	41,529	-	-	-	-
Public safety:										
Police services	1,490,977	1,170,936	1,146,735	1,476,936	1,217,410	1,588,909	1,433,267	1,458,056	1,254,481	1,368,595
Fire services	114,971	115,011	79,169	68,752	248,684	105,548	118,626	64,433	97,985	60,008
Health	1,233,420	809,326	759	-	-	-	-	-	-	-
Public works	4,680,410	3,614,713	4,065,701	2,901,070	3,697,776	3,711,718	3,206,532	3,430,619	17,439,999	3,150,302
Library	353,606	385,149	420,163	403,530	410,334	439,247	469,375	482,091	495,114	467,143
Total governmental activities	<u>11,675,615</u>	<u>7,979,538</u>	<u>9,285,322</u>	<u>7,082,481</u>	<u>8,620,020</u>	<u>10,654,468</u>	<u>10,187,786</u>	<u>11,995,887</u>	<u>22,061,219</u>	<u>8,292,192</u>
Business-type activities:										
Water	5,469,747	5,665,145	5,287,437	4,886,450	4,980,009	5,680,334	6,123,465	5,428,312	5,812,294	5,647,690
Sewer	7,521,152	7,616,106	7,792,114	7,573,835	7,291,004	8,262,681	6,946,357	6,742,228	6,792,043	6,615,442
Other non-major enterprise funds	2,287,111	2,733,024	3,315,837	4,207,328	4,197,117	6,142,220	3,190,272	2,765,263	2,918,631	2,846,659
Total business-type activities	<u>15,278,010</u>	<u>16,014,275</u>	<u>16,395,388</u>	<u>16,667,613</u>	<u>16,468,130</u>	<u>20,085,235</u>	<u>16,260,094</u>	<u>14,935,803</u>	<u>15,522,968</u>	<u>15,109,791</u>
Total primary government	<u>\$ 26,953,625</u>	<u>\$ 23,993,813</u>	<u>\$ 25,680,710</u>	<u>\$ 23,750,094</u>	<u>\$ 25,088,150</u>	<u>\$ 30,739,703</u>	<u>\$ 26,447,880</u>	<u>\$ 26,931,690</u>	<u>\$ 37,584,187</u>	<u>\$ 23,401,983</u>

**Note:** In 2006 the city consolidated its Health Department with the Rock County Health Department. The county now provides these services for city residents.

**City of Beloit, Wisconsin**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General fund</b>										
Reserved	\$ 2,301,074	\$ 2,441,506	\$ 2,272,741	\$ 2,031,796	\$ 2,149,150	\$ 1,924,704	\$ 2,076,049	\$ -	\$ -	\$ -
Unreserved	8,025,173	7,312,676	8,165,444	8,547,741	8,184,365	8,519,970	8,724,137	-	-	-
Nonspendable	-	-	-	-	-	-	-	1,761,379	1,634,901	1,449,818
Assigned	-	-	-	-	-	-	-	605,321	589,028	626,840
Unassigned	-	-	-	-	-	-	-	8,408,569	9,144,726	8,339,711
Total general fund	<u>\$ 10,326,247</u>	<u>\$ 9,754,182</u>	<u>\$ 10,438,185</u>	<u>\$ 10,579,537</u>	<u>\$ 10,333,515</u>	<u>\$ 10,444,674</u>	<u>\$ 10,800,186</u>	<u>\$ 10,775,269</u>	<u>\$ 11,368,655</u>	<u>\$ 10,416,369</u>
<b>All other governmental funds</b>										
Reserved	\$ 11,494,064	\$ 12,554,918	\$ 11,856,614	\$ 10,935,007	\$ 11,565,636	\$ 8,022,576	\$ 7,271,469	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	5,733,357	5,483,717	3,082,789	3,423,288	533,830	(485,129)	243,976	-	-	-
Capital projects funds	7,880,186	5,863,503	11,299,595	22,179,563	9,335,975	8,910,576	9,354,103	-	-	-
Debt service funds	(2,721,092)	(2,227,682)	(6,489,022)	(5,136,143)	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	75,000	-	-
Restricted	-	-	-	-	-	-	-	15,502,709	9,892,961	10,314,163
Assigned	-	-	-	-	-	-	-	11,069,132	10,666,183	12,231,672
Unassigned	-	-	-	-	-	-	-	(4,553,852)	(4,572,305)	(4,374,225)
Total all other governmental funds	<u>\$ 22,386,515</u>	<u>\$ 21,674,456</u>	<u>\$ 19,749,976</u>	<u>\$ 31,401,715</u>	<u>\$ 21,435,441</u>	<u>\$ 16,448,023</u>	<u>\$ 16,869,548</u>	<u>\$ 22,092,989</u>	<u>\$ 15,986,839</u>	<u>\$ 18,171,610</u>
Total governmental funds	<u>\$ 32,712,762</u>	<u>\$ 31,428,638</u>	<u>\$ 30,188,161</u>	<u>\$ 41,981,252</u>	<u>\$ 31,768,956</u>	<u>\$ 26,892,697</u>	<u>\$ 27,669,734</u>	<u>\$ 32,868,258</u>	<u>\$ 27,355,494</u>	<u>\$ 28,587,979</u>

**Note:** It is the city's policy to maintain an unassigned general fund balance of not less than 15% of operating revenues or three months of general fund expenditures, whichever is greater. The projected target for 2013 was \$7,643,242 which represents three months of budgeted operating expenditures. The city exceeded this limit by \$696,469. The city implemented GASB Statement 54 beginning with fiscal year 2011. Refer to Note I D 10 in the Notes to Financial Statements section of the report.

**City of Beloit, Wisconsin**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>				
Taxes (see Schedule 6)	\$ 10,843,237	\$ 11,265,060	\$ 11,572,159	\$ 12,615,533
Intergovernmental	23,246,309	22,225,934	23,493,675	21,902,213
Licenses and permits	639,774	776,138	862,170	758,459
Fines, forfeitures and penalties	952,782	993,225	1,128,260	1,212,231
Fees and service charges	951,737	511,779	662,075	630,560
Rent	58,103	38,988	44,459	43,182
Special assessments	183,671	294,488	388,906	314,066
Investment income	726,856	904,864	1,977,154	2,908,368
Unrealized Gain (loss) on investment	-	-	-	-
Public charges for services	1,757,120	1,682,946	2,031,103	2,256,901
Donations	13,531	17,502	-	-
Other	2,016,416	2,636,405	2,085,813	2,775,930
Total revenues	<u>41,389,536</u>	<u>41,347,329</u>	<u>44,245,774</u>	<u>45,417,443</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	3,678,019	3,807,291	3,771,853	3,895,310
Community development	3,171,269	2,802,778	4,143,333	2,775,921
Public safety	15,982,181	16,369,892	16,961,863	17,960,197
Public health	1,834,356	1,655,042	334,012	-
Public works	7,441,486	7,633,559	8,095,485	8,797,432
Parks, recreation, and education	1,779,022	1,811,607	1,907,205	1,938,463
Capital outlay	8,663,952	12,142,447	14,193,984	10,443,691
Debt service:				
Principal retirement	4,129,286	3,612,222	3,570,886	11,760,034
Interest and fiscal charges	2,612,794	2,756,201	2,862,355	3,876,435
Total expenditures	<u>49,292,365</u>	<u>52,591,039</u>	<u>55,840,976</u>	<u>61,447,483</u>
Excess of revenues over (under) expenditures	(7,902,829)	(11,243,710)	(11,595,202)	(16,030,040)
<b>Other financing sources (uses)</b>				
Debt issued	8,172,166	8,174,118	8,227,299	15,196,994
Debt issued - refunding	-	-	-	-
Capital lease issued	934,549	662,726	616,592	11,213,109
Premium on bonds	52,776	-	-	-
Payments to escrow agent	(2,904,746)	-	-	-
Sale of city property	163,416	822,742	734,988	780,745
Debt service - principal	-	-	-	-
Transfers in	2,313,628	1,204,367	1,984,009	1,017,571
Transfers out	(2,056,864)	(904,367)	(1,208,163)	(385,288)
Total other financing sources (uses)	<u>6,674,925</u>	<u>9,959,586</u>	<u>10,354,725</u>	<u>27,823,131</u>
<b>Net change in fund balances</b>	<u>\$ (1,227,904)</u>	<u>\$ (1,284,124)</u>	<u>\$ (1,240,477)</u>	<u>\$ 11,793,091</u>
<b>Debt service as a percentage of non-capital expenditures</b>	14.98%	14.69%	13.28%	28.41%



		Fiscal Year									
		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>				
\$	16,047,362	\$	17,006,060	\$	18,928,612	\$	19,372,644	\$	20,225,496	\$	20,959,622
	21,831,391		22,996,684		23,009,047		23,963,992		23,612,491		22,449,953
	733,953		567,135		579,017		590,135		652,541		863,215
	1,187,381		1,166,653		1,270,139		1,217,884		1,151,148		1,134,664
	677,097		648,181		720,898		655,964		664,322		732,733
	30,715		30,026		15,469		56		3,615		13,031
	246,045		250,769		158,485		225,047		204,105		188,098
	2,247,632		671,550		28,627		1,027,796		1,163,493		580,052
	-		-		-		-		-		(964,552)
	2,261,251		2,254,880		2,576,526		2,520,878		2,642,302		2,703,076
	-		-		-		-		-		-
	2,350,749		3,373,864		2,963,236		2,657,310		2,842,474		2,925,678
	<u>47,613,576</u>		<u>48,965,802</u>		<u>50,250,056</u>		<u>52,231,706</u>		<u>53,161,987</u>		<u>51,585,570</u>
	3,965,843		4,274,654		3,849,649		3,935,480		3,769,962		3,828,921
	2,600,297		3,101,277		3,963,150		3,916,607		4,224,110		3,452,579
	18,022,207		18,225,392		18,447,116		19,113,358		19,118,570		20,372,113
	-		-		-		-		-		-
	8,780,712		8,622,853		8,325,488		8,194,319		7,958,183		8,883,972
	1,970,069		1,928,426		1,992,966		2,045,247		2,036,683		2,038,937
	18,213,473		20,304,947		9,474,436		11,075,644		14,064,117		7,254,823
	10,294,458		4,946,407		5,609,568		5,923,641		11,952,889		11,334,674
	1,956,651		3,181,079		3,119,978		3,181,470		3,085,618		2,842,047
	<u>65,803,710</u>		<u>64,585,035</u>		<u>54,782,351</u>		<u>57,385,766</u>		<u>66,210,132</u>		<u>60,008,066</u>
	(18,190,134)		(15,619,233)		(4,532,295)		(5,154,060)		(13,048,145)		(8,422,496)
	3,438,190		15,785,965		4,462,587		1,500,000		3,753,800		3,686,989
	-		-		-		14,006,168		3,706,200		12,079,111
	5,085,000		-		-		3,915,445		1,498,489		-
	-		-		-		-		139,913		423,115
	-		(1,194,912)		-		(9,759,095)		(2,458,608)		(7,664,827)
	477,845		88,022		262,246		302,433		106,598		150,427
	-		(4,880,389)		-		-		-		-
	1,350,505		3,247,606		2,141,710		2,509,837		2,613,170		3,387,428
	(2,373,702)		(2,303,318)		(1,557,211)		(2,122,204)		(1,824,177)		(2,407,262)
	<u>7,977,838</u>		<u>10,742,974</u>		<u>5,309,332</u>		<u>10,352,584</u>		<u>7,535,385</u>		<u>9,654,981</u>
\$	<u>(10,212,296)</u>	\$	<u>(4,876,259)</u>	\$	<u>777,037</u>	\$	<u>5,198,524</u>	\$	<u>(5,512,760)</u>	\$	<u>1,232,485</u>
	23.93%		14.68%		16.78%		17.92%		24.74%		24.51%

**City of Beloit, Wisconsin**  
**Tax Revenues by Source, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

<u>Fiscal Year</u>	<u>Property</u>	<u>Mobile Home</u>	<u>Payments In Lieu of</u>	<u>Prior Year Collections/ (Rescinded)</u>	<u>Motel</u>	<u>Total</u>
2004	10,963,221	23,515	8,489	(195,931)	43,943	10,843,237
2005	11,093,961	22,468	8,008	96,072	44,551	11,265,060
2006	11,430,534	18,786	9,097	63,981	49,761	11,572,159
2007	12,621,107	22,868	-	(82,301)	53,859	12,615,533
2008	15,992,806	25,791	13,185	(64,930)	80,510	16,047,362
2009	16,965,490	10,018	10,312	(372)	20,612	17,006,060
2010	18,852,196	12,182	10,509	899	52,826	18,928,612
2011	19,299,003	12,628	9,038	2,006	49,969	19,372,644
2012	20,147,260	15,267	10,822	(5,420)	57,567	20,225,496
2013	20,867,890	13,462	9,089	1,773	67,408	20,959,622

**Note:** Wisconsin Statutes limits the amount that the property tax levy may increase to the percentage increase in the tax base attributed to net new construction.

**City of Beloit, Wisconsin**  
**Assessed Value and Equalized Value of Taxable Property,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Manufacturing Property</b>	<b>Agricultural Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>City Direct Tax Rate</b>	<b>Total Equalized Value</b>	<b>Taxable Assessed Value as a Percentage of Equalized Value</b>
2004	865,566,200	296,065,500	93,956,800	588,200	54,701,730	1,310,878,430	7.89	1,289,346,100	101.67%
2005	909,742,900	325,246,300	88,058,400	664,000	54,982,590	1,378,694,190	7.68	1,387,616,400	99.36%
2006	971,475,800	365,904,900	96,725,400	693,400	55,914,090	1,490,713,590	7.58	1,470,055,900	101.41%
2007	1,046,740,100	423,735,800	114,075,400	710,400	79,446,830	1,664,708,530	7.87	1,630,887,400	102.07%
2008	1,054,404,900	439,788,300	121,180,400	691,200	83,002,580	1,699,067,380	8.08	1,718,751,200	98.85%
2009	1,003,840,630	449,214,400	142,397,900	700,400	88,111,210	1,684,264,540	8.89	1,744,186,100	96.56%
2010	900,230,900	427,694,300	135,080,700	679,600	87,133,340	1,550,818,840	10.04	1,610,889,800	96.27%
2011	899,392,250	432,887,800	141,146,700	596,600	82,989,040	1,557,012,390	10.33	1,558,718,400	99.89%
2012	894,849,000	424,796,000	166,829,600	599,300	102,931,800	1,590,005,700	10.30	1,507,977,900	105.44%
2013	888,191,900	424,675,300	180,902,200	593,200	84,031,800	1,578,394,400	10.62	1,377,134,000	114.61%

**Note:** Property in the city is assessed each year as of January 1. Property is assessed at actual value; however, the Wisconsin Department of Revenue each year estimates the market value of all taxable property for the purpose of apportioning tax levies among the various taxing jurisdictions.

This value is referred to as the equalized value. Taxable assessed value does not include tax exempt properties. Tax rates are per \$1,000 of assessed value and the city direct rate represents the city's portion of the tax levy. The total tax rates including those of other taxing jurisdictions can be found on Schedule 8.

Taxes are levied in December based on the assessed value as of January 1 and collected the following year.

**Source:** City of Beloit annual budget.

**City of Beloit, Wisconsin**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**

(rate per \$1,000 of assessed value)

**Beloit School District**

Levy Year	Collection Year	City of Beloit			Overlapping Rates (a)				Gross Tax Rate	School Tax Credit	Net Tax Rate
		Basic Rate	G. O. Debt Service Rate	Direct Tax Rate	Rock County	State of Wisconsin	Technical College	Beloit School District			
2004	2005	5.79	2.10	7.89	5.82	0.20	1.72	10.27	25.89	(1.34)	24.55
2005	2006	5.87	1.81	7.68	5.88	0.19	1.73	10.44	25.92	(1.23)	24.69
2006	2007	5.65	1.93	7.58	5.40	0.17	1.65	10.22	25.02	(1.45)	23.57
2007	2008	5.71	2.17	7.87	5.25	0.17	1.66	9.08	24.03	(1.47)	22.55
2008	2009	5.83	2.25	8.08	5.33	0.17	1.72	7.73	23.03	(1.56)	21.48
2009	2010	6.34	2.55	8.89	5.75	0.18	1.79	8.53	25.15	(1.40)	23.75
2010	2011	7.09	2.95	10.04	6.23	0.18	1.80	9.84	28.08	(1.37)	26.71
2011	2012	6.59	3.74	10.33	6.30	0.17	1.79	9.48	28.07	(1.30)	26.77
2012	2013	7.51	2.79	10.30	6.18	0.16	1.75	10.11	28.50	(1.27)	27.22
2013	2014	7.59	3.03	10.62	6.00	0.15	1.68	10.08	28.53	(1.31)	27.21

**Beloit Turner School District**

Levy Year	Collection Year	City of Beloit			Overlapping Rates (a)				Gross Tax Rate	School Tax Credit	Net Tax Rate
		Basic Rate	G. O. Debt Service Rate	Direct Tax Rate	Rock County	State of Wisconsin	Technical College	Beloit Turner School District			
2004	2005	5.79	2.10	7.89	5.82	0.20	1.72	11.51	27.13	(1.34)	25.79
2005	2006	5.87	1.81	7.68	5.88	0.19	1.73	9.93	25.41	(1.23)	24.18
2006	2007	5.65	1.93	7.58	5.40	0.17	1.65	9.19	23.99	(1.45)	22.55
2007	2008	5.71	2.17	7.87	5.25	0.17	1.66	8.94	23.89	(1.47)	22.42
2008	2009	5.83	2.25	8.08	5.33	0.17	1.72	9.98	25.28	(1.56)	23.72
2009	2010	6.34	2.55	8.89	5.75	0.18	1.79	10.35	26.96	(1.40)	25.56
2010	2011	7.09	2.95	10.04	6.23	0.18	1.80	10.95	29.20	(1.37)	27.83
2011	2012	6.59	3.74	10.33	6.30	0.17	1.79	11.05	29.63	(1.30)	28.34
2012	2013	7.51	2.79	10.30	6.18	0.16	1.75	11.08	29.47	(1.27)	28.20
2013	2014	7.59	3.03	10.62	6.00	0.15	1.68	10.35	28.80	(1.31)	27.48

**Clinton Community School District**

Levy Year	Collection Year	City of Beloit			Overlapping Rates (a)				Gross Tax Rate	School Tax Credit	Net Tax Rate
		Basic Rate	G. O. Debt Service Rate	Direct Tax Rate	Rock County	State of Wisconsin	Technical College	Clinton School District			
2004	2005	5.79	2.10	7.89	5.82	0.20	1.72	9.09	24.71	(1.34)	23.37
2005	2006	5.87	1.81	7.68	5.88	0.19	1.73	10.47	25.95	(1.23)	24.72
2006	2007	5.65	1.93	7.58	5.40	0.17	1.65	10.17	24.97	(1.45)	23.52
2007	2008	5.71	2.17	7.87	5.25	0.17	1.66	9.87	24.82	(1.47)	23.35
2008	2009	5.83	2.25	8.08	5.33	0.17	1.72	10.32	25.62	(1.56)	24.07
2009	2010	6.34	2.55	8.89	5.75	0.18	1.79	11.42	28.03	(1.40)	26.63
2010	2011	7.09	2.95	10.04	6.23	0.18	1.80	11.97	30.21	(1.37)	28.84
2011	2012	6.59	3.74	10.33	6.30	0.17	1.79	12.34	30.92	(1.30)	29.63
2012	2013	7.51	2.79	10.30	6.18	0.16	1.75	11.64	30.03	(1.27)	28.76
2013	2014	7.59	3.03	10.62	6.00	0.15	1.68	10.68	29.13	(1.31)	27.82

**Note:** The city's property tax rate is approved each year by the City Council and is based on the city's tax levy and the taxable assessed value of property in the city. Property taxes are levied in December based on the assessed value as of January 1 of the tax year and collected the following year.

**(a)** Overlapping rates are those of other local governments and taxing authorities that apply to property owners within the City of Beloit. The school district rates apply only to those properties located within the various school districts whereas the city, county, state, and technical college rates would apply to all properties in the city.

**City of Beloit, Wisconsin  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

Taxpayer	Type of Business/Property	2013			2004		
		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	Rank	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	Rank
ABC Supply/Hendricks	Wholesale Distribution/Property Development	\$ 68,423,490	4.34%	1	\$ 28,174,400	2.15%	1
Kerry Ingredients	Mfg of Food Additives	41,871,200	2.65%	2	9,456,000	0.72%	9
Staples Contract & Commercial LLC	Fullfilment Center	34,688,370	2.20%	3			
Frito Lay Inc	Food Processor	23,804,100	1.51%	4	16,258,000	1.24%	2
Kettle Foods	Food Processor	18,651,200	1.18%	5			
Walmart	Retailer	15,726,620	1.00%	6	13,402,790	1.02%	4
Beloit Health Systems	Health Services	15,671,710	0.99%	7	10,178,080	0.78%	6
Woodmans	Retail Grocer	14,102,460	0.89%	8	13,971,030	1.07%	3
Walgreens	Retail Services	12,528,020	0.79%	9			
Jacobson Beloit LLC	Southeastern Container	12,416,400	0.79%	10			
George Hormel & Co.	Food Processor				12,375,600	0.94%	5
Reynolds Aluminum	Manufacturer				10,168,200	0.78%	7
Genencor	Manufacturer				9,471,300	0.72%	8
McGuire/Morgan Square	Developer Commercial				7,863,300	0.60%	10
Totals		\$ 257,883,570	16.34%		\$ 131,318,700	10.02%	

**Source:** City of Beloit Assessor's Office.

**City of Beloit, Wisconsin  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

Levy Year	Collection Year	Total City Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2005	10,339,882	2,158,553	20.88%	8,180,264	10,338,817	99.99%
2005	2006	10,589,015	2,710,639	25.60%	7,877,778	10,588,417	99.99%
2006	2007	11,296,602	1,719,444	15.22%	9,576,012	11,295,456	99.99%
2007	2008	13,108,729	2,198,715	16.77%	10,906,854	13,105,569	99.98%
2008	2009	13,727,262	2,804,254	20.43%	10,920,358	13,724,612	99.98%
2009	2010	14,980,809	4,112,716	27.45%	10,858,577	14,971,293	99.94%
2010	2011	15,564,530	3,861,158	24.81%	11,692,161	15,553,319	99.93%
2011	2012	16,085,443	2,917,275	18.14%	13,165,124	16,082,399	99.98%
2012	2013	16,394,872	3,331,278	20.32%	13,062,062	16,393,340	99.99%
2013	2014	16,769,023	1,992,160	11.88%	-	1,992,160	11.88%

**Note:** In addition to city property taxes, the city also collects and remits property taxes to the State of Wisconsin, Rock County, Beloit School District, Beloit Turner School District, Clinton Community School District and Blackhawk Technical College. Taxes are levied in December of each year based on the assessed value as of the preceding January 1. Real estate taxes can be paid in four installments on January 31, March 31, May 31 and July 31. Personal property taxes are due January 31. Tax settlements to the other taxing authorities are made in January, February, April, June and the final settlement is in August. The city contracts with the Rock County Treasurer to collect all real estate taxes. The city collects all personal property taxes unpaid after January 31.

**(1) Source:** City of Beloit budget

**City of Beloit, Wisconsin**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Other Debt</b>	<b>Capital Leases</b>	<b>Other Capital Leases</b>	<b>Sewer Revenue Bonds</b>	<b>Water Revenue Bonds</b>	<b>Storm Water Revenue Bonds</b>	<b>Total Outstanding Debt</b>	<b>Estimated Full Property Value</b>	<b>Percentage of Full Property Value</b>	<b>Population</b>	<b>Debt per Capita</b>
<b><u>Governmental Activities</u></b>												
2004	32,128,176	317,987	13,473,579	-	-	-	-	45,919,742	1,289,346,100	3.56%	36,058	1,273
2005	36,414,248	609,211	14,136,305	-	-	-	-	51,159,764	1,387,616,400	3.69%	36,106	1,417
2006	41,318,203	527,882	14,430,759	293,548	-	-	-	56,570,392	1,470,055,900	3.85%	36,560	1,547
2007	53,255,304	306,532	17,136,868	876,179	-	-	-	71,574,883	1,630,887,400	4.39%	37,110	1,929
2008	52,967,110	235,479	15,670,044	787,048	-	-	-	69,659,681	1,718,751,200	4.05%	37,110	1,877
2009	53,844,175	110,000	19,681,831	696,897	-	-	-	74,332,903	1,744,186,100	4.26%	37,000	2,009
2010	54,003,141	100,000	18,325,674	602,607	-	-	-	73,031,422	1,610,889,800	4.53%	36,966	1,976
2011	55,450,472	90,000	20,946,841	503,988	-	-	-	76,991,301	1,558,718,400	4.94%	36,945	2,084
2012	50,222,921	80,000	20,446,434	466,990	-	-	-	71,216,345	1,507,977,900	4.72%	36,850	1,933
2013	49,839,619	70,000	18,269,381	428,441	-	-	-	68,607,441	1,377,134,000	4.98%	36,820	1,863
<b><u>Business-Type Activities</u></b>												
2004	360,974	154,714	-	-	16,538,407	24,645,000	-	41,699,095	1,289,346,100	3.23%	36,058	1,156
2005	1,861,902	54,402	-	-	12,190,504	24,065,000	-	38,171,808	1,387,616,400	2.75%	36,106	1,057
2006	2,747,023	-	-	-	9,586,186	23,470,000	-	35,803,209	1,470,055,900	2.44%	36,560	979
2007	4,169,402	-	-	-	6,890,000	23,700,000	-	34,759,402	1,630,887,400	2.13%	37,110	937
2008	5,928,389	-	-	-	4,090,000	23,025,000	-	33,043,389	1,718,751,200	1.92%	37,110	890
2009	5,986,851	-	-	-	-	26,240,000	-	32,226,851	1,744,186,100	1.85%	37,000	871
2010	5,925,112	-	-	-	-	29,155,000	1,470,000	36,550,112	1,610,889,800	2.27%	36,966	989
2011	5,577,580	-	-	-	2,866,012	28,075,000	1,420,000	37,938,592	1,558,718,400	2.43%	36,945	1,027
2012	5,225,896	-	-	-	3,267,644	26,960,000	1,365,000	36,818,540	1,507,977,900	2.44%	36,850	999
2013	4,859,952	-	-	-	3,129,884	25,800,000	1,310,000	35,099,836	1,377,134,000	2.55%	36,820	953
<b><u>Total Government-wide</u></b>												
2004	32,489,150	472,701	13,473,579	-	16,538,407	24,645,000	-	87,618,837	1,289,346,100	6.80%	36,058	2,430
2005	38,276,150	663,613	14,136,305	-	12,190,504	24,065,000	-	89,331,572	1,387,616,400	6.44%	36,106	2,474
2006	44,065,226	527,882	14,430,759	293,548	9,586,186	23,470,000	-	92,373,601	1,470,055,900	6.28%	36,560	2,527
2007	57,424,706	306,532	17,136,868	876,179	6,890,000	23,700,000	-	106,334,285	1,630,887,400	6.52%	37,110	2,865
2008	58,895,499	235,479	15,670,044	787,048	4,090,000	23,025,000	-	102,703,070	1,718,751,200	5.98%	37,110	2,768
2009	59,831,026	110,000	19,681,831	696,897	-	26,240,000	-	106,559,754	1,744,186,100	6.11%	37,000	2,880
2010	59,928,253	100,000	18,325,674	602,607	-	29,155,000	1,470,000	109,581,534	1,610,889,800	6.80%	36,966	2,964
2011	61,028,052	90,000	20,946,841	503,988	2,866,012	28,075,000	1,420,000	114,929,893	1,558,718,400	7.37%	36,945	3,111
2012	55,448,817	80,000	20,446,434	466,990	3,267,644	26,960,000	1,365,000	108,034,885	1,507,977,900	7.16%	36,850	2,932
2013	54,699,571	70,000	18,269,381	428,441	3,129,884	25,800,000	1,310,000	103,707,277	1,377,134,000	7.53%	36,820	2,817

**City of Beloit, Wisconsin**  
**Ratios of General Bonded Debt Outstanding and Legal Debt Margin,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund (a)</b>	<b>Total</b>	<b>Per Capita (c)</b>	<b>Percentage of Estimated Actual Market Value of Property (b)</b>	<b>Total Debt Applicable to Debt Limit</b>	<b>Legal Debt Limit (d)</b>	<b>Legal Debt Margin (e)</b>	<b>Legal Debt Margin as a Percentage of the Debt Limit</b>
2004	32,489,150	6,171,010	26,318,140	730	2.04%	32,489,150	64,467,305	31,978,155	49.60%
2005	38,276,150	6,106,417	32,169,733	891	2.32%	38,276,150	69,380,820	31,104,670	44.83%
2006	44,065,226	6,574,638	37,490,588	1,025	2.55%	44,065,226	73,502,795	29,437,569	40.05%
2007	57,424,706	5,026,140	52,398,566	1,412	3.21%	57,424,706	81,544,370	24,119,664	29.58%
2008	58,895,499	4,000,673	54,894,826	1,479	3.19%	58,895,499	85,937,560	27,042,061	31.47%
2009	59,831,026	2,297,699	57,533,327	1,555	3.30%	59,831,026	87,209,305	27,378,279	31.39%
2010	59,928,253	2,077,288	57,850,965	1,565	3.59%	59,928,253	80,544,490	20,616,237	25.60%
2011	61,028,052	6,031,219	54,996,833	1,489	3.53%	61,028,052	77,935,920	16,907,868	21.69%
2012	55,448,817	1,871,641	53,577,176	1,454	3.55%	55,448,817	75,398,895	19,950,078	26.46%
2013	54,699,571	2,212,595	52,486,976	1,426	3.81%	54,699,571	68,856,700	14,157,129	20.56%

**Note:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**(a)** Restricted net asset balance for debt service refer to page 1.

**(b)** Property value data can be found in Schedule 6: Total Equalized Value is used as estimated market value.

**(c)** Population data can be found in Schedule 14: Demographic and Economic Indicators. Under city's Debt Policy target is \$950-\$1,050.

**(d)** Wisconsin State Statutes limit the city's general obligation indebtedness to 5% of the equalized value of taxable property within the city's boundaries. The city has established a self imposed limit under its Debt Policy of 3.0-3.5% of equalized value.

**(e)** The legal debt margin is the city's available borrowing authority under State Statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.



**City of Beloit, Wisconsin**  
**Direct and Overlapping Governmental Activities Debt**  
**as of December 31, 2013**

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
County of Rock, Wisconsin	\$ 45,940,000	14.73%	\$ 6,765,354
Blackhawk Technical College	25,885,000	12.25%	3,170,007
Beloit School District	74,611,059	94.32%	70,370,689
Beloit Turner School District	8,951,834	10.98%	982,893
Clinton Community School District	9,460,000	13.55%	1,282,152
<b>Subtotal, overlapping debt</b>			<u>82,571,094</u>
<b>City direct debt</b>			<u>68,607,441</u>
<b>Total direct and overlapping debt</b>			<u>\$ 151,178,535</u>
<b>Population</b>			36,820
<b>Overlapping debt per capita</b>			\$ 2,243
<b>Direct and overlapping debt per capita</b>			\$ 4,106

**Sources:** Equalized value data provided by the Wisconsin Department of Revenue was used to determine the estimated percentage of overlapping debt applicable. Debt outstanding data was provided by each jurisdiction.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Beloit. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be considered. However, this does not imply that every taxpayer is a resident and is responsible for repaying the debt of each overlapping government.

**(a)** The percentage of overlapping debt applicable is estimated using estimated market value (equalized value) of property as provided by the Wisconsin Department of Revenue. Applicable percentages were calculated by using the portion of the taxing jurisdiction's estimated market value that is within the city's boundaries and dividing it by the jurisdiction's total estimated market value.

Direct Debt includes outstanding long term bonded debt, notes, loans, and capital leases of the city's governmental activities.

**City of Beloit, Wisconsin  
Pledged Revenue Coverage,  
Last Ten Fiscal Years**

<b>Sewer Utility Revenue Bonds</b>							
				<b>Debt Service</b>			
<b>Fiscal Year</b>	<b>Utility Charges and Other</b>	<b>Less:</b>		<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
		<b>Operating Expenses</b>	<b>Net Available Revenue</b>				
2004	7,865,348	4,138,694	3,726,654	2,921,923	954,384	0.96	
2005	7,950,886	4,153,179	3,797,707	3,072,903	995,992	0.93	
2006	7,894,227	4,122,852	3,771,375	2,604,318	446,585	1.24	
2007	7,854,276	4,341,516	3,512,760	2,696,186	352,407	1.15	
2008	7,495,480	4,613,801	2,881,679	2,800,000	248,500	0.95	
2009	7,066,624	5,019,792	2,046,832	-	-	-	
2010	7,083,699	5,370,311	1,713,388	-	-	-	
2011	6,867,461	5,471,436	1,396,025	-	13,820	101.01	
2012	6,975,312	5,803,825	1,171,487	130,030	74,991	5.71	
2013	6,779,720	6,051,452	728,268	137,760	76,771	3.39	

<b>Water Utility Revenue Bonds</b>							
				<b>Debt Service</b>			
<b>Fiscal Year</b>	<b>Utility Charges and Other</b>	<b>Less:</b>		<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
		<b>Operating Expenses</b>	<b>Net Available Revenue</b>				
2004	4,658,328	1,967,294	2,691,034	565,000	1,092,770	1.62	
2005	4,609,360	1,698,314	2,911,046	580,000	1,077,770	1.76	
2006	4,791,033	1,757,711	3,033,322	595,000	1,066,170	1.83	
2007	4,791,676	1,771,273	3,020,403	780,000	865,315	1.84	
2008	4,851,984	1,914,142	2,937,842	675,000	980,887	1.77	
2009	4,756,316	2,268,695	2,487,621	695,000	1,030,961	1.44	
2010	5,174,136	1,853,338	3,320,798	1,110,000	1,189,850	1.44	
2011	5,472,411	1,823,566	3,648,845	1,080,000	1,220,495	1.59	
2012	5,874,505	1,810,557	4,063,948	1,115,000	1,183,233	1.77	
2013	5,600,028	2,266,499	3,333,529	1,235,000	1,064,519	1.45	

<b>Storm Water Utility Revenue Bonds</b>							
				<b>Debt Service</b>			
<b>Fiscal Year</b>	<b>Utility Charges and Other</b>	<b>Less:</b>		<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
		<b>Operating Expenses</b>	<b>Net Available Revenue</b>				
2004	-	-	-	-	-	-	
2005	-	-	-	-	-	-	
2006	-	-	-	-	-	-	
2007	-	-	-	-	-	-	
2008	-	-	-	-	-	-	
2009	-	-	-	-	-	-	
2010	951,506	737,653	213,853	-	41,424	5.16	
2011	950,724	635,318	315,406	50,000	72,369	2.58	
2012	958,856	702,539	256,317	55,000	71,444	2.03	
2013	958,980	699,169	259,811	55,000	69,813	2.08	

**Note:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sewer, water and storm charges and other includes non-operating revenues.

Operating expenses does not include interest, amortization expenses, or depreciation.

The city's required coverage ratios are 1.10 times for the sewer utility and 1.25 times for the water and storm water utilities.

**City of Beloit, Wisconsin  
Demographic and Economic Statistics,  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Estimated Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Labor Force (5)</u>	<u>Employment (5)</u>	<u>Unemployment (5)</u>	<u>City Unemployment Rate (5)</u>
2004	36,058	1,033,097,758	28,651	6,941	17,129	15,766	1,363	8.0%
2005	36,106	1,051,587,250	29,125	7,113	17,065	15,691	1,374	8.1%
2006	36,560	1,132,446,000	30,975	7,169	17,459	16,192	1,267	7.3%
2007	37,110	1,171,006,050	31,555	7,125	17,493	16,193	1,300	7.4%
2008	37,110	1,190,154,810	32,071	7,130	16,981	15,548	1,433	8.4%
2009	37,000	1,142,893,000	30,889	7,146	17,275	14,254	3,021	17.5%
2010	36,966	1,179,104,502	31,897	6,891	16,486	14,362	2,124	12.9%
2011	36,945	1,230,453,225	33,305	6,967	16,273	14,484	1,789	11.0%
2012	36,850	1,321,256,750	35,855	6,985	16,474	14,770	1,704	10.3%
2013	36,820	NA	NA	7,116	16,880	15,013	1,867	11.1%

**Sources:** (1) State of Wisconsin Department of Administration or U. S. Census Bureau (2010).

(2) Personal income estimate for the city is based on city population and per capita personal income for Rock County, WI using data obtained from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

(3) Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce, Rock County, WI.

(4) State of Wisconsin Department of Public Instruction.

(5) State of Wisconsin Department of Workforce Development - Office of Economic Advisors.

**Note:** Late in 2008 the General Motors assembly plant in Janesville, WI closed eliminating over 1,200 jobs and severely impacting the regional economy.

The affect of the plant's closure on the City of Beloit led to the unemployment rate soaring to almost 20% in 2009 and it remains as one of the highest in the State of Wisconsin.

**City of Beloit, Wisconsin  
Principal Employers,  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2013</b>			<b>2004</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Beloit Health Systems	1,556	1	10.36%	1,514	1	8.84%
School District of Beloit	1,194	2	7.95%	1,153	2	6.73%
Birds Eye	726	3	4.84%			
Frito-Lay	685	4	4.56%	715	3	4.17%
Taylor Company	671	5	4.47%	500	4	2.92%
Kerry Ingredients	654	6	4.36%	409	8	2.39%
City of Beloit	457	7	3.04%			
Beloit College	413	8	2.75%	470	5	2.74%
Hendricks Holdings (ABC Supply)	406	9	2.70%			
Fairbanks-Morse	373	10	2.48%	301	10	1.76%
Alcoa Wheel Products	-	-	-	425	6	2.48%
Wal-Mart	-	-	-	425	7	2.48%
General Motors				408	9	2.38%
<b>Total</b>	<b>7,135</b>		<b>47.53%</b>	<b>6,320</b>		<b>36.90%</b>

**Source:** City of Beloit Department of Economic Development.

**City of Beloit, Wisconsin**  
**Full-time Equivalent City Employees by Function/Program,**  
**Last Ten Fiscal Years**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.30	7.14	7.00
Finance and Administrative Services	35.50	36.70	36.93	36.55	35.60	34.30	33.35	33.25	31.00	30.70
Community Development	22.40	19.40	18.50	19.00	19.00	18.00	18.00	19.00	18.50	16.50
Economic Development	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Public Safety:										
Police Services	94.59	95.45	95.05	95.75	95.95	95.96	95.91	95.91	88.76	90.26
Fire Services	63.50	63.50	65.10	65.62	65.65	65.65	65.65	65.65	59.25	59.74
Health	37.62	30.74	-	-	-	-	-	-	-	-
Engineering and public works	53.18	57.70	58.90	60.83	60.83	61.83	60.54	60.44	57.71	56.08
Parks and Recreation	26.48	26.56	37.16	40.64	40.26	40.26	39.26	39.76	37.37	38.01
Library	27.00	27.00	27.00	27.00	26.48	25.82	25.59	25.76	26.01	27.15
Water and Sewer Utility	33.20	33.60	33.60	35.54	36.80	36.82	37.11	37.11	35.57	37.90
Transit	19.50	19.50	19.50	20.50	20.10	20.50	20.50	20.50	20.50	20.50
<b>Total</b>	<b>423.37</b>	<b>420.55</b>	<b>402.14</b>	<b>411.83</b>	<b>411.07</b>	<b>409.54</b>	<b>406.31</b>	<b>408.08</b>	<b>385.21</b>	<b>387.24</b>

**Source:** City of Beloit annual budget

**Notes:** In 2006 the city merged its Health Department with the Rock County Health Department. The County now provides public health services for residents of the city.

A full time employee is scheduled to work 2,088 hours per year (including vacation and sick leave used). Full time equivalent employment is determined by dividing the total hours worked by 2,088.

**City of Beloit, Wisconsin**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General government</b>										
New Building permits	92	65	83	27	17	9	2	3	2	7
Building permits issued	641	763	656	967	936	625	925	1,030	1,156	990
Building inspections conducted	5,185	3,871	5,310	5,585	4,215	3,811	3,972	3,932	4,540	3,874
Site plans reviewed	26	27	30	27	26	22	14	18	21	25
Rental permits issued	5,473	5,793	4,837	5,748	5,456	5,673	5,624	5,449	6,010	5,990
<b>Police</b>										
Physical Arrests	10,218	10,039	9,154	10,467	9,777	8,384	7,952	7,736	8,756	10,026
Traffic Violations	4,510	4,733	5,607	6,639	5,578	5,328	6,434	6,261	6,494	5,529
Parking Violations	10,350	10,579	12,401	12,663	11,209	8,197	9,536	8,461	6,782	6,230
<b>Fire</b>										
Emergency responses	6,972	7,256	7,327	7,565	7,979	7,262	7,834	7,896	7,693	8,194
Fires extinguished	71	76	73	115	122	96	125	134	150	107
Inspections conducted	1,970	1,979	2,420	2,430	2,449	2,349	2,336	2,293	2,029	2,000
Ambulance runs	3,214	3,330	3,388	3,392	3,625	3,394	3,498	3,534	3,517	3,726
<b>Engineering and public works</b>										
Development plans reviewed	26	27	30	27	26	22	14	18	21	25
Infrastructure projects designed	22	23	25	27	28	30	30	20	23	16
Infrastructure projects completed	18	21	20	14	18	20	20	18	19	16
<b>Highways and Streets</b>										
Street resurfacing (miles)	1.00	2.00	2.00	1.00	1.50	4.40	4.8	1.9	3.1	5.5
Potholes repaired	30,432	32,999	31,162	42,972	38,897	47,309	47,218	50,590	40,319	38,725
<b>Sanitation</b>										
Refuse collected (tons/day)	39	38	40	38	38	37	34	33	32.39	33.79
Recyclables collected (tons/day)	11	11	21	21	20	20	23	16	15.92	15.15
<b>Culture and Recreation</b>										
Facility use permits issued	357	439	469	453	465	459	448	460	469	431
Number of programs offered	65	65	64	66	67	79	77	75	78	81
Rounds of golf played	17,891	22,353	20,117	22,345	28,202	25,448	28,117	17,524	25,174	21,822
Senior center participants	24,000	24,225	20,571	20,411	22,564	24,199	24,318	24,011	23,919	25,822
Number of cemetery internments	151	165	193	169	178	148	161	185	170	175
<b>Water</b>										
Work orders processed	N/A	1,422	2,142	1782	1855	1876	3656	2952	2711	2724
DHL locate tickets processed					4706	4620	4248	4187	4289	5196
Main breaks	45	29	30	49	39	34	35	30	32	56
Average daily production (MGD)	6.10	6.80	6.46	6.60	6.71	6.15	5.89	5.47	5.75	5.55
Peak daily production (MGD)	8.50	11.10	9.93	9.74	9.81	8.62	8.36	8.59	10.14	8.726
<b>Wastewater</b>										
Average daily treatment (MGD)	5.20	4.40	4.88	5.34	7.35	5.96	4.26	3.664	3.529	4.32
Peak daily treatment (MGD)	10.00	8.00	11.65	12.79	18.81	13.83	6.22	4.999	4.671	15.459
<b>Transit</b>										
Total route miles	317,160	392,041	392,041	392,041	392,041	392,041	343,029	343,029	343,029	343,029
Passengers	287,434	271,261	302,307	311,353	313,845	307,568	272,089	265,590	246,323	243,859

**Source:** Various city departments.

**City of Beloit, Wisconsin**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	42	40	40	40	39	39	39	40	40	40
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Trucks	9	9	10	10	10	10	10	10	10	14
Ambulances	3	3	3	3	3	3	3	3	3	4
Refuse Collection										
Garbage trucks	14	15	14	14	14	14	14	14	14	13
Other public works										
Streets/highways (miles)	179.5	181.07	181.7	181.92	182.2	182.2	183.5	183.5	183.5	183.5
Streetlights	770	791	855	889	902	1053	1229	1320	1308	1308
Traffic signals	40	39	40	40	40	40	40	40	40	40
Parks and recreation										
Acreage	837	851	851	851	851	861	861	861	861	924
Parks	32	34	34	34	34	35	35	35	35	39
Tennis courts	11	11	11	11	11	11	11	11	11	11
Golf courses	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Wells	7	7	7	7	7	7	7	7	8	8
Water mains (miles)	173	170	177	178	194	196.7	197.7	197.7	198.9	198.9
Hydrants	1590	1559	1703	1714	1436	1434	1464	1464	1555	1555
Storage capacity (MGD)	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	4.15	4.15
Wastewater										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewer (miles)	163	164	164	168	170.5	170.8	175	172.8	172.8	172.8
Storm sewer (miles)	170	171	171	172	110.5	108	110.2	110.2	110.2	110.2
Treatment capacity (MGD)	11	11	11	11	11	11	11	11.3	11.3	11.3
Transit										
Buses	12	12	12	12	12	12	12	12	12	12

**Source:** Various city departments.