

City of Beloit, Wisconsin

Annual Comprehensive Financial Report

December 31, 2023

Prepared By:

Department of Finance and Administrative Services
Eric Miller, Director
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City of Beloit

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INTRODUCTORY SECTION

CITY MANAGER

June 12, 2024

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

It is our pleasure to submit to you the annual comprehensive financial report of the City of Beloit for the fiscal year ended December 31, 2023. 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/Treasurer as a matter of public record. This annual financial report fulfills these requirements.

This annual financial report 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 annual financial report.

In compliance with the above statutory requirements, the City has retained the services of Baker Tilly US, 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, 2023, are fairly presented in all material respects in accordance with GAAP. The independent auditors' report is located at the beginning of the financial section of this report.

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

PROFILE of the CITY OF BELOIT

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 36,674 residents as well as a multitude of industrial firms, retail establishments, several corporate headquarters, and a minor league baseball team. 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 approximate 950 students come from multiple states and approximately 43 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 residents 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, economic development, and transit along with water, sewer, and stormwater utilities.

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, stormwater, 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 and retiree health benefits, and centralized vehicle and 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 at their first meeting in October. Workshops and a public hearing are held by the Council in October. The Council normally adopts the budget at their first meeting in November for the ensuing fiscal year. Once adopted, transfers among departments or supplemental appropriations require approval of the Council; the Manager is authorized to make adjustments within departments. Budget to actual comparisons are provided in this report 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 annual financial report.

ECONOMIC CONDITION / MAJOR INITIATIVES

The City's economy historically and currently remains largely reliant on manufacturing and commercial growth. There have been significant improvements to the local economy and the City remains on a positive path. In December 2023, the City's unemployment rate was 3.7% which was slightly higher than the county and state averages of 3.1% and 2.9% respectively.

Tax Increment District No. 15 was created in June 2023 and encompasses many of the remaining parcels that were in TID No. 10 that closed in 2022. TID No. 8, 9, 11, and 13 were all closed in 2023 after being extended by one year in order to take advantage of TIF statutes which allow for the final year of increment to be used for housing. These funds added a significant boost to the development of both market rate and affordable housing in the City. We continue to remain optimistic about the City's economic future and devote considerable time and resources to economic development. At the end of 2023 the City had two active Tax Increment Districts with plans to strategically create more as opportunities arise.

The City's economy has an exceptionally 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, Madison to the north, and Interstate 43, providing a direct link east to Milwaukee, the City's location is marketed as one of the Midwest's major distribution areas.

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 which utilizes the City's ability to borrow funds and use other funding sources such as operating budgets, fund balance, 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 also has a debt service policy which is consistent with its long-range financial management plan. This plan is currently being updated and establishes bond-rating objectives,

use of debt policies, and debt load indicators that will continue to be reviewed annually. Standard and Poor's has assigned an "A+" rating to the City's Sewer utility revenue bonded debt and Stormwater utility revenue bonded debt, an "A-" for its Water utility revenue bonded debt, and a "AA-/Stable" for its General Obligation debt.

AWARDS and ACKNOWLEDGEMENTS

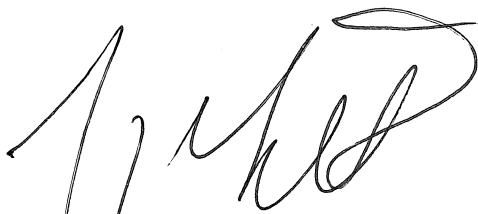
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beloit for its comprehensive annual financial report for the fiscal year ended December 31, 2022. This was the twenty-first consecutive 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 annual report. 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 annual report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

The City has also been awarded the GFOA's Popular Annual Financial Reporting Award for its 2022 Popular Annual Financial Report (PAFR). In order to qualify for the PAFR Award the government must receive the Certificate of Achievement, contain information derived from the GAAP data in the financial report, and provide narrative or graphic analysis explaining items of significant interest or concern. This is the fifth year the City has received this award and is also valid for only one year.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2024. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged and determined to be proficient as a policy document, a financial plan, an operations guide, and a communication device. This is the twenty-sixth year the City has received this award and is also valid for only one year.

The preparation of the annual financial report would not have been possible without the efficient and dedicated service of the entire staff of the Finance and Administrative Services Department. We would like to express our appreciation to all the members of the department who assisted and contributed to the preparation of this report with particular recognition to Dawn DeVall, Director of Accounting/Purchasing, Lisa White, Senior Accountant, 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,



Jerry Gabrielatos
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

**City of Beloit, Wisconsin
List of Elected and Appointed Officials
December 31, 2023**

CITY COUNCIL MEMBERS

Regina Dunkin – President
Nancy V. Forbeck – Vice President
Yusuf Adama
Kevin D. Leavy
Sherry Blakeley
Kevin Day
Markese Terrell

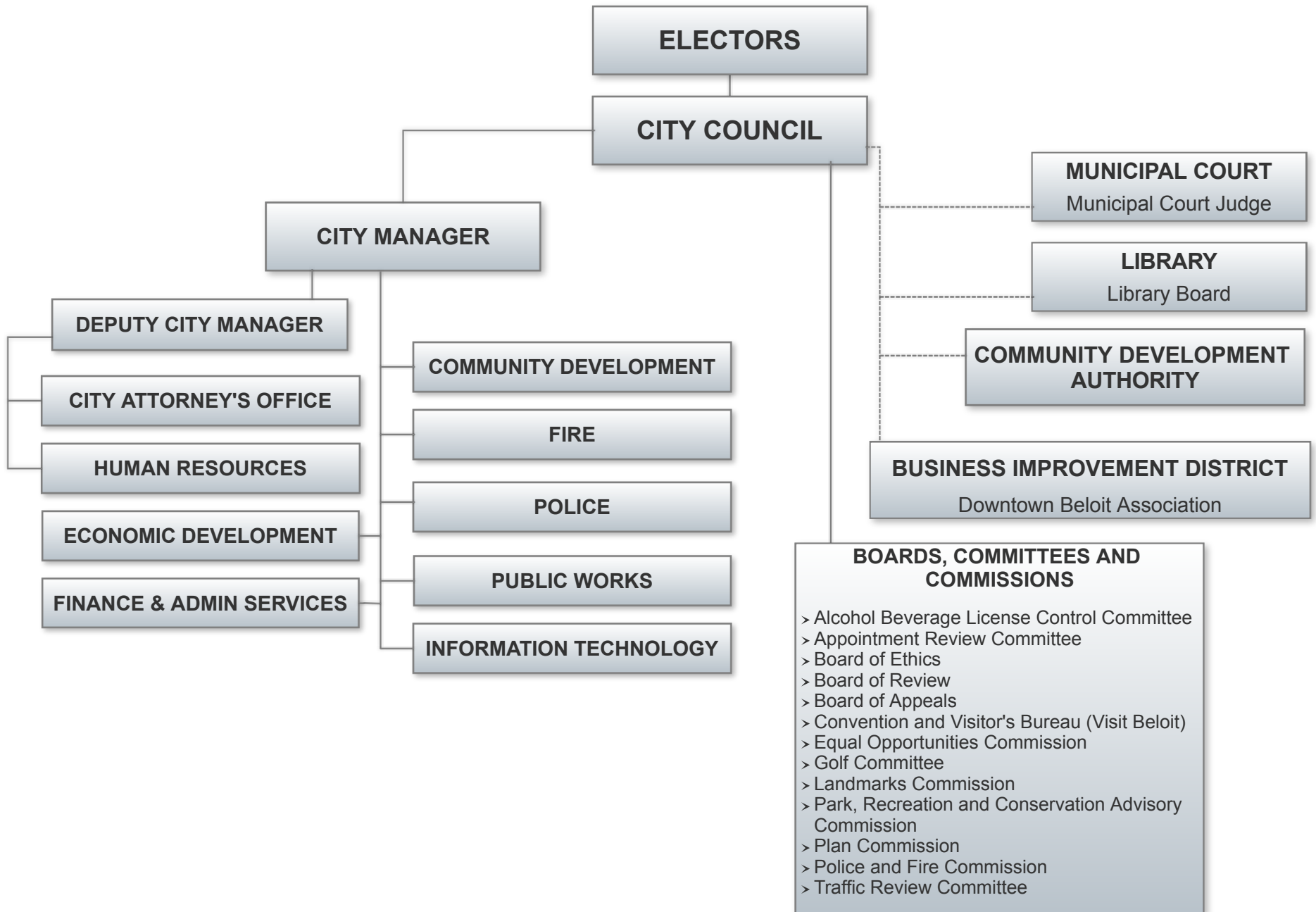
CITY MANAGER

Jerry Gabrielatos

DEPARTMENT DIRECTORS

Eric Miller – Finance & Administrative Services Director
Elizabeth Krueger – City Attorney
Andre Sayles – Police Chief
Daniel Pease – Fire Chief
Julie Christensen – Community Development Director
Drew Pennington – Economic Development Director
Raymond Gorsline – Information Technology Director
William Frisbee – Public Works Director
Hannah Kuehne – Human Resources Director

CITY OF БЕЛОИТ ORGANIZATIONAL CHART



FINANCIAL SECTION

Independent Auditors' Report

To the City Council of
City of Beloit

Report on the Audit of the Financial Statements

Opinions

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 (the City) as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports 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 as of December 31, 2023 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.

We did not audit the financial statements of 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 4%, 6% and 2%, respectively, of the assets, net position and revenues of the discretely presented component units. The LLCs of the CDA represent 98%, 53% and 19%, respectively, of the assets, net position and operating revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us and our opinions, insofar as it relates to the amounts included for Beloit Public Library Foundation, Inc. and the LLCs presented as component units of the CDA, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Beloit Public Library Foundation, Inc. and the LLCs of the CDA were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents, which includes the schedules of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and the *Wisconsin State Single Audit Guidelines*, is presented for purposes of additional analysis and is 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises of the introductory and statistical sections listed in the accompanying table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2024 on our consideration of the City'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 solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.



Madison, Wisconsin
June 12, 2024

City of Beloit

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

As management of the City of Beloit, Wisconsin (the City), 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, 2023. 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 annual comprehensive financial report (ACFR).

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2023, by \$111,829,595 (*net position*). Of this amount, \$(55,760,045) is an unrestricted deficit.
- The City's total net position increased \$10,780,549 largely due to revenues exceeding expenditures in both the Governmental and Business-Type Activities. A large portion of the increase in Governmental Activities was attributable to the various TIF districts which have surpassed their statutory expenditure deadlines. The largest increase in Business-Type Activities relates to the Water Utility which has seen a healthy net income each year since new rates went into effect during 2017.
- In accordance with GASB Statement No. 68 which requires governmental entities participating in the Wisconsin Retirement System (WRS) to report their proportionate share of the plan's activity and net pension liability/asset, of which the City recorded a pension liability of \$10,542,012 in 2023. This is a decrease of \$26,772,644 as the City reported a \$16,230,632 asset in 2022. As of the December 31, 2022 measurement date used for the 2023 financial statements, WRS reported total resources available to provide pension benefits of \$123.7 billion. They also reported a total liability for pensions of \$118.4 billion, resulting in a net pension liability of \$5.3 billion.
- As of December 31, 2023, the City's governmental funds reported combined ending fund balances of \$55,412,491, a decrease of \$1,176,898 from the prior year. Of this amount, \$15,835,532 or 28.6% is unassigned and is available for spending at the government's discretion. The decrease in fund balance was largely due to the capital improvements fund spending down its unspent bond proceeds.
- As of December 31, 2023, the unassigned fund balance for the general fund was \$15,937,913 or 45.5% of general fund expenditures.
- The business-type activities total net position at December 31, 2023 was \$81,394,669 which represents an increase of \$4,786,980 from the prior year. Of this amount, \$61,065,244 represents the business-type activities net investment in capital assets.

Overview of the Financial Statements

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 ACFR also includes supplementary information intended to provide additional detail to support the basic financial statements themselves.

City of Beloit

Management's Discussion and Analysis
December 31, 2023
(Unaudited)

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 net amount 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, parks and recreation, public safety, public works, and community development. The business-type activities of the City include the water, sewer, and storm 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 and 2 of this ACFR.

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 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.

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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 22 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, TIF District No. 10, American Rescue Plan Act, community development, general debt service fund, and capital improvements 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 ACFR.

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 3 to 5 of this ACFR.

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, sewer, and storm 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 ACFR.

The basic proprietary fund financial statements can be found on pages 6 to 10 of this ACFR.

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Custodial Funds - Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial 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 custodial funds is much like that used for proprietary funds.

The basic custodial fund financial statements can be found on pages 11 and 12 of this ACFR.

Other Information - In addition to the basic financial statements and accompanying notes, this ACFR also presents certain required supplementary information. This other information provides detailed budgetary comparison schedules for the general fund, TIF District No. 10, and American Rescue Plan Act to demonstrate compliance with their budgets (there was no adopted budget for the community development fund). These schedules and all other required supplementary information can be found on pages 93 to 103 of this ACFR. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information and can be found on pages 104 to 109 of this ACFR.

Government-Wide Financial Analysis

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$111,829,595 as of December 31, 2023. This is an increase of \$10,780,549 from the previous year. A large portion of the increase in Governmental Activities was attributable to the various TIF districts which have surpassed their statutory expenditure deadlines. The largest increase in Business-Type Activities relates to the Water Utility which has seen a healthy net income each year since new rates went into effect during 2017.

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The largest portion of the City's net position 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'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.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 115.2	\$ 126.1	\$ 28.5	\$ 26.5	\$ 143.7	\$ 152.6
Capital assets	106.3	105.8	101.8	81.7	208.1	187.5
Total assets	221.5	231.9	130.3	108.2	351.9	340.1
Deferred outflows of resources	46.2	43.4	5.7	4.8	51.9	48.2
Long-term liabilities	129.5	150.9	45.9	21.7	175.4	172.6
Other liabilities	31.6	26.9	0.7	4.7	32.3	31.6
Total liabilities	161.1	177.8	46.6	26.4	207.7	204.2
Deferred inflows of resources	76.2	73.1	8.1	10.0	84.3	83.1
Net position:						
Net investment in capital assets	82.1	80.4	61.1	61.5	141.8	140.2
Restricted	23.6	39.1	2.2	4.7	25.8	43.8
Unrestricted (deficit)	(75.3)	(95.1)	18.1	10.4	(55.8)	(83.0)
Total net position	\$ 30.4	\$ 24.4	\$ 81.4	\$ 76.6	\$ 111.8	\$ 101.0

Columns may not total due to rounding. The total columns in the net position section do not foot across due to the adjustment for utility capital assets financed by the city.

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.

An additional portion of the City's net position (approximately 23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit) is \$(55,760,045).

Analysis of City Operations - The following table provides a summary of the City's operations for the year ended December 31, 2023. Governmental activities increased the City's net position by \$6.0 million and business-type activities increased net position by \$4.8 million. See discussion above for discussion on the increases.

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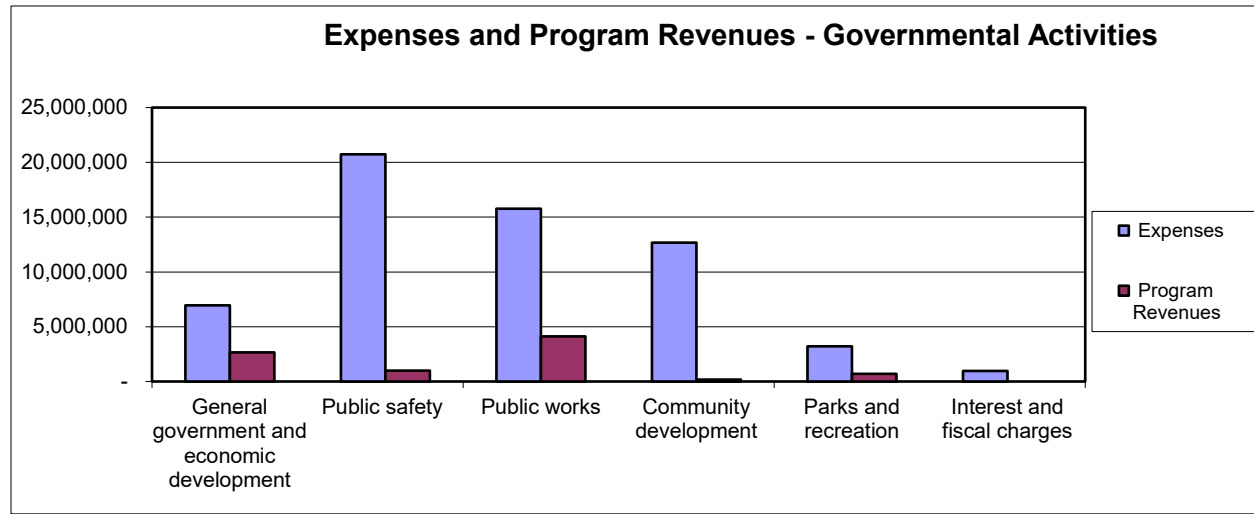
Summary of Changes in Net Position Fiscal Year Ended December 31 (\$ in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 6.9	\$ 5.3	\$ 19.1	\$ 18.5	\$ 26.1	\$ 23.8
Operating grants and contributions	0.9	0.7	1.6	1.4	2.5	2.1
Capital grants and contributions	0.8	0.4	3.1	1.4	3.9	1.8
General revenues:						
Property taxes	19.8	29.7	0.7	0.6	20.5	30.3
Other taxes	0.7	0.7	-	-	0.7	0.7
Intergovernmental	32.7	22.5	-	-	32.7	22.5
Investment income (loss)	3.1	(0.2)	0.7	0.3	3.8	0.1
Miscellaneous	1.1	2.9	-	-	1.1	2.9
Total revenues	66.2	62.0	25.2	22.2	91.3	84.2
Expenses						
General government	1.1	0.9	-	-	1.1	0.9
Finance and administration	5.4	3.0	-	-	5.4	3.0
Community development	12.7	5.3	-	-	12.7	5.3
Economic development	0.5	0.3	-	-	0.5	0.3
Police services	13.2	12.7	-	-	13.2	12.7
Fire services	7.5	7.3	-	-	7.5	7.3
Public works	15.8	17.3	-	-	15.8	17.3
Parks and recreation	3.2	2.6	-	-	3.2	2.6
Interest and fiscal charges	1.0	1.5	-	-	1.0	1.5
Water utility	-	-	4.6	4.5	4.6	4.5
Sewer utility	-	-	9.3	8.4	9.3	8.4
Storm utility	-	-	1.1	1.1	1.1	1.1
Other nonmajor proprietary funds	-	-	5.3	3.9	5.3	3.9
Total expenses	60.3	50.9	20.3	17.9	80.6	68.8
Change in Net Position Before Transfers						
Transfers	5.9	11.1	4.9	4.3	10.8	15.4
Transfers	0.1	0.5	(0.1)	(0.5)	-	-
Change in net position	6.0	11.6	4.8	3.8	10.8	15.4
Net Position, Beginning	24.5	12.9	76.6	72.8	101.1	85.7
Net Position, Ending	\$ 30.4	\$ 24.5	\$ 81.4	\$ 76.6	\$ 111.8	\$ 101.1

Columns may not total due to rounding.

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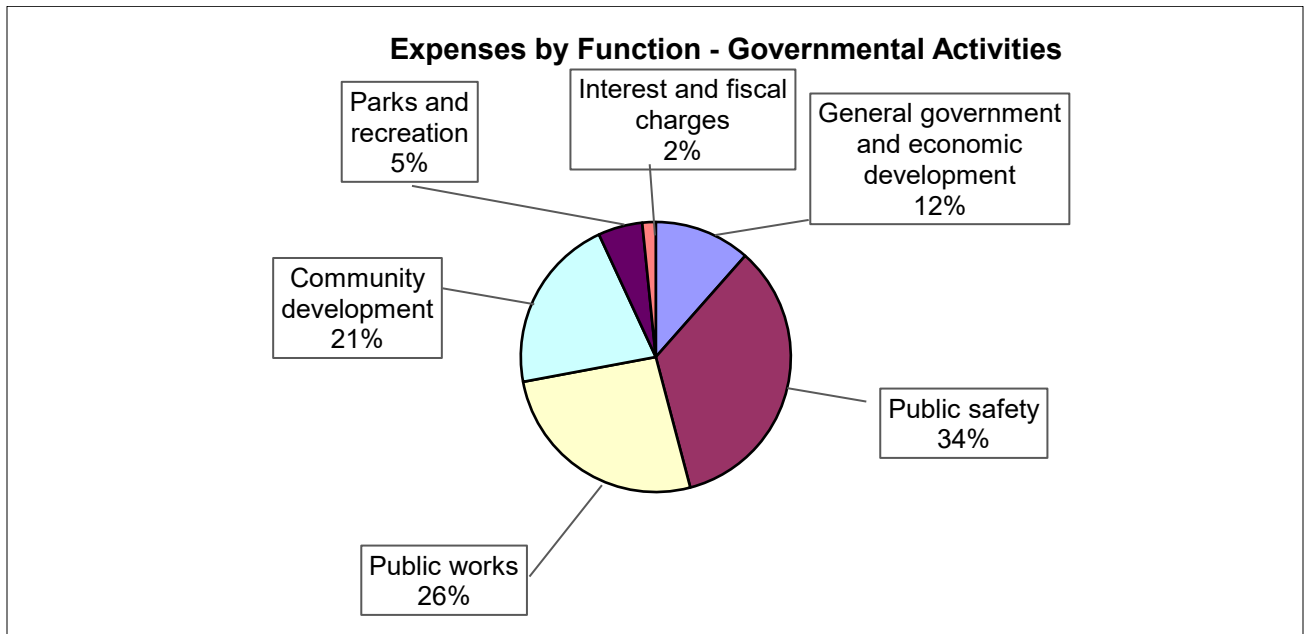
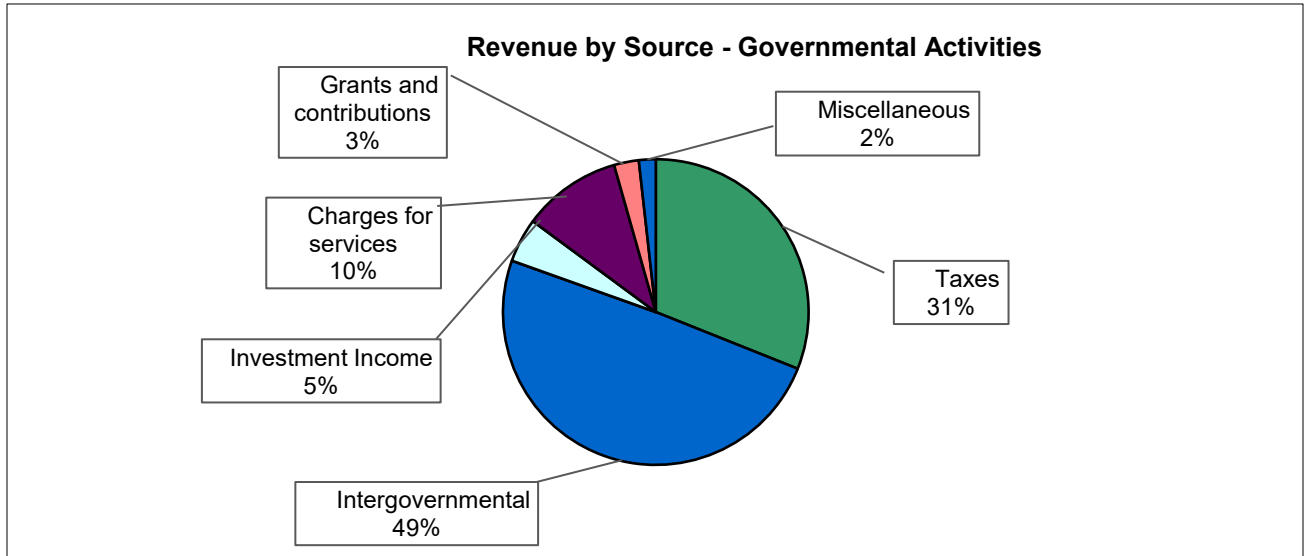


Intergovernmental revenue, such as state shared revenue, and property taxes are biggest sources of revenue for the City. Combined they make up 80% of the total revenue for Governmental Activities. The Public Safety and Public Works departments make up 34% and 26% of Governmental Activity Expenses respectively.

Charges for services account for 76% of the revenue for Business-type Activities. The Water and Sewer Utilities combine to make up 68% of the total Business-type Activities expenses.

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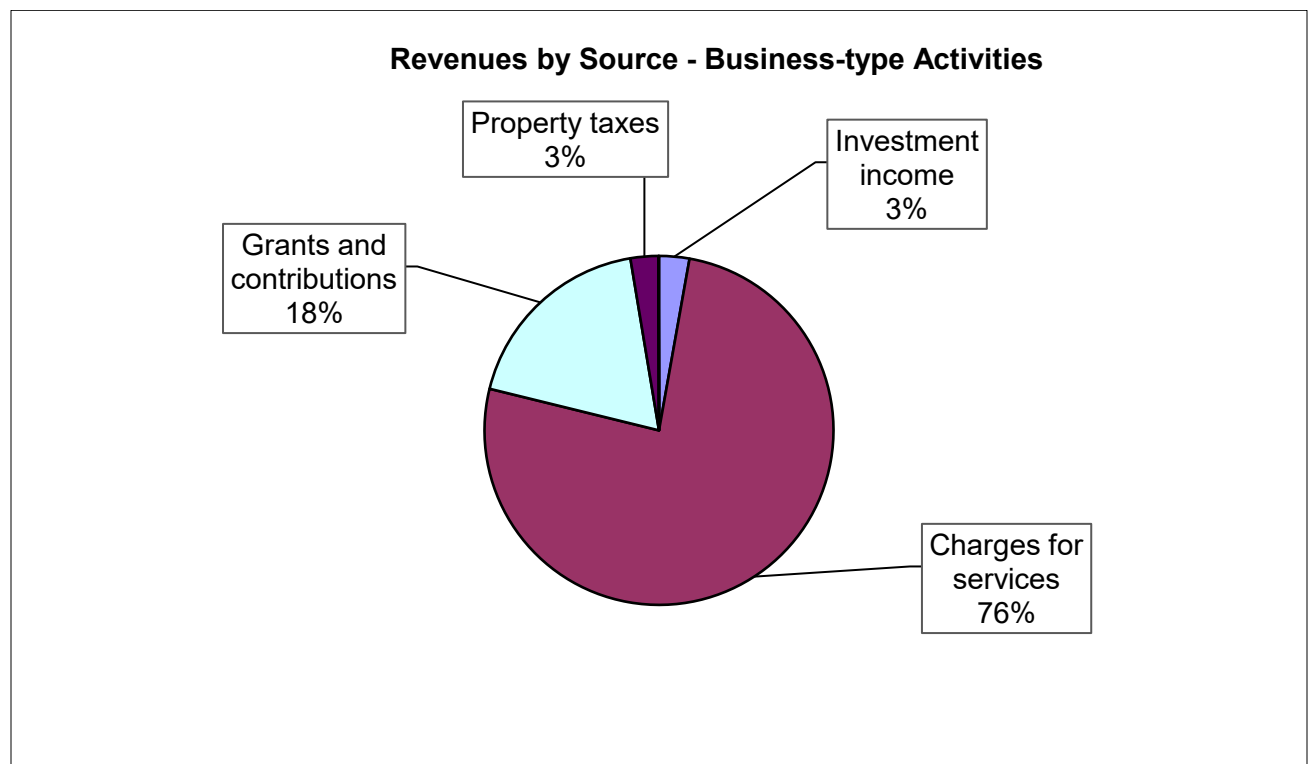
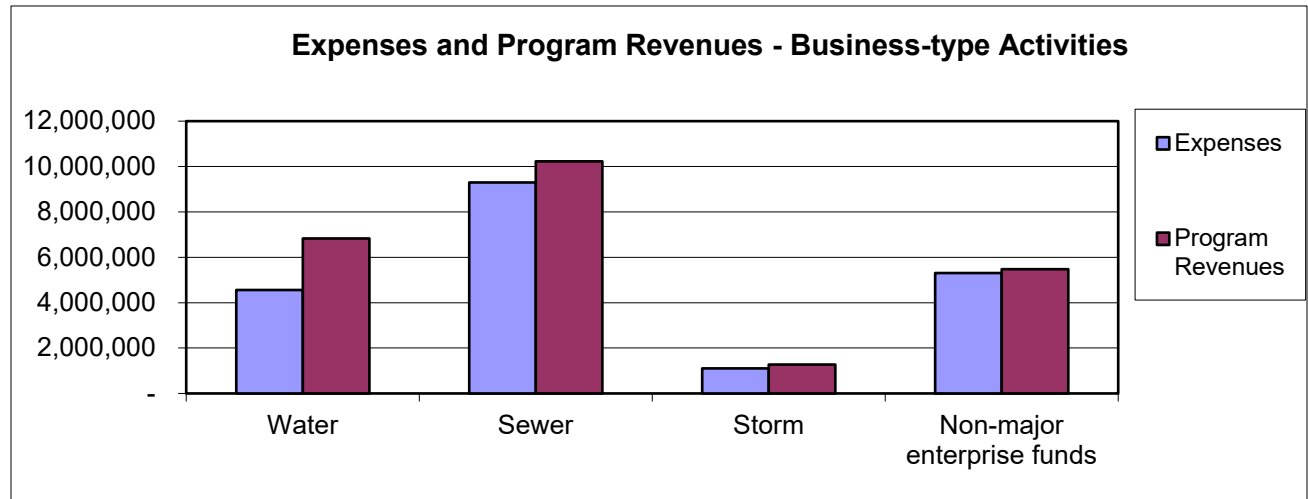


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Financial Analysis of the Government's Funds

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'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, 2023, the City's governmental funds reported combined ending fund balances of \$55,412,491. This is a decrease of \$1,176,898 from the previous year. Approximately 29% of this total or \$15,835,532 constitutes unassigned fund balance, which is available for spending at the government's discretion. The decrease in fund balance was largely due to the capital improvements fund spending down its unspent bond proceeds.

The remainder of fund balance is restricted, assigned or non-spendable. Restricted fund balance totals \$25,008,398 and can be used for only those purposes established by parties outside the government. The largest single component being \$11,469,507 restricted for affordable housing due to the closure of multiple TIF Districts over the last two years. Other restrictions in this category are for bridge maintenance, debt service, economic development, grant programs, library operations, solid waste, and cemetery perpetual care. Assigned fund balance totals 12,774,611 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 \$1,793,950 and is comprised primarily of advances to other funds, delinquent personal property taxes, 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. 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, 2023, the total fund balance of the general fund was \$17,818,244 of which \$15,937,913 was unrestricted (*assigned and unassigned*). This unrestricted fund balance represents 46% of general fund expenditures or 5.5 months. The City's total general fund balance increased \$364,522 from the prior year. The main reason for this increase in fund balance relates expenditures being under budget and investment income being over budget due to the increase in interest rates and market conditions.

Capital Improvements Fund: The capital improvements fund is used to account for and report financial resources that are restricted, committed, or assigned for expenditures for capital improvement projects. It has a fund balance of \$4,367,982 of which \$2,976,380 is restricted for unspent bond proceeds and the remainder being assigned for capital improvement projects. The capital improvement funds fund balance decreased \$4,881,848 from the prior year as a result of spending down unspent debt proceeds from the prior years.

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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.

Since its inception in 2000, the TID has accounted for over 2,500 new jobs and additional tax base valued in excess of \$383 million. The premier projects in the TID are Diamond Foods Kettle Brands, Kerry Americas Headquarters, Pratt Industries, and the Amazon Order Fulfillment Center. The district closed in 2022 but is holding fund balance to pay off future obligations.

American Rescue Plan Act: The American Rescue Plan Act accounts for the receipts and expenditures of funds that are legally restricted per the Final Rule of the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act. It has a fund balance of \$0 as of December 31, 2023 as all funds received that are unspent are recorded as unearned revenue. This fund has cash of \$13,291,662 at year end to finance future eligible expenditures.

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 \$1,515,050 which is restricted for the payment of principal and interest on outstanding debt.

Community Development: The community development fund is used to account for the receipts and expenditures of funds that are legally restricted per grant agreements with federal and state agencies. It has a fund balance of \$249,319 which is restricted for these activities.

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. The cumulative fund balances for these funds is \$27,688,934, an increase of \$3,452,700 from last year. The large increase is due primarily to the closure of multiple TIF Districts which then transferred the current year tax increment into the affordable housing fund as allowed by State statutes.

Proprietary Funds

The City's major proprietary funds consist of the water, sewer, and storm 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.

Water Utility: The water utility realized a \$86,978 or 4.3% decrease in operating income of \$1,905,000 in 2023 from \$1,991,978 in 2022. This decrease was the result of an increase in contractual service costs and operation and maintenance in 2023. The change in net position in 2023 was an increase of \$2,449,182. The City serves 16,072 water customers and maintains eight wells and approximately 200 miles of water mains.

Sewer Utility: The sewer utility realized an operating income of \$214,800 in 2023 compared to income of \$506,937 for 2022. This decrease is largely the result of an increase in operation and maintenance charges. Net position increased \$1,143,185 due primarily to \$1,046,483 in capital contributions during the year. Cash flow increased for the sewer utility with an increase in cash and cash equivalents of \$3,621,531 from the prior year. The City serves 13,422 sewer customers with a wastewater treatment facility that has the capacity to treat 11 MGD of flow. The City maintains approximately 186 miles of sanitary sewer mains.

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Storm Utility: The storm utility realized a \$38,344 decrease in operating income of \$170,897 in 2023 from \$209,241 in 2022. This decrease was the result of an increase in contractual service expenses in 2023. The change in net position in 2023 was an increase of \$186,518.

The net position of the City's Enterprise Funds as of December 31, 2023 was \$80,145,789. The water, sewer and storm utility's net position accounted for \$72,229,664 or 90% of this total.

General Fund Budgetary Highlights

The general fund budget appropriations totaled \$36,416,132. The final actual expenditures of \$35,025,740 were \$1,390,392 less than the final budget appropriations.

The actual revenues and other financing sources were \$35,390,262, which were \$775,870 less than the budgeted amount. The gain on investments in 2023 was \$1,254,339. Investment income is higher due to the broader market increase. At \$10,723,334, the property tax levy is the second largest local source revenue in the general fund. Total taxes were lower than the final budget by \$49,138. 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 2023, these payments totaled \$16,135,955. This represents 46% of total general fund revenues and other financing sources and is consistent with prior year's totals. Revenues and other financing sources were \$364,522 greater than expenditures and other financing uses, which is the net change in fund balance for 2023. The City budgeted to use \$250,000 in fund balance for the general fund in 2023.

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

- General government expenditures were \$1,323,371 less than budget largely related to reduced costs related to financial management, when compared to the budgeted amount.
- Fines, forfeitures and penalties were \$196,365 less than budget largely due to decreased fines collected for traffic and non-traffic related offenses and parking violations.
- Investment income was \$482,429 more than budgeted due to the favorable market conditions during 2023.
- Other general revenue was under budget by \$225,586 and other revenues was under budget by \$289,277. Other general revenues and other revenues are under budget primarily related to unrealized donations, sale of City scrap, and miscellaneous revenues.

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Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, was \$208,177,106 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery, and equipment, park facilities, roads, bridges, highways and related fixtures and represents an increase in net book value of \$20,641,667 from last year.

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

- Completion of the City Hall HVAC system and STH 81 & Prince Hall improvements.
- Additions to CWIP are related to the lagoon pump and Merrill St reconstruction.
- Additional \$20.5M to the wastewater treatment project.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 5.2	\$ 5.3	\$ 3.7	\$ 3.7	\$ 8.9	\$ 9.0
Construction in progress	0.4	0.7	32.8	12.3	33.2	13.0
Buildings	14.7	14.5	6.5	5.8	21.2	20.3
Machinery and equipment	9.2	8.7	5.5	4.3	14.7	13.0
Other improvements	2.5	2.6	-	0.3	2.5	2.9
Streets	58.3	58.0	-	-	58.3	58.0
Structures	0.4	0.4	-	-	0.4	0.4
Street lights	5.3	5.1	-	-	5.3	5.1
Traffic signals	0.3	0.2	-	-	0.3	0.2
Bridges	10.1	10.3	-	-	10.1	10.3
Storm sewer infrastructure	-	-	8.4	8.5	8.4	8.5
Water plant and equipment	-	-	27.5	27.1	27.5	27.1
Sewer plant and equipment	-	-	17.4	19.8	17.4	19.8
Total	<u>\$ 106.4</u>	<u>\$ 105.8</u>	<u>\$ 101.8</u>	<u>\$ 81.8</u>	<u>\$ 208.2</u>	<u>\$ 187.6</u>

Columns may not total due to rounding.

Additional information on the City's capital assets can be found in Note 4 on pages 35-38 of this ACFR.

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Long-Term Obligations

In 2023, the City retired \$5,084,338 in general obligation debt resulting in \$43,795,033 in outstanding general obligation debt at the end of 2023. Of the total bonded debt outstanding, \$43,795,033 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 30% of the maximum allowed of \$147,855,420. The City's Stormwater utility revenue bonds are rated "A+" and the Water utility revenue bonds are rated "A-" by Standard and Poor's. The general obligation debt was upgraded to "AA-Stable" on March 12, 2020.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 42.7	\$ 47.5	\$ 1.1	\$ 1.4	\$ 43.8	\$ 48.9
Revenue bonds	-	-	41.8	21.4	41.8	21.4
Debt outstanding	<u>\$ 42.7</u>	<u>\$ 47.5</u>	<u>\$ 42.9</u>	<u>\$ 22.8</u>	<u>\$ 85.6</u>	<u>\$ 70.3</u>

Columns may not total due to rounding.

Additional information on the City's long-term debt can be found in Note 4 on pages 40-45 of this ACFR.

Currently Known Facts/Economic Conditions

The City's economy historically and currently remains largely reliant on manufacturing and commercial growth. There have been significant improvements to the local economy and the City remains on a positive path. In December 2023, the City's unemployment rate was 4.2% which was slightly higher than the county and state averages of 3.3% and 2.9% respectively.

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.

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Tax Increment District No. 10, which was the City's major economic development driver, reached its statutory useful life and was closed in 2022. This allowed the \$386M of additional value to fully hit the tax roll which created some much needed levy capacity and tax relief in subsequent years. This TID was very successful and houses several major employers including the Kerry America's headquarters, Diamond Foods Kettle Brands, Pratt Industries, and the new Amazon Order Fulfillment Center. During 2023, four other TIF Districts (Nos, 8, 9, 11, and 13) closed during the year. We continue to remain optimistic about the City's economic future and devote considerable time and resources to economic development.

Another project that will have a profound impact on the City's economy is the potential for a gaming casino in the City. Twelve 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. During 2022, the United States Department of the Interior Bureau of Indian Affairs approved their application to operate a full class III gaming casino in Beloit. 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 \$405 million. Once operational the facility is expected to provide approximately 1,500 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. 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 2023, the City's tax base increased \$302,979,300 or 11.4% to \$2,957,108,400. Most of this increase occurred in residential property values and was attributable to increased economic conditions, market conditions, and a total property revaluation performed by the City.

Requests for Information

This ACFR 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 ACFR 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>.

BASIC FINANCIAL STATEMENTS

City of Beloit

 Statement of Net Position
 December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Total	
Assets				
Cash and investments	\$ 74,719,650	\$ 13,812,821	\$ 88,532,471	\$ 2,427,971
Receivables (net of allowance for uncollectibles):				
Taxes	19,141,731	800,000	19,941,731	-
Delinquent personal property taxes	99,616	-	99,616	-
Accounts	1,022,340	4,117,262	5,139,602	87,841
Special assessments	202,931	-	202,931	-
Loans	1,792,876	-	1,792,876	-
Accrued interest	411,730	-	411,730	-
Leases	399,017	3,833,790	4,232,807	-
Other	186,748	515,365	702,113	-
Due from other governmental units	6,258,290	2,298,531	8,556,821	14,128
Internal balances, interfunds	767,599	(767,599)	-	-
Internal balances, advances	1,189,593	(1,189,593)	-	-
Due from component unit	55,218	-	55,218	-
Inventories	744,691	291,122	1,035,813	-
Tax credit fees	-	-	-	40,858
Prepaid items	97,165	-	97,165	18,598
Restricted assets:				
Temporarily restricted:				
Cash and investments	-	4,849,688	4,849,688	1,179,287
Deposit with risk pool	1,575,475	-	1,575,475	-
Land held for resale	6,486,277	-	6,486,277	-
Capital assets:				
Land	5,249,758	3,736,753	8,986,511	601,285
Construction in progress	417,487	32,781,816	33,199,303	-
Capital assets, net of depreciation	100,723,251	65,268,041	165,991,292	11,819,870
Total assets	221,541,443	130,347,997	351,889,440	16,189,838
Deferred Outflows of Resources				
Unamortized loss on advanced refunding	185,919	783	186,702	-
Pension related amounts	33,795,266	5,569,053	39,364,319	643,879
OPEB related amounts, health	11,701,918	16,155	11,718,073	-
OPEB related amounts, life	494,984	145,019	640,003	15,192
Total deferred outflows of resources	46,178,087	5,731,010	51,909,097	659,071
Liabilities				
Accounts payable	8,248,042	475,827	8,723,869	66,012
Accrued liabilities	1,752,835	184,744	1,937,579	2,791,255
Claims payable	1,838,193	-	1,838,193	-
Due to primary government	-	-	-	55,218
Unearned revenue	13,206,530	-	13,206,530	-
Other liabilities	-	2,597	2,597	-
Deposits	-	10,000	10,000	158,263
Noncurrent liabilities due within one year	6,543,538	4,022,713	10,566,251	-
Noncurrent liabilities due in more than one year:				
OPEB liability, health	79,089,976	31,999	79,121,975	-
Net OPEB liability, life	1,179,683	420,367	1,600,050	46,321
Net pension liability	9,084,705	1,457,307	10,542,012	163,186
Other liabilities due in more than one year	40,164,583	39,971,466	80,136,049	874,928
Total liabilities	161,108,085	46,577,020	207,685,105	4,155,183
Deferred Inflows of Resources				
Unearned revenue	-	45,750	45,750	898,151
Property tax levied for next period	19,131,519	799,878	19,931,397	-
Lease related amounts	399,017	3,833,790	4,232,807	-
OPEB related amounts, health	36,786,946	14,883	36,801,829	-
Pension related amounts	18,943,428	3,101,096	22,044,524	358,964
OPEB related amounts, life	915,609	311,921	1,227,530	33,829
Total deferred inflows of resources	76,176,519	8,107,318	84,283,837	1,290,944
Net Position (Deficit)				
Net investment in capital assets	82,148,077	61,065,244	141,838,972	12,421,155
Restricted for debt service	1,233,539	589,979	1,823,518	-
Restricted for library operations	528,689	-	528,689	-
Restricted for replacement	-	1,595,400	1,595,400	-
Restricted for economic development	4,474,164	-	4,474,164	-
Restricted for affordable housing	11,469,507	-	11,469,507	-
Restricted for grant programs	2,454,998	-	2,454,998	5,859,801
Restricted for solid waste	1,068,504	-	1,068,504	-
Restricted for cemetery perpetual care	2,249,507	-	2,249,507	-
Restricted for bridge activities	86,381	-	86,381	-
Restricted per donors	-	-	-	15,576
Unrestricted (deficit)	(75,278,440)	18,144,046	(55,760,045)	(6,893,750)
Total net position	\$ 30,434,926	\$ 81,394,669	\$ 111,829,595	\$ 11,402,782

See notes to financial statements

City of Beloit

Statement of Activities

Year Ended December 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities:								
General government:								
City council, manager, attorney	\$ 1,106,289	\$ -	\$ -	\$ -	\$ (1,106,289)	\$ -	\$ (1,106,289)	\$ -
Finance and administrative services	5,371,780	2,626,749	18,148	-	(2,726,883)	-	(2,726,883)	-
Community development	12,678,268	55,095	129,259	-	(12,493,914)	-	(12,493,914)	-
Economic development	464,098	-	-	-	(464,098)	-	(464,098)	-
Public safety:								
Police services	13,219,393	877,628	280	-	(12,341,485)	-	(12,341,485)	-
Fire services	7,499,725	11,508	112,822	-	(7,375,395)	-	(7,375,395)	-
Public works	15,776,900	3,090,640	199,374	825,580	(11,661,306)	-	(11,661,306)	-
Parks and recreation	3,198,822	265,198	447,682	-	(2,485,942)	-	(2,485,942)	-
Interest and fiscal charges	968,356	-	-	-	(968,356)	-	(968,356)	-
Total governmental activities	60,283,631	6,926,818	907,565	825,580	(51,623,668)	-	(51,623,668)	-
Business-type activities:								
Water	4,566,352	6,100,230	-	734,411	-	2,268,289	2,268,289	-
Sewer	9,297,340	9,181,917	-	1,046,483	-	931,060	931,060	-
Golf course	535,698	494,752	-	-	-	(40,946)	(40,946)	-
Cemeteries	318,362	165,739	-	-	-	(152,623)	(152,623)	-
Ambulance	1,680,799	1,745,550	-	-	-	64,751	64,751	-
Storm sewer	1,108,681	1,277,820	-	-	-	169,139	169,139	-
Transit	2,777,834	177,640	1,569,133	1,318,226	-	287,165	287,165	-
Total business-type activities	20,285,066	19,143,648	1,569,133	3,099,120	-	3,526,835	3,526,835	-
Total primary government	\$ 80,568,697	\$ 26,070,466	\$ 2,476,698	\$ 3,924,700	(51,623,668)	3,526,835	(48,096,833)	-
Component units, business-type activities:								
Community Development Authority	\$ 5,524,125	\$ 387,329	\$ 4,362,018	\$ -	-	-	-	(774,778)
Beloit Public Library Foundation, Inc.	91,249	-	39,611	-	-	-	-	(51,638)
Total component units	\$ 5,615,374	\$ 387,329	\$ 4,401,629	\$ -	-	-	-	(826,416)
General Revenues								
Taxes:								
Property taxes, levied for general purposes					10,723,334	650,000	11,373,334	-
Property taxes, levied for debt service					5,795,700	-	5,795,700	-
Property taxes, tax increment					1,357,185	-	1,357,185	-
Property taxes, levied for other					1,956,000	-	1,956,000	-
Other taxes					698,010	-	698,010	-
Intergovernmental revenues not restricted to specific programs								
					32,669,552	-	32,669,552	-
Investment income					3,083,942	706,585	3,790,527	99,951
Gain (loss) on sale of property					100,376	-	100,376	(77,790)
Miscellaneous					943,052	10,757	953,809	91,413
Public gifts and grants					182,889	-	182,889	-
Transfers					107,197	(107,197)	-	-
Total general revenues and transfers					57,617,237	1,260,145	58,877,382	113,574
Change in net position					5,993,569	4,786,980	10,780,549	(712,842)
Net Position, Beginning					24,441,357	76,607,689	101,049,046	12,115,624
Net Position, Ending					\$ 30,434,926	\$ 81,394,669	\$ 111,829,595	\$ 11,402,782
<i>See notes to financial statements</i>								

City of Beloit

Balance Sheet -
Governmental Funds
December 31, 2023

	General	TIF District No. 10	American Rescue Plan Act	Community Development	General Debt Service	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Assets								
Cash and investments	\$ 15,505,912	\$ 4,076,308	\$ 13,291,662	\$ 247,082	\$ 1,515,050	\$ 4,743,696	\$ 27,540,660	\$ 66,920,370
Receivables:								
Taxes	11,180,501	-	-	-	5,795,700	37,300	2,128,230	19,141,731
Delinquent personal property taxes	99,616	-	-	-	-	-	-	99,616
Accounts (net)	315,796	-	-	-	-	-	480,325	796,121
Special assessments	-	-	-	-	-	202,931	-	202,931
Loans	-	-	-	14,088	-	-	1,778,788	1,792,876
Accrued interest	319,614	-	-	-	-	-	92,116	411,730
Leases	-	-	-	-	-	-	399,017	399,017
Other	87,887	-	-	-	-	-	98,861	186,748
Due from other governmental units	-	-	-	5,582,868	-	182,889	492,533	6,258,290
Due from other funds	2,548,208	-	-	-	-	-	-	2,548,208
Due from component unit	-	-	-	55,218	-	-	-	55,218
Inventories	744,691	-	-	-	-	-	-	744,691
Prepaid items	97,165	-	-	-	-	-	-	97,165
Advances to other funds	852,478	-	-	-	-	-	337,115	1,189,593
Total assets	\$ 31,751,868	\$ 4,076,308	\$ 13,291,662	\$ 5,899,256	\$ 7,310,750	\$ 5,166,816	\$ 33,347,645	\$ 100,844,305
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 941,921	\$ 303,346	\$ 85,132	\$ 5,319,466	\$ -	\$ 558,603	\$ 969,772	\$ 8,178,240
Accrued liabilities	1,471,324	-	-	-	-	-	-	1,471,324
Unearned revenue	-	-	13,206,530	-	-	-	-	13,206,530
Due to other funds	-	-	-	315,996	-	-	215,731	531,727
Total liabilities	2,413,245	303,346	13,291,662	5,635,462	-	558,603	1,185,503	23,387,821
Deferred Inflows Of Resources								
Property tax levied for next period	11,180,501	-	-	-	5,795,700	37,300	2,118,018	19,131,519
Unearned revenue, leases	-	-	-	-	-	-	399,017	399,017
Unavailable revenue	339,878	-	-	14,475	-	202,931	1,956,173	2,513,457
Total deferred inflows of resources	11,520,379	-	-	14,475	5,795,700	240,231	4,473,208	22,043,993
Fund Balances (Deficit)								
Nonspendable	1,793,950	-	-	-	-	-	-	1,793,950
Restricted	86,381	3,772,962	-	249,319	1,515,050	2,976,382	16,408,304	25,008,398
Assigned	-	-	-	-	-	1,391,600	11,383,011	12,774,611
Unassigned (deficit)	15,937,913	-	-	-	-	-	(102,381)	15,835,532
Total fund balances	17,818,244	3,772,962	-	249,319	1,515,050	4,367,982	27,688,934	55,412,491
Total liabilities, deferred inflows of resources and fund balances	\$ 31,751,868	\$ 4,076,308	\$ 13,291,662	\$ 5,899,256	\$ 7,310,750	\$ 5,166,816	\$ 33,347,645	

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 2.	106,386,671
Land held for resale is not reported in the funds	6,486,277
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 4.	2,513,457
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	33,296,528
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(18,668,042)
Deferred outflows of resources related to OPEB's do not relate to current financial resources and are not reported in the governmental funds.	12,179,189
Deferred inflows of resources related to OPEB's do not relate to current financial resources and are not reported in the governmental funds.	(37,666,728)
Net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(8,960,742)
Internal service funds are reported in the statement of net position as governmental activities.	6,482,407
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 2.	(127,212,501)
A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	185,919
Net Position of Governmental Activities	\$ 30,434,926

See notes to financial statements

City of Beloit

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2023

	<u>General</u>	<u>TIF District No. 10</u>	<u>American Rescue Plan Act</u>	<u>Community Development</u>	<u>General Debt Service</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues								
Taxes	\$ 11,025,139	\$ -	\$ -	\$ -	\$ 5,795,700	\$ -	\$ 3,339,552	\$ 20,160,391
Intergovernmental	20,215,082	-	1,594,522	9,065,359	-	270,433	2,390,632	33,536,028
Licenses and permits	745,674	-	-	-	-	-	17,742	763,416
Fines, forfeitures and penalties	593,635	-	-	-	-	4,514	-	598,149
Fees and service charges	749,543	-	-	-	-	-	8,403	757,946
Rent	81,205	-	-	-	-	-	-	81,205
Special assessments	-	-	-	-	-	604,917	-	604,917
Investment income (loss)	1,254,339	-	-	-	6,514	703,251	2,248,533	4,212,637
Public charges for services	-	-	-	-	-	-	2,888,256	2,888,256
Other	182,062	-	-	2,111	-	832,958	3,035,937	4,053,068
Total revenues	34,846,679	-	1,594,522	9,067,470	5,802,214	2,416,073	13,929,055	67,656,013
Expenditures								
Current:								
General government	4,606,229	-	138,556	-	-	-	-	4,744,785
Community development	1,653,848	24,032	-	9,065,894	-	-	2,330,455	13,074,229
Public safety	22,057,356	-	-	-	-	-	619,740	22,677,096
Public works	6,708,307	-	-	-	-	-	2,961,708	9,670,015
Parks, recreation and education	-	-	-	-	-	-	2,518,919	2,518,919
Capital outlay	-	-	1,455,966	-	-	7,297,621	1,900,225	10,653,812
Debt service:								
Principal retirement	-	-	-	-	4,765,620	-	-	4,765,620
Interest and fiscal charges	-	-	-	-	1,282,068	300	-	1,282,368
Total expenditures	35,025,740	24,032	1,594,522	9,065,894	6,047,688	7,297,921	10,331,047	69,386,844
Excess (deficiency) of revenues over (under) expenditures	(179,061)	(24,032)	-	1,576	(245,474)	(4,881,848)	3,598,008	(1,730,831)
Other Financing Sources (Uses)								
Sale of city property	100,376	-	-	10,000	-	-	350	110,726
Transfers in	443,207	-	-	-	145,658	-	2,373,112	2,961,977
Transfers out	-	-	-	-	-	-	(2,518,770)	(2,518,770)
Total other financing sources (uses)	543,583	-	-	10,000	145,658	-	(145,308)	553,933
Net change in fund balances	364,522	(24,032)	-	11,576	(99,816)	(4,881,848)	3,452,700	(1,176,898)
Fund Balances, Beginning	17,453,722	3,796,994	-	237,743	1,614,866	9,249,830	24,236,234	56,589,389
Fund Balances, Ending	\$ 17,818,244	\$ 3,772,962	\$ -	\$ 249,319	\$ 1,515,050	\$ 4,367,982	\$ 27,688,934	\$ 55,412,491

See notes to financial statements

City of Beloit

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2023

Net Change in Fund Balances, Total Governmental Funds \$ (1,176,898)

Amounts reported for governmental activities in the Statement of Activities
are different because:

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.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	10,653,812
Less some items are reported as capital outlay but not capitalized	(6,684,982)
Depreciation is reported in the government-wide statements	(3,350,935)
Change in land held for resale	(94,293)

Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net position.	(42,000)
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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.	(1,182,490)
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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 debt issues (\$0) were less than payments (\$4,765,620 G.O. debt).	4,765,620
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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.	23,468
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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.	
Compensated absences	(59,035)
Accrued interest on debt	290,544
Net pension asset/liability	(22,596,139)
Deferred outflows of resources related to pensions	6,587,663
Deferred inflows of resources related to pensions	13,788,389
OPEB liabilities	25,397,714
Deferred outflows of resources related to OPEB's	(3,941,812)
Deferred inflows of resources related to OPEB's	(17,806,292)

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.	<u>1,421,235</u>
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Change in Net Position of Governmental Activities \$ 5,993,569

City of Beloit

Statement of Net Position -
 Proprietary Funds
 December 31, 2023

	<u>Business-Type Activities - Enterprise Funds</u>					<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
Assets						
Current assets:						
Cash and investments	\$ 2,606,780	\$ 9,462,827	\$ 1,673,393	\$ 69,821	\$ 13,812,821	\$ 7,799,280
Receivables:						
Taxes	-	-	-	800,000	800,000	-
Accounts	819,976	1,454,728	215,647	1,626,911	4,117,262	226,219
Lease	108,395	-	-	-	108,395	-
Other	53,588	461,777	-	-	515,365	-
Due from other governmental units	-	1,094,808	-	1,203,723	2,298,531	-
Inventories	131,019	38,040	-	122,063	291,122	-
Restricted assets:						
Bond redemption account	<u>383,039</u>	<u>226,616</u>	<u>49,250</u>	<u>-</u>	<u>658,905</u>	<u>-</u>
Total current assets	<u>4,102,797</u>	<u>12,738,796</u>	<u>1,938,290</u>	<u>3,822,518</u>	<u>22,602,401</u>	<u>8,025,499</u>
Noncurrent assets:						
Lease receivable:	3,725,395	-	-	-	3,725,395	-
Restricted assets:						
Bond reserve account	1,639,653	269,100	110,500	-	2,019,253	-
Replacement account	-	1,595,400	-	-	1,595,400	-
Construction account	576,130	-	-	-	576,130	-
Deposit with risk pool	-	-	-	-	-	1,575,475
Total restricted assets	<u>5,941,178</u>	<u>1,864,500</u>	<u>110,500</u>	<u>-</u>	<u>7,916,178</u>	<u>1,575,475</u>
Capital assets:						
Land	1,050,724	1,416,029	-	1,270,000	3,736,753	-
Land improvements	-	-	-	970,964	970,964	-
Buildings	5,703,839	73,326,565	-	5,616,652	84,647,056	-
Machinery, equipment and vehicles	2,816,740	2,812,666	-	7,462,797	13,092,203	67,165
Infrastructure	49,664,712	19,528,924	12,511,783	-	81,705,419	-
Construction in process	136,955	32,564,003	80,858	-	32,781,816	-
Less accumulated depreciation	<u>(27,184,371)</u>	<u>(77,051,935)</u>	<u>(4,121,826)</u>	<u>(6,789,469)</u>	<u>(115,147,601)</u>	<u>(63,340)</u>
Total capital assets, net	<u>32,188,599</u>	<u>52,596,252</u>	<u>8,470,815</u>	<u>8,530,944</u>	<u>101,786,610</u>	<u>3,825</u>
Total noncurrent assets	<u>38,129,777</u>	<u>54,460,752</u>	<u>8,581,315</u>	<u>8,530,944</u>	<u>109,702,788</u>	<u>1,579,300</u>
Total assets	<u>42,232,574</u>	<u>67,199,548</u>	<u>10,519,605</u>	<u>12,353,462</u>	<u>132,305,189</u>	<u>9,604,799</u>
Deferred Outflows of Resources						
Unamortized loss on advance refunding	511	147	-	125	783	-
Pension related amounts	454,484	1,822,113	54,255	3,238,201	5,569,053	498,738
OPEB related amounts, health	1,534	8,372	-	6,249	16,155	-
OPEB related amounts, life	<u>7,177</u>	<u>78,320</u>	<u>-</u>	<u>59,522</u>	<u>145,019</u>	<u>17,713</u>
Total deferred outflows of resources	<u>463,706</u>	<u>1,908,952</u>	<u>54,255</u>	<u>3,304,097</u>	<u>5,731,010</u>	<u>516,451</u>

See notes to financial statements

City of Beloit

Statement of Net Position -
 Proprietary Funds
 December 31, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Utility	Nonmajor Enterprise Funds	Total	
Liabilities						
Current liabilities:						
Accounts payable	\$ 117,714	\$ 153,458	\$ 8,230	\$ 196,423	\$ 475,825	\$ 69,800
Accrued liabilities	2,475	581	941	1,321	5,318	-
Claims payable	-	-	-	-	-	1,838,193
Due to other funds	-	-	-	2,016,481	2,016,481	-
Compensated absences	59,273	220,410	-	157,749	437,432	-
Current maturities of general obligation debt	130,629	51,598	62,680	73,283	318,190	-
Customer deposits	10,000	-	-	-	10,000	-
Other current liabilities	-	-	-	2,597	2,597	-
Current liabilities payable from restricted assets:						
Current maturities of revenue debt	1,860,000	1,322,091	85,000	-	3,267,091	-
Accrued interest	76,062	99,864	3,500	-	179,426	-
Total current liabilities	2,256,153	1,848,002	160,351	2,447,854	6,712,360	1,907,993
Noncurrent liabilities:						
General obligation debt, less current maturities	271,937	97,434	150,000	223,671	743,042	-
Compensated absences	32,331	223,975	-	48,410	304,716	-
OPEB liability, health	2,252	18,123	-	11,624	31,999	-
Net OPEB liability, life	33,673	185,126	-	201,568	420,367	46,795
Revenue debt, less current maturities (including unamortized premium)	12,394,548	25,957,341	571,820	-	38,923,709	-
Advances from other funds	-	-	-	1,189,593	1,189,593	-
Net pension liability	122,053	451,126	15,702	868,426	1,457,307	123,963
Total noncurrent liabilities	12,856,794	26,933,125	737,522	2,543,292	43,070,733	170,758
Total liabilities	15,112,947	28,781,127	897,873	4,991,146	49,783,093	2,078,751
Deferred Inflows of Resources						
Property tax levied for next period	-	-	-	799,878	799,878	-
OPEB related amounts, health	1,047	8,429	-	5,407	14,883	-
Pension related amounts	244,585	1,014,311	40,325	1,801,875	3,101,096	275,386
OPEB related amounts, life	24,363	144,430	-	143,128	311,921	35,826
Unearned revenues	45,750	-	-	-	45,750	-
Leases related amounts	3,833,790	-	-	-	3,833,790	-
Total deferred inflows of resources	4,149,535	1,167,170	40,325	2,750,288	8,107,318	311,212
Net Position (Deficit)						
Net investment in capital assets	19,747,779	25,437,036	7,601,315	8,279,114	61,065,244	3,825
Restricted for debt service	306,977	126,752	156,250	-	589,979	-
Restricted for replacement	-	1,595,400	-	-	1,595,400	-
Unrestricted (deficit)	3,379,042	12,001,016	1,878,097	(362,989)	16,895,166	7,727,462
Total net position	\$ 23,433,798	\$ 39,160,204	\$ 9,635,662	\$ 7,916,125	80,145,789	\$ 7,731,287

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 1,248,880

Net Position of Business-Type Activities \$ 81,394,669

City of Beloit

Statement of Revenues, Expenses and Changes in Net Position -
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Utility	Nonmajor Enterprise Funds	Total	
Operating Revenues						
Charges for services	\$ 5,523,800	\$ 9,021,867	\$ 1,277,820	\$ 2,495,247	\$ 18,318,734	\$ 16,204,229
Other	576,430	160,050	-	88,434	824,914	6
Total operating revenues	<u>6,100,230</u>	<u>9,181,917</u>	<u>1,277,820</u>	<u>2,583,681</u>	<u>19,143,648</u>	<u>16,204,235</u>
Operating Expenses						
Operation and maintenance	2,049,654	4,906,255	776,011	4,939,032	12,670,952	13,781,645
Contractual services	773,399	1,292,001	183,625	191,925	2,440,950	827,066
Depreciation	1,372,177	2,768,861	147,287	238,143	4,526,468	-
Total operating expenses	<u>4,195,230</u>	<u>8,967,117</u>	<u>1,106,923</u>	<u>5,369,100</u>	<u>19,638,370</u>	<u>14,608,711</u>
Operating income (loss)	<u>1,905,000</u>	<u>214,800</u>	<u>170,897</u>	<u>(2,785,419)</u>	<u>(494,722)</u>	<u>1,595,524</u>
Nonoperating Revenues (Expenses)						
Intergovernmental revenues	-	-	-	1,569,133	1,569,133	-
Investment income	315,320	261,108	38,834	91,323	706,585	-
Interest expense	(526,958)	(394,327)	(26,429)	(9,455)	(957,169)	-
Amortization of loss on refunding	(443)	-	-	-	(443)	-
Amortization of debt premium	119,191	4,364	3,216	-	126,771	-
General property taxes	-	-	-	650,000	650,000	-
Lead service lateral grant	125,503	-	-	-	125,503	-
Lead service lateral replacement expenses	(115,645)	-	-	-	(115,645)	-
Miscellaneous	-	10,757	-	-	10,757	-
Total nonoperating revenues (expenses)	<u>(83,032)</u>	<u>(118,098)</u>	<u>15,621</u>	<u>2,301,001</u>	<u>2,115,492</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>1,821,968</u>	<u>96,702</u>	<u>186,518</u>	<u>(484,418)</u>	<u>1,620,770</u>	<u>1,595,524</u>
Contributions and Transfers						
Capital contributions, municipal	336,010	-	-	-	336,010	-
Capital contributions	734,411	1,046,483	-	1,318,226	3,099,120	-
Transfers out	(443,207)	-	-	-	(443,207)	-
Total contributions and transfers	<u>627,214</u>	<u>1,046,483</u>	<u>-</u>	<u>1,318,226</u>	<u>2,991,923</u>	<u>-</u>
Change in net position	2,449,182	1,143,185	186,518	833,808	4,612,693	1,595,524
Total Net Position, Beginning	<u>20,984,616</u>	<u>38,017,019</u>	<u>9,449,144</u>	<u>7,082,317</u>		<u>6,135,763</u>
Total Net Position, Ending	<u>\$ 23,433,798</u>	<u>\$ 39,160,204</u>	<u>\$ 9,635,662</u>	<u>\$ 7,916,125</u>		<u>\$ 7,731,287</u>
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					<u>174,287</u>	
Change in Net Position of Business-Type Activities					<u>\$ 4,786,980</u>	

See notes to financial statements

City of Beloit

Statement of Cash Flows -
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Sewer	Nonmajor Enterprise Funds		
Cash Flows From Operating Activities						
Received from customers	\$ 6,305,378	\$ 9,210,086	\$ 1,259,499	\$ 2,505,973	\$ 19,280,936	\$ 16,585,482
Paid to suppliers for goods and services	(1,906,981)	(3,998,960)	(497,246)	(2,537,039)	(8,940,226)	(13,753,150)
Payments to employees for services	(849,023)	(1,982,843)	(472,091)	(2,194,864)	(5,498,821)	(668,465)
Net cash flows from operating activities	<u>3,549,374</u>	<u>3,228,283</u>	<u>290,162</u>	<u>(2,225,930)</u>	<u>4,841,889</u>	<u>2,163,867</u>
Cash Flows From Noncapital Financing Activities						
Operating grants received	-	-	-	2,189,433	2,189,433	-
Grant Revenue received for lead service program	125,503	-	-	-	125,503	-
Private lead service program expenditures	(115,645)	-	-	-	(115,645)	-
Transfers in (out)	(443,207)	-	-	-	(443,207)	-
Property taxes received	-	-	-	650,000	650,000	-
Noncapital interfund/advance repayment	-	-	-	-	-	(1,256,773)
Noncapital interfund/advance	-	-	-	381,021	381,021	-
Net cash flows from noncapital financing activities	<u>(433,349)</u>	<u>-</u>	<u>-</u>	<u>3,220,454</u>	<u>2,787,105</u>	<u>(1,256,773)</u>
Cash Flows From Capital and Related Financing Activities						
Debt retired	(1,922,482)	(377,215)	(143,998)	(74,655)	(2,518,350)	-
Interest paid	(539,760)	(326,673)	(29,624)	(9,359)	(905,416)	-
Proceeds from issuance of new debt	-	22,597,048	-	-	22,597,048	-
Advances (to) from other funds	-	-	-	(93,920)	(93,920)	-
Acquisition and construction of capital assets	(716,627)	(22,552,117)	(135,216)	(1,201,676)	(24,605,636)	-
Construction grants received	-	791,097	-	307,763	1,098,860	-
Net cash flows from capital and Related financing activities	<u>(3,178,869)</u>	<u>132,140</u>	<u>(308,838)</u>	<u>(1,071,847)</u>	<u>(4,427,414)</u>	<u>-</u>
Cash Flows From Investing Activities						
Investment income	<u>315,320</u>	<u>261,108</u>	<u>38,834</u>	<u>91,323</u>	<u>706,585</u>	<u>-</u>
Net cash flows from investing activities	<u>315,320</u>	<u>261,108</u>	<u>38,834</u>	<u>91,323</u>	<u>706,585</u>	<u>-</u>
Net increase in cash and Cash equivalents	252,476	3,621,531	20,158	14,000	3,908,165	907,094
Cash and Cash Equivalents, Beginning	<u>4,953,126</u>	<u>7,932,412</u>	<u>1,812,985</u>	<u>55,821</u>	<u>14,754,344</u>	<u>6,892,186</u>
Cash and Cash Equivalents, Ending	<u>\$ 5,205,602</u>	<u>\$ 11,553,943</u>	<u>\$ 1,833,143</u>	<u>\$ 69,821</u>	<u>\$ 18,662,509</u>	<u>\$ 7,799,280</u>

See notes to financial statements

City of Beloit

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Sewer	Nonmajor Enterprise Funds		
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities						
Operating income (loss)	1,905,000	\$ 214,800	\$ 170,897	\$ (2,785,419)	\$ (494,722)	\$ 1,595,524
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation charged to other funds	128,471	10,757	-	-	139,228	-
Depreciation expense	1,372,177	2,768,861	147,287	238,143	4,526,468	-
Change in assets, deferred outflows, liabilities and deferred inflows:						
Accounts receivable	10,738	(94,888)	(18,321)	(197,024)	(299,495)	354,050
Inventories	5,526	-	-	29,158	34,684	-
Accounts payable	(31,614)	82,772	6,430	15,324	72,912	60,502
OPEB related deferrals and liabilities	3,980	44,176	-	38,245	86,401	31,146
Other current liabilities	41,889	59,600	-	22,728	124,217	-
Due to other funds	-	-	-	-	-	-
Pension related deferrals and assets/liabilities	67,457	142,205	(16,131)	412,915	606,446	(10,450)
Claims payable	-	-	-	-	-	133,095
Unearned revenue	45,750	-	-	-	45,750	-
Net cash flows from operating activities	<u>\$ 3,549,374</u>	<u>\$ 3,228,283</u>	<u>\$ 290,162</u>	<u>\$ (2,225,930)</u>	<u>\$ 4,841,889</u>	<u>\$ 2,163,867</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds						
Cash and investments, statement of net position	\$ 2,606,780	\$9,462,827	\$ 1,673,393	\$ 69,821	\$ 13,812,821	\$ 7,799,280
Restricted cash and investments, statement of net position:						
Bond redemption account	383,039	226,616	49,250	-	658,905	-
Replacement account	-	1,595,400	-	-	1,595,400	-
Construction account	576,130	-	-	-	576,130	-
Bond reserve account	1,639,653	269,100	110,500	-	2,019,253	-
Cash and Cash Equivalents, Ending	<u>\$ 5,205,602</u>	<u>\$ 11,553,943</u>	<u>\$ 1,833,143</u>	<u>\$ 69,821</u>	<u>\$ 18,662,509</u>	<u>\$ 7,799,280</u>
Noncash Investing, Capital and Financing Activities						
During 2023, sewer utility added developer capital assets in the amount of \$255,386						
During 2023, water utility added developer capital assets in the amount of \$734,411 and capital assets financed by other funds of the city in the amount of \$336,010						

See notes to financial statements

City of Beloit

Statement of Fiduciary Net Position -
Custodial Fund
December 31, 2023

	<u>Tax Collection Fund</u>
Assets	
Cash and investments	\$ 6,209,638
Property taxes receivable	<u>22,023,684</u>
Total assets	<u>28,233,322</u>
Liabilities	
Due to other taxing units	<u>28,233,322</u>
Total liabilities	<u>28,233,322</u>
Net Position	
Total net position	<u>\$ -</u>

See notes to financial statements

City of Beloit

Statement of Changes in Fiduciary Net Position -
Custodial Fund
Year Ended December 31, 2023

	<u>Tax Collection Fund</u>
Additions	
Property taxes collected for other governments	\$ 27,883,023
Total additions	<u>27,883,023</u>
Deductions	
Property taxes distributed to other governments	<u>27,883,023</u>
Total deductions	<u>27,883,023</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u>\$ -</u>

See notes to financial statements

City of Beloit

Statement of Net Position -
Component Units
December 31, 2023

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Community</u>	<u>Beloit Public</u>	
	<u>Development</u>	<u>Library</u>	
	<u>Authority</u>	<u>Foundation, Inc.</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 1,778,603	\$ 649,368	\$ 2,427,971
Receivables:			
Accounts	87,841	-	87,841
Due from other governmental units	14,128	-	14,128
Prepaid items	18,598	-	18,598
Tax credit fees	40,858	-	40,858
Total current assets	<u>1,940,028</u>	<u>649,368</u>	<u>2,589,396</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments	1,179,287	-	1,179,287
Total restricted assets	<u>1,179,287</u>	<u>-</u>	<u>1,179,287</u>
Capital assets:			
Land	601,285	-	601,285
Land improvements	612,630	-	612,630
Buildings	1,371,666	-	1,371,666
Building improvements	18,069,327	-	18,069,327
Machinery, equipment, furnishings and vehicles	887,826	-	887,826
Less accumulated depreciation	<u>(9,121,579)</u>	<u>-</u>	<u>(9,121,579)</u>
Total capital assets, net	<u>12,421,155</u>	<u>-</u>	<u>12,421,155</u>
Total noncurrent assets	<u>13,600,442</u>	<u>-</u>	<u>13,600,442</u>
Total assets	<u>15,540,470</u>	<u>649,368</u>	<u>16,189,838</u>
Deferred Outflows of Resources			
Pension related amounts	643,879	-	643,879
OPEB related amounts, life	15,192	-	15,192
Total deferred outflows of resources	<u>659,071</u>	<u>-</u>	<u>659,071</u>
Liabilities			
Current liabilities:			
Accounts payable	61,841	4,171	66,012
Accrued liabilities	2,791,255	-	2,791,255
Due to primary government	55,218	-	55,218
Deposits	158,263	-	158,263
Total current liabilities	<u>3,066,577</u>	<u>4,171</u>	<u>3,070,748</u>
Noncurrent liabilities:			
Compensated absences	132,084	-	132,084
Other notes payable	742,844	-	742,844
Net OPEB liability, life	46,321	-	46,321
Net pension liability	163,186	-	163,186
Total noncurrent liabilities	<u>1,084,435</u>	<u>-</u>	<u>1,084,435</u>
Total liabilities	<u>4,151,012</u>	<u>4,171</u>	<u>4,155,183</u>
Deferred Inflows of Resources			
Unearned revenue	898,151	-	898,151
Pension related amounts	358,964	-	358,964
OPEB related amounts, life	33,829	-	33,829
Total deferred inflows of resources	<u>1,290,944</u>	<u>-</u>	<u>1,290,944</u>
Net Position (Deficit)			
Net investment in capital assets	12,421,155	-	12,421,155
Restricted for grant programs	5,859,801	-	5,859,801
Restricted per donors	-	15,576	15,576
Unrestricted (deficit)	<u>(7,523,371)</u>	<u>629,621</u>	<u>(6,893,750)</u>
Total net position	<u>\$ 10,757,585</u>	<u>\$ 645,197</u>	<u>\$ 11,402,782</u>

See notes to financial statements

City of Beloit

Statement of Activities -

Component Units

Year Ended December 31, 2023

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Community Development Authority</u>	<u>Beloit Public Library Foundation, Inc.</u>	<u>Total</u>
Expenses			
Community development	\$ 5,238,229	\$ -	\$ 5,238,229
Library services	<u>-</u>	<u>91,249</u>	<u>91,249</u>
Total expenses	<u>5,238,229</u>	<u>91,249</u>	<u>5,329,478</u>
Program Revenues			
Charges for services	387,329	-	387,329
Operating grants and contributions	4,201,668	39,611	4,241,279
Other revenue	<u>66,080</u>	<u>-</u>	<u>66,080</u>
Total program revenues	<u>4,655,077</u>	<u>39,611</u>	<u>4,694,688</u>
Net revenues (expenses)	<u>(583,152)</u>	<u>(51,638)</u>	<u>(634,790)</u>
General Revenues (Expenses)			
Investment income	15,881	84,070	99,951
Interest and amortization expense	(285,896)	-	(285,896)
Loss on sale of property	(77,790)	-	(77,790)
Miscellaneous	<u>25,333</u>	<u>-</u>	<u>25,333</u>
Total general revenues (expenses)	<u>(322,472)</u>	<u>84,070</u>	<u>(238,402)</u>
Revenues (expenses) before contributions	(905,624)	32,432	(873,192)
Contributions	<u>160,350</u>	<u>-</u>	<u>160,350</u>
Change in net position	(745,274)	32,432	(712,842)
Total Net Position, Beginning	<u>11,502,859</u>	<u>612,765</u>	<u>12,115,624</u>
Total Net Position, Ending	<u>\$ 10,757,585</u>	<u>\$ 645,197</u>	<u>\$ 11,402,782</u>

See notes to financial statements

City of Beloit

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December 31, 2023

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1. Summary of Significant Accounting Policies

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).

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 three methods, discrete presentation, blended or fiduciary. 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. This was formerly reported as the Beloit Housing Authority. 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 4). 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, 2023. The CDA does not issue separate financial statements. Additional information may be obtained from the CDA's office.

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, 2023 (see Note 4). Separately issued financial statements of the Foundation may be obtained from the Foundation's office.

Financial Statement Presentation

The two LLCs of the CDA and the Beloit Public Library Foundation, Inc. (the Foundation) report under FASB standards. As such, certain revenue recognition and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the LLCs' financial information in the CDA's financial reporting entity or the Foundation for these differences.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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.

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 City 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 balance, 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

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

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.

American Rescue Plan Act - Special Revenue Fund

American Rescue Plan Act - Special Revenue Fund accounts for the receipts and expenditures of funds that are legally restricted per the Final Rule of the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act.

Community Development - Special Revenue Fund

Community Development - Special Revenue Fund accounts for the receipts and expenditures of funds that are legally restricted per the grant agreements with federal or state agencies.

City of Beloit

Notes to Financial Statements
December 31, 2023

General Debt Service

General Debt Service is 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

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

Enterprise Funds

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
Storm Sewer - accounts for operations of the storm sewer system

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

Special Revenue Funds are 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)	Perpetual Care
Community Development Block Grant	Fire Multi-Year Grants
TIF District No. 8	DPW Multi-Year Grants
TIF District No. 9	Affordable Housing
TIF District No. 11	Library
TIF District No. 13	Police
TIF District No. 14	Solid Waste

Capital Projects Funds

Capital Projects Funds are 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	Equipment Replacement
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Enterprise Funds

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
Transit System

In addition, the City reports the following fund types:

Internal Service Funds

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

Custodial Fund

Custodial funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collections

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 deferred inflows. 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.

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 deferred inflows. 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 requirements) are met are 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, 2023, there were \$781,030 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 and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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, sewer and storm 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.

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, deferred outflows of resources, liabilities and deferred inflows of resources 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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.
- 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.

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 methods and inputs as outlined in Note 4. 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, 2023, 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 4 for further information.

City of Beloit

Notes to Financial Statements
December 31, 2023

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 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 fiduciary net position.

Property tax calendar - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	March 31, 2024
Third installment due	May 31, 2024
Fourth installment due	July 31, 2024
Personal property tax in full	January 31, 2024
Tax sale - 2023 delinquent real estate taxes	October 2026

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, sewer or storm 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 \$8,809. The loans receivable balance within the fund statements also includes conditional-type loans in the amount of \$200,000 which are not expected to be repaid unless conditional use or other provisions occur as part of the loan agreement. For these types of loans an allowance was established.

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.

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.

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.

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 acquisition 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 and overhead. 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.

City of Beloit

Notes to Financial Statements
December 31, 2023

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.

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets 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 arises from advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the 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 financial statements.

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, 2023 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

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, accrued compensated absences, pension liabilities, and OPEB liabilities.

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. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

Deferred Inflows of Resources

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

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 \$1,374,349.

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 balances are 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.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The council may take official action to assign amounts. 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 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 15% of operating revenue or three months of General Fund operating expenditures, whichever is greater. The General Fund's unrestricted fund balance was \$15,937,913 at year-end or the equivalent of 5 months.

See Note 4 for further information.

Basis for Existing Rates

Water Utility

The water utility was authorized current rates by the Public Service Commission (PSC) effective May 1, 2017 and is allowed to earn a 5.00% rate of return.

Sewer Utility

Current sewer rates were approved by the council and effective on January 1, 2023.

Storm Sewer Utility

Current storm sewer rates were approved by the council and effective on January 1, 2022.

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting.

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources to Other Postemployment Benefits, and
- OPEB Expense (Revenue).

City of Beloit

Notes to Financial Statements
December 31, 2023

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Reconciliation of Government-Wide and Fund Financial Statements

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	\$ 5,249,758
Construction in progress	417,487
Land improvements	311,859
Buildings	24,000,496
Machinery and equipment	28,800,806
Other improvements	6,168,407
Infrastructure	108,264,535
Less accumulated depreciation	(66,822,852)
Less internal service fund capital assets, net of depreciation	<u>(3,825)</u>
Capital assets	<u>\$ 106,386,671</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 \$127,212,501 difference in liabilities are as follows:

Bonds and notes payable	\$ 42,733,801
Unamortized debt premium	1,328,396
Compensated absences	2,645,924
Other postemployment benefit liabilities	80,222,864
Accrued interest	<u>281,516</u>
Net adjustment to reduce fund balance, total governmental funds to arrive at net position, governmental activities	<u>\$ 127,212,501</u>

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

City of Beloit

Notes to Financial Statements
December 31, 2023

3. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for all funds with the exception of the Perpetual Care, Fire Multi-Year Grants, Community Development and Affordable Housing special revenue funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures Over Appropriations

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

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

As of December 31, 2023, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Revenue - Fire Multi-Year Grants	\$ 16,104	Excess expenditures over revenues
Special Revenue - Police	86,277	Excess expenditures over revenues
Enterprise - Cemeteries	54,436	Excess expenses over revenues

Fund deficits are anticipated to be funded with future contributions, general tax revenues or long-term borrowing.

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 net 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.

City of Beloit

Notes to Financial Statements
December 31, 2023

4. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 9,785,326	\$ 11,899,520	Custodial credit risk
Municipal bonds	27,528,050	27,528,050	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk
Corporate bonds	5,285,670	5,285,670	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
LGIP	56,983,258	56,983,258	Credit risk
Petty cash	9,493	-	N/A
Total cash and investments	<u>\$ 99,591,797</u>	<u>\$ 101,696,498</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 88,532,471		
Restricted cash and investments	4,849,688		
Per statement of fiduciary net Position, custodial fund			
Cash and investments	<u>6,209,638</u>		
Total cash and investments	<u>\$ 99,591,797</u>		

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 determining custodial credit risk.

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 an irrevocable letter of credit with First National Bank. At December 31, 2023, the letter of credit was held in the amount of \$14,000,000 to secure the City's deposits.

City of Beloit

Notes to Financial Statements
December 31, 2023

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Municipal bonds - Similar institutional bond quotes - evaluations based on various market and industry inputs
- Corporate bonds - Similar institutional bond quotes - evaluations based on various market and industry inputs

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Municipal bonds	\$ -	\$ 27,528,050	\$ -	\$ 27,528,050
Corporate bonds	-	5,285,670	-	5,285,670
Total	\$ -	\$ 32,813,720	\$ -	\$ 32,813,720

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, 2023, the City had no deposits exposed to custodial credit risk.

As of December 31, 2023, 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.

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, 2023, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Fitch Ratings	Moody's Investor Service
Municipal bonds	A to AAA	N/A	A1 to Aaa
Corporate bonds	BBB+ to A	N/A	A1 to A2

City of Beloit

Notes to Financial Statements
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The City also had investments in the following which are not rated:

LGIP - external pool

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, 2023, of the City's total portfolio, 9.76% was invested in Federal Home Loan Banks and 9.84% was invested in Federal Farm Loan Banks.

Concentration of Credit Risk (by Dealer)

Dealer	Fair Value	Percentage of Portfolio
Vinning Sparks	\$ 10,899,768	12%
BOSC, Inc.	13,354,300	15
FHN	8,559,652	9
Total concentrated investments	<u>\$ 32,813,720</u>	<u>36%</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.

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, 2023, 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 Yrs.
Municipal bonds	\$ 27,528,050	31%	\$ 1,139,566	\$ 19,410,064	\$ 5,981,300	\$ 997,120
Corporate bonds	<u>5,285,670</u>	5	<u>3,913,265</u>	<u>1,372,405</u>	-	-
Total	<u>\$ 32,813,720</u>		<u>\$ 5,052,831</u>	<u>\$ 20,782,469</u>	<u>\$ 5,981,300</u>	<u>\$ 997,120</u>

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

City of Beloit

Notes to Financial Statements
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Receivables

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

General Fund, delinquent personal property taxes	\$	99,616
Capital Projects, capital improvement, special assessments		202,931
Nonmajor Governmental Funds, loans		1,903,936
Nonmajor Governmental Funds, leases		385,421
		<hr/>
Total	\$	<u>2,591,904</u>

Allowances on receivables as of year-end are as follows:

Governmental Fund Types, municipal court receivable	\$	280,222
Governmental Fund Types, conditional loans		200,000
Governmental Fund Types, economic development loans		4,155
Governmental Fund Types, extrication services		36,051
Business Type, ambulance receivables		425,203
		<hr/>
Total uncollectibles	\$	<u>945,631</u>

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:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 19,131,519	\$ -
Loans receivable	-	1,892,135
Accounts receivable, noncurrent	-	153,828
Investment income, noncurrent	-	246,831
Special assessments	-	220,663
Leases	399,017	-
	<hr/>	<hr/>
Total unearned/unavailable revenue for governmental funds*	<u>\$ 19,530,536</u>	<u>\$ 2,513,457</u>

* There is also \$13,206,530 of unearned revenue recorded as a liability related to advanced grant funds unspent as of year-end.

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.

Construction - Used to report debt proceeds restricted for use in construction.

City of Beloit

Notes to Financial Statements
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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 cash and investments at December 31, 2023:

	<u>Water</u>	<u>Sewer</u>	<u>Storm</u>
Bond redemption account	\$ 383,039	\$ 226,616	\$ 49,250
Equipment replacement account	-	1,595,400	-
Bond reserve account	1,639,653	269,100	110,500
Construction account	576,130	-	-
	<u>576,130</u>	<u>-</u>	<u>-</u>
Total enterprise fund restricted cash and investments	<u>\$ 2,598,822</u>	<u>\$ 2,091,116</u>	<u>\$ 159,750</u>

Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 5,291,758	\$ -	\$ 42,000	\$ 5,249,758
Construction in progress	695,084	670,874	948,471	417,487
	<u>695,084</u>	<u>670,874</u>	<u>948,471</u>	<u>417,487</u>
Total capital assets not being depreciated	<u>5,986,842</u>	<u>670,874</u>	<u>990,471</u>	<u>5,667,245</u>
Capital assets being depreciated:				
Land improvements	67,854	244,005	-	311,859
Buildings	23,657,340	343,156	-	24,000,496
Machinery, equipment and vehicles	28,697,733	1,589,315	1,486,242	28,800,806
Other improvements	6,168,407	-	-	6,168,407
Streets	81,598,728	2,069,951	-	83,668,679
Structures	571,204	-	-	571,204
Street lights	7,379,970	-	-	7,379,970
Traffic signals	2,562,159	-	-	2,562,159
Bridges	14,082,523	-	-	14,082,523
	<u>14,082,523</u>	<u>-</u>	<u>-</u>	<u>14,082,523</u>
Total capital assets being depreciated	<u>164,785,918</u>	<u>4,246,427</u>	<u>1,486,242</u>	<u>167,546,103</u>

City of Beloit

Notes to Financial Statements
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Land improvements	\$ (61,070)	\$ -	\$ -	\$ (61,070)
Buildings	(9,140,799)	(411,696)	-	(9,552,495)
Machinery, equipment and vehicles	(20,028,244)	(1,015,703)	1,486,242	(19,557,705)
Other improvements	(3,622,355)	(93,610)	-	(3,715,965)
Streets	(23,511,317)	(1,338,288)	-	(24,849,605)
Structures	(201,367)	(18,613)	-	(219,980)
Street lights	(2,254,051)	(141,521)	-	(2,395,572)
Traffic signals	(2,396,146)	(40,160)	-	(2,436,306)
Bridges	(3,742,810)	(291,344)	-	(4,034,154)
	<u>(64,958,159)</u>	<u>(3,350,935)</u>	<u>1,486,242</u>	<u>(66,822,852)</u>
Total accumulated depreciation				
Net capital assets being depreciated	<u>99,827,759</u>	<u>895,492</u>	<u>-</u>	<u>100,723,251</u>
Total governmental activities, capital assets, net of depreciation	<u>\$ 105,814,601</u>			<u>\$ 106,390,496</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

Finance and administrative services	\$ 104,465
Public safety, police	128,663
Public safety, fire	321,676
Public works, which includes the depreciation of infrastructure	2,660,082
Library	<u>136,049</u>
Total governmental activities depreciation expense	<u>\$ 3,350,935</u>

City of Beloit

Notes to Financial Statements
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 3,736,753	\$ -	\$ -	\$ 3,736,753
Construction in progress	12,324,290	21,291,915	834,389	32,781,816
Total capital assets not being depreciated	<u>16,061,043</u>	<u>21,291,915</u>	<u>834,389</u>	<u>36,518,569</u>
Other capital assets:				
Land improvements	970,964	-	-	970,964
Buildings	10,528,769	791,722	-	11,320,491
Machinery, equipment and vehicles	11,593,037	1,499,166	-	13,092,203
Sewer mains	19,269,864	259,060	-	19,528,924
Sewer treatment facility	73,326,565	-	-	73,326,565
Water mains	48,043,165	1,647,628	26,081	49,664,712
Storm infrastructure	12,446,737	65,608	562	12,511,783
Total capital assets being depreciated	<u>176,179,101</u>	<u>4,263,184</u>	<u>26,643</u>	<u>180,415,642</u>
Less accumulated depreciation for:				
Land improvements	(699,399)	-	-	(699,399)
Buildings	(4,767,770)	(301,461)	-	(5,069,231)
Machinery, equipment and vehicles	(7,342,272)	(304,553)	-	(7,646,825)
Sewer mains	(5,880,352)	(189,739)	-	(6,070,091)
Sewer treatment facility	(66,877,902)	(2,501,670)	-	(69,379,572)
Water mains	(20,976,510)	(1,210,228)	26,081	(22,160,657)
Storm infrastructure	(3,975,101)	(147,287)	562	(4,121,826)
Total accumulated depreciation	<u>(110,519,306)</u>	<u>(4,654,938)</u>	<u>26,643</u>	<u>(115,147,601)</u>
Business-type capital assets, net of depreciation				
	<u>65,659,795</u>	<u>(391,754)</u>	<u>-</u>	<u>65,268,041</u>
Total business-type capital assets, net of depreciation				
	<u>\$ 81,720,838</u>			<u>\$ 101,786,610</u>

City of Beloit

Notes to Financial Statements
December 31, 2023

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 1,372,177
Sewer	2,768,861
Storm	147,287
Transit	234,803
Golf Course	1,323
Cemetery	2,017
	<hr/>
Total business-type activities depreciation expense	<u>\$ 4,526,468</u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocators or costs associated with the disposal of assets.

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	Special revenue, Police	\$ 116,865
General	Special revenue, Community Development	315,996
General	Special revenue, CDBG	98,866
General	Enterprise, Transit System	1,768,751
General	Enterprise, Ambulance	247,730
		<hr/>
Subtotal, fund financial statements		2,548,208
Less allocation of Internal Service funds		(1,248,880)
Less fund eliminations		<hr/> (531,729)
		<hr/>
Total, government-wide statement of net position		<u>\$ 767,599</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.

City of Beloit

Notes to Financial Statements
December 31, 2023

Advances

The general fund is advancing funds to the golf course. The equipment replacement fund is advancing funds to the cemetery fund. The purpose of these advances is for deficit cash balances at year-end. No repayment schedules have been established for these advances.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Total	Amount Not Due in One Year
Equipment replacement	Enterprise, Cemeteries	\$ 337,115	\$ 337,115
General	Enterprise, Golf Course	852,478	852,478
Total		<u>\$ 1,189,593</u>	<u>\$ 1,189,593</u>

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Purpose
General	Water utility	\$ 443,207	Payment in lieu of tax
Debt service, general debt service	Special revenue, TIF District No. 8	145,658	Debt service
Equipment replacement	Special revenue, solid waste	75,171	Solid waste trucks payments
Equipment replacement	Special revenue, TIF District No. 8	509,342	City's portion of payment to overlying districts
Equipment replacement	Special revenue, TIF District No. 9	188,165	City's portion of payment to overlying districts
Equipment replacement	Special revenue, TIF District No. 11	33,114	City's portion of payment to overlying districts
Equipment replacement	Special revenue, TIF District No. 13	323,845	City's portion of payment to overlying districts
Affordable housing	Special revenue, TIF District No. 8	379,961	Create/start affordable housing fund/program
Affordable housing	Special revenue, TIF District No. 9	72,853	Create/start affordable housing fund/program
Affordable housing	Special revenue, TIF District No. 11	165,628	Create/start affordable housing fund/program
Affordable housing	Special revenue, TIF District No. 13	<u>625,033</u>	Create/start affordable housing fund/program
Subtotal, nonmajor funds		<u>2,373,112</u>	
Total transfers		2,961,977	
Less fund eliminations		(2,518,770)	
Less capital contributions from GA to BTA		<u>(336,010)</u>	
Total government-wide statement of activities		<u>\$ 107,197</u>	

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.

City of Beloit

Notes to Financial Statements
December 31, 2023

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 47,351,164	-	\$ 4,667,392	\$ 42,683,772	\$ 4,881,810
General obligation debt from direct borrowings	148,255	-	98,226	50,029	24,612
Premium on debt	1,438,011	-	109,615	1,328,396	-
Subtotal	<u>48,937,430</u>	<u>-</u>	<u>4,875,233</u>	<u>44,062,197</u>	<u>4,906,422</u>
Other liabilities:					
Compensated absences:					
Sick leave	1,190,563	123,759	154,773	1,159,549	150,741
Vacation	1,396,328	1,486,375	1,396,328	1,486,375	1,486,375
Total other liabilities	<u>2,586,891</u>	<u>1,610,134</u>	<u>1,551,101</u>	<u>2,645,924</u>	<u>1,637,116</u>
Total governmental activities, long-term liabilities	<u>\$ 51,524,321</u>	<u>\$ 1,610,134</u>	<u>\$ 6,426,334</u>	<u>\$ 46,708,121</u>	<u>\$ 6,543,538</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 1,378,841	\$ -	\$ 317,609	\$ 1,061,232	\$ 318,190
General obligation debt from direct borrowings	1,111	-	1,111	-	-
Revenue bonds	19,655,000	-	2,025,000	17,630,000	2,100,000
CWFL revenue bond, direct borrowing	1,781,329	22,597,048	174,631	24,203,746	1,167,091
Add/(subtract) deferred amounts for premiums	483,994	-	126,941	357,053	-
Subtotal	<u>23,300,275</u>	<u>22,597,048</u>	<u>2,645,292</u>	<u>43,252,031</u>	<u>3,585,281</u>
Other liabilities:					
Compensated absences:					
Sick leave	280,848	105,910	36,510	350,248	45,532
Vacation	336,067	391,900	336,067	391,900	391,900
Subtotal	<u>616,915</u>	<u>497,810</u>	<u>372,577</u>	<u>742,148</u>	<u>437,432</u>
Total business-type activities, long-term liabilities	<u>\$ 23,917,190</u>	<u>\$ 23,094,858</u>	<u>\$ 3,017,869</u>	<u>\$ 43,994,179</u>	<u>\$ 4,022,713</u>

In addition to the liabilities above, information on the net pension liability (asset) and OPEB liabilities are provided in Note 5.

City of Beloit

Notes to Financial Statements
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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, 2023, was \$147,855,420. Total general obligation debt outstanding at year-end was \$43,795,033.

	Date of Issue	Due Date	Interest Rates	Original Indebted- ness	Balance 12-31-23
Governmental Activities - General Obligation Debt					
General obligation refunding bonds Series 2011A	10-21-11	04-01-25	2.45%	\$ 9,726,168	\$ 972,093
General obligation refunding bonds Series 2011B	12-08-11	03-01-25	1.00-4.10	4,280,000	280,000
General obligation promissory notes Series 2014A	05-15-14	05-01-24	2.00-2.40	850,000	110,000
General obligation corporate purpose bonds Series 2014B	05-15-14	05-01-34	2.00-3.50	7,777,275	2,226,679
General obligation promissory notes Series 2015B	03-19-15	03-01-25	0.80-2.40	720,000	160,000
General obligation corporate purpose bonds Series 2015C	03-19-15	03-01-35	2.00-3.25	2,450,000	1,495,000
2015 State trust fund loan, direct	11-23-15	03-15-25	3.25	200,000	50,029
General obligation promissory notes Series 2016A	05-12-16	04-01-26	1.60-2.00	1,725,000	740,000
General obligation corporate purpose bonds Series 2016B	05-12-16	04-01-36	2.00-3.00	3,235,000	2,525,000
General obligation promissory notes Series 2017A	06-22-17	06-01-27	2.00-3.00	1,715,000	860,000
General obligation corporate purpose bonds Series 2017B	06-22-17	06-01-37	3.00-3.25	4,320,000	3,180,000
General obligation promissory notes Series 2018A	04-18-18	04-01-28	3.00-4.00	2,080,000	1,195,000
General obligation corporate purpose bonds Series 2018B	04-18-18	04-01-28	3.00-4.00	3,315,000	2,890,000
General obligation corporate promissory notes Series 2019A	05-22-19	05-01-29	3.00	1,835,000	1,310,000
General obligation corporate purpose bonds Series 2019B	05-22-19	05-01-39	3.00-4.00	3,635,000	3,080,000
General obligation promissory notes Series 2020A	04-30-20	04-01-30	2.00	1,660,000	1,285,000
General obligation promissory notes Series 2020B	04-30-20	04-01-40	2.00-3.00	3,580,000	3,245,000
General obligation promissory notes Series 2021A	04-08-21	04-01-31	2.00	1,120,000	965,000
General obligation corporate purpose bonds Series 2021B	04-08-21	04-01-33	2.00-3.00	12,940,000	11,220,000
General obligation corporate Purpose bonds Series 2022A	05-05-22	04-01-42	3.00-3.20	3,315,000	3,230,000
General obligation promissory notes Series 2022B	05-05-22	04-01-32	3.00	1,855,000	<u>1,715,000</u>
Total governmental activities, general obligation debt					<u>\$ 42,733,801</u>

City of Beloit

Notes to Financial Statements
December 31, 2023

	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-23</u>
Business-Type Activities, General Obligation Debt					
General obligation refunding bonds Series 2011A	10-21-11	04-01-25	2.45%	\$ 1,353,832	\$ 222,913
General obligation promissory notes Series 2014A	05-15-14	05-01-24	2.00-2.40	270,000	30,000
General obligation corporate purpose bonds Series 2014B	05-15-14	05-01-24	2.00-3.50	387,725	48,319
General obligation corporate purpose bonds Series 2017B	06-22-17	06-01-28	3.00-3.25	1,105,000	520,000
General obligation promising note Series 2018A	04-18-18	04-01-28	3.00-4.00	60,000	35,000
General obligation promising note Series 2019A	05-22-19	05-01-29	3.00	95,000	60,000
General obligation promising note Series 2020A	04-30-20	04-01-30	1.85	120,000	95,000
General obligation promising note Series 2022B	04-30-22	04-01-32	3.00	55,000	<u>50,000</u>
Total business-type activities, general obligation debt					<u>\$ 1,061,232</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 4,881,810	\$ 1,069,662	\$ 318,190	\$ 25,044
2025	4,831,960	932,660	253,040	17,410
2026	4,635,000	807,181	150,000	11,775
2027	4,225,000	698,739	135,000	7,650
2028	3,190,000	604,551	140,000	3,675
2029-2033	11,815,000	1,988,809	65,002	2,475
2034-2038	7,040,000	732,474	-	-
2039-2042	2,065,002	83,956	-	-
Total	<u>\$ 42,683,772</u>	<u>\$ 6,918,032</u>	<u>\$ 1,061,232</u>	<u>\$ 68,029</u>

<u>Years</u>	Governmental Activities General Obligation Debt From Direct Borrowings	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 24,612	\$ 1,630
2025	25,417	826
Total	<u>\$ 50,029</u>	<u>\$ 2,456</u>

The City's outstanding State Trust Fund loans from direct borrowings related to governmental activities of \$50,029 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the City.

Other Debt Information

Estimated payments of compensated absences 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.

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 2016, 2018, 2020 and 2022. Proceeds from the bonds provided financing for the water systems. The bonds are payable solely from water revenues and are payable through 2038. Annual principal and interest payments on the bonds are expected to require 30% of net revenues. The total principal and interest remaining to be paid on the bonds is \$16,188,783. Principal and interest paid for the current year and total customer net revenues were \$2,321,069 and \$3,592,497, respectively.

The stormwater utility has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued in 2015. 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 29% of net revenues. The total principal and interest remaining to be paid on the bonds is \$729,050. Principal and interest paid for the current year and total customer net revenues were \$102,200 and \$357,018, respectively.

City of Beloit

Notes to Financial Statements

December 31, 2023

The sewer utility has pledged future sales revenues, net of specified operating expenses, to repay a clean water fund loan issued in 2011 and 2022 and revenue bonds issued in 2018. Proceeds from the loan provided financing for the sewer system. The loan is payable solely from sewer revenues and is payable through 2038. Annual principal and interest payments on the bonds are expected to require 53% of net revenues. The total principal and interest remaining to be paid on the loan is \$32,894,169. Principal and interest paid for the current year and total customer net revenues were \$607,074 and \$3,244,769, respectively.

	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rates</u>	<u>Original Indebted-Ness</u>	<u>Balance 12-31-23</u>
Water Utility:					
Refunding revenue bonds	11-09-16	11-01-28	4.00-4.50%	\$ 12,555,000	\$ 7,550,000
Revenue bonds	05-03-18	11-01-38	3.00-4.00	3,980,000	3,380,000
Revenue bonds	04-30-20	11-01-29	3.00-4.00	2,165,000	1,335,000
Refunding revenue bonds	05-05-22	11-01-30	4.00	1,950,000	1,665,000
Total water utility revenue debt					<u>13,930,000</u>
Stormwater Utility:					
Refunding revenue bonds	03-04-15	05-01-30	2.00-3.50	1,225,000	<u>650,000</u>
Total stormwater utility revenue debt					<u>650,000</u>
Sewer Utility:					
Revenue bonds	05-03-18	05-01-38	3.00-4.00	3,760,000	<u>3,050,000</u>
Total sewer utility revenue debt					<u>3,050,000</u>
Total revenue bonds					<u><u>\$ 17,630,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,100,000	\$ 574,725
2025	2,165,000	494,400
2026	2,290,000	436,138
2027	2,355,000	371,038
2028	2,440,000	284,863
2029-2033	3,600,000	745,028
2034-2038	2,680,000	261,879
Total	<u><u>\$ 17,630,000</u></u>	<u><u>\$ 3,168,071</u></u>

City of Beloit

Notes to Financial Statements
December 31, 2023

Clean Water Fund Loan Revenue Bond - Direct Borrowing

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, 2023, the City has received \$3,397,675 in loan proceeds and paid \$174,631 and \$39,456 in principal and interest, respectively, in 2023.

The sewer utility has entered into a loan agreement with the Wisconsin Department of Natural Resources for a loan up to and not exceeding \$32,668,687 at a fixed rate of 2.04% to fund the cost of constructing improvements to the City's sewerage system. The loan is payable from sewer revenues and are payable through 2042. As of December 31, 2023, the City has received \$22,647,048 in loan proceeds and paid \$179,237 in principal and interest, in 2023.

	<u>Fund Retired By</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
CWFP Loan (No. 4139-05)	Sewer	\$ 1,731,329	\$ -	\$ 174,63	\$ 1,556,698	\$ 178,823
CWFP Loan (No. 4608-08)	Sewer	50,000	22,597,048	-	22,647,048	988,268
Total					<u>\$ 24,203,746</u>	<u>\$ 1,167,091</u>

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

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Business-Type Activities</u>
2024	\$ 1,167,091	\$ 486,027	\$ 1,653,118
2025	1,191,495	461,368	1,652,863
2026	1,216,409	436,192	1,652,601
2027	1,241,848	410,485	1,652,333
2028	1,267,820	384,240	1,652,060
2029-2033	6,310,627	1,518,261	7,828,888
2034-2038	6,295,223	886,401	7,181,624
2029-2042	5,513,233	227,213	5,740,446
Total	<u>\$ 24,203,746</u>	<u>\$ 4,810,187</u>	<u>\$ 29,013,933</u>

City of Beloit

Notes to Financial Statements
December 31, 2023

Lease Disclosures

Lessor - Lease Receivable

Governmental Activities

<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance 12-31-23</u>
Blackhawk Technical College	01-01-22	12-31-40	3.00%	\$ 399,017
Total governmental activities				<u>\$ 399,017</u>

Business-Type Activities

<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance 12-31-23</u>
Cell tower attachment	06-07-21	06-24-50	3.00%	\$ 1,263,511
Cell tower attachment	07-20-20	08-01-46	3.00	818,423
Cell tower attachment	12-01-03	12-01-28	3.00	199,631
Cell tower attachment	02-03-20	02-03-44	3.00	764,321
Cell tower attachment	09-07-04	09-01-29	3.00	216,399
Cell tower attachment	11-24-14	11-05-43	3.00	571,505
Total business-type activities				<u>\$ 3,833,790</u>

The City recognized \$108,142 of lease revenue during the year.

The City recognized \$135,181 of interest revenue during the year.

City of Beloit

Notes to Financial Statements
December 31, 2023

Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2023 includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 5,249,758
Construction in progress	417,487
Other capital assets, net of accumulated depreciation	100,723,251
Less related long-term debt outstanding	(25,439,234)
Less unamortized premium on debt	(1,156,909)
Add unamortized loss on advance refunding	185,919
Add unspent capital bond proceeds	<u>2,167,805</u>

Total net investment in capital assets 82,148,077

Restricted

General debt service	1,233,539
TIF District No. 10, economic development	3,772,962
TIF District No. 14, economic development	701,202
Affordable Housing	11,469,507
Rental rehab (WRRP/HOME) grant	608,370
Community Development Block Grant	1,310,784
DPW, multi-year grants	272,050
Community development grants	263,794
Library operations	528,689
Cemetery perpetual care	2,249,507
Bridge activities	86,381
Solid waste	<u>1,068,504</u>

Total restricted 23,565,289

Unrestricted (deficit) (75,278,440)

Total governmental activities net position \$ 30,434,926

City of Beloit

Notes to Financial Statements December 31, 2023

Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

	General	TIF District No. 10	American Rescue Plan Act	Community Development	General Debt Service	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendable:								
Delinquent personal property taxes	\$ 99,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,616
Inventories	744,691	-	-	-	-	-	-	744,691
Prepaid items	97,165	-	-	-	-	-	-	97,165
Advances to other funds	852,478	-	-	-	-	-	-	852,478
Total nonspendable	<u>1,793,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,793,950</u>
Restricted for:								
Bridge maintenance	86,381	-	-	-	-	-	-	86,381
Debt service	-	-	-	-	1,515,050	-	-	1,515,050
Capital projects	-	-	-	-	-	2,976,382	-	2,976,382
Economic development	-	3,772,962	-	-	-	-	701,202	4,474,164
Affordable housing	-	-	-	-	-	-	11,469,507	11,469,507
Grant programs	-	-	-	249,319	-	-	428,520	677,839
Library operations	-	-	-	-	-	-	528,689	528,689
Solid waste	-	-	-	-	-	-	1,068,504	1,068,504
Cemetery perpetual care	-	-	-	-	-	-	2,211,882	2,211,882
Total restricted	<u>86,381</u>	<u>3,772,962</u>	<u>-</u>	<u>249,319</u>	<u>1,515,050</u>	<u>2,976,382</u>	<u>16,408,304</u>	<u>25,008,398</u>
Assigned to:								
Capital projects	-	-	-	-	-	1,391,600	11,383,011	12,774,611
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,391,600</u>	<u>11,383,011</u>	<u>12,774,611</u>
Unassigned (deficit):	<u>15,937,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,381)</u>	<u>15,835,532</u>
Total fund balances	<u>\$ 17,818,244</u>	<u>\$ 3,772,962</u>	<u>\$ -</u>	<u>\$ 249,319</u>	<u>\$ 1,515,050</u>	<u>\$ 4,367,982</u>	<u>\$ 27,688,934</u>	<u>\$ 55,412,491</u>

City of Beloit

Notes to Financial Statements
December 31, 2023

Business-Type Activities

	Water	Sewer	Storm	Nonmajor Proprietary Funds	Total
Net investment in capital assets:					
Land	\$ 1,050,724	\$ 1,416,029	\$ -	\$ 1,270,000	\$ 3,736,753
Other capital assets, net of accumulated depreciation (including CWIP)	31,137,875	51,180,223	8,470,815	7,260,943	98,049,856
Less long-term debt outstanding	(14,332,566)	(27,402,778)	(862,680)	(251,954)	(42,849,978)
Add unamortized loss on advance refunding	511	147	-	125	783
Less unamortized premium on debt	(324,548)	(25,685)	(6,820)	-	(357,053)
Add restricted cash funded with borrowed funds	2,215,783	269,100	-	-	2,484,883
Total net investment in capital assets	<u>19,747,779</u>	<u>25,437,036</u>	<u>7,601,315</u>	<u>8,279,114</u>	<u>61,065,244</u>
Restricted net position:					
Redemption account	383,039	226,616	49,250	-	658,905
Replacement account	-	1,595,400	-	-	1,595,400
Construction account	576,130	-	-	-	576,130
Reserve account	1,639,653	269,100	110,500	-	2,019,253
Less restricted cash funded with borrowed funds	(2,215,783)	(269,100)	-	-	(2,484,883)
Less current liabilities payable from restricted assets	(76,062)	(99,864)	(3,500)	-	(179,426)
Total restricted net position	<u>306,977</u>	<u>1,722,152</u>	<u>156,250</u>	<u>-</u>	<u>2,185,379</u>
Unrestricted (deficit)	<u>3,379,042</u>	<u>12,001,016</u>	<u>1,878,097</u>	<u>(362,989)</u>	<u>16,895,166</u>
Total enterprise funds net position	<u>\$ 23,433,798</u>	<u>\$ 39,160,204</u>	<u>\$ 9,635,662</u>	<u>\$ 7,916,125</u>	<u>80,145,789</u>
Plus portion of internal service funds net position allocated to business-type activities					<u>1,248,880</u>
Total business-type activities net position					<u>\$ 81,394,669</u>

City of Beloit

Notes to Financial Statements
December 31, 2023

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

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.

Cash and Investments

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

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 1,396,784	\$ 1,442,724	Custodial credit risk
Total cash and investments	<u>\$ 1,396,784</u>	<u>\$ 1,442,724</u>	

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 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, 2023, the CDA does not have any bank balances exposed to custodial credit risk.

City of Beloit

Notes to Financial Statements
December 31, 2023

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 2023 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 414,539	-	-	\$ 414,539
Capital assets being depreciated:				
Buildings	166,686	-	-	166,686
Furniture, equipment and machinery, dwellings	34,301	-	-	34,301
Furniture, equipment and machine, administrative	<u>160,018</u>	<u>-</u>	<u>-</u>	<u>160,018</u>
Total capital assets being depreciated	<u>775,544</u>	<u>-</u>	<u>-</u>	<u>775,544</u>
Less accumulated depreciation	<u>(336,599)</u>	<u>(4,202)</u>	<u>-</u>	<u>(340,801)</u>
Total capital assets, net of depreciation	<u>\$ 438,945</u>			<u>\$ 434,743</u>

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 5 for details.

Postemployment Benefits Other Than Pensions (OPEB)

All eligible authority employees participate in the Local Retiree Life Insurance Fund (LRLIF), a multi-employer defined benefit OPEB plan. All authority employees are considered to be City employees. Refer to Note 5 for details.

Net Position

Net position at December 31, 2023 includes the following:

Net investment in capital assets:	
Land	\$ 414,539
Other capital assets, net of accumulated depreciation	<u>20,204</u>
Total net investment in capital assets	<u>434,743</u>
Restricted:	
Low rent public housing	5,850,747
Project based vouchers	<u>9,054</u>
Total restricted	<u>5,859,801</u>
Unrestricted	<u>613,452</u>
Total net position	<u>\$ 6,907,99</u>

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

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 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.

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.

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.

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

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.

The company leases apartments to eligible residents under operating leases which are substantially all on a yearly basis. Rental revenue is recognized, net of vacancies and concessions, on a straight-line basis over the term of the leases.

Other revenue consists of various tenant charges provided for in the lease contract, such as late fees, cleaning fees and damages fees which are variable payments that do not provide a transfer of a good or service to the tenants and are not considered components of the lease contract. These fees are recognized as revenue when assessed. Certain services are also provided to tenants outside of the lease contract and are recognized when the service is complete.

As of December 31, 2023, all of the Company's real estate assets are subject to operating leases.

The residential leases do not provide extension options. A new lease agreement is executed if both parties wish to continue the tenancy upon expiration of the existing lease term. As of December 31, 2023, the average remaining term of the Company's residential leases is less than 12 months.

The components of rental revenue of all resident operating leases are as follows for the year ended December 31, 2023:

Fixed operating lease revenue from apartment rental, net of vacancies and concessions	\$ 159,333
Variable operating lease revenue included in other revenue	<u>17,496</u>
Total lease income	<u><u>\$ 176,829</u></u>

Supplemental statement of cash flows information related to leases as of December 31, 2023 is as follows:

Cash received from operating leases:

Operating cash flows from operating leases	\$ 164,433
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Operating subsidies represent grants from governmental agencies to provide housing to tenants. The Company accounted for the proceeds from the grants by analogy to International Accounting Standard (IAS 20), *Accounting for Government Grants and Disclosure of Government Assistance* and its principles surrounding the recognition of grants related to income. The Company recognizes income related to grants on a systematic and rational basis when it becomes probable that the Company has complied with the terms and conditions of the grant and in the period in which the corresponding costs related to the grant are recognized.

Leases - Lessee

The Company determines if an arrangement is or contains a lease at inception. The Company has entered into a finance lease for its land and original building structure. Finance lease right-of-use (ROU) assets are included in Rental Property, net.

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	40
Building improvements	15-40
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.

Debt Issuance Costs

Debt issuance 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, 2023.

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.

Deferred Revenue

Governmental agencies have provided grant funding to the Company to encourage the development of affordable housing. The Company has received funds under the Tax Credit Exchange Program. The Company has accounted for these fund by analogy to International Accounting Standard (IAS 20), *Accounting for Government Grants and Disclosure of Government Assistance* and its principles surrounding the recognition of grants related to assets whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. The deferred revenue on the balance sheets relating to these grants is recognized as revenue in the statements of operations (shown as amortization of deferred 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) and the United States Department of Housing and Urban Development (HUD). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the CDA or HUD. 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 February 27, 2024 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.

Restricted Cash

Restricted cash is comprised of the following:

Replacement	\$	240,192
Operating reserve		147,895
Tenants' security deposit		<u>36,402</u>
Total	\$	<u>424,489</u>

City of Beloit

Notes to Financial Statements

December 31, 2023

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	\$	210,161
Deposits		27,802
Interest earned		<u>2,229</u>
Balance, ending	\$	<u><u>240,192</u></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. 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	\$	146,431
Deposits		-
Interest earned		<u>1,464</u>
Balance, ending	\$	<u><u>147,895</u></u>

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		8,462,057
Land improvements		215,575
Furnishings and equipment		<u>322,849</u>
		10,961,830
Less accumulated depreciation		<u>3,721,108</u>
Total	\$	<u><u>7,240,722</u></u>

City of Beloit

Notes to Financial Statements

December 31, 2023

Mortgage and Other Notes Payable

Mortgage and other notes payable consists of the following:

CDA; managing member; nonrecourse mortgage note payable under the capital lease described in the finance lease note.; 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 \$149,219 for the year ended December 31, 2023; accrued interest was \$1,537,440 as of December 31, 2023.	\$ 1,950,000
CDA; nonrecourse mortgage note in the original amount of \$500,000; noninterest bearing; due in one installment on September 21, 2040; collateralized by a mortgage on the project's rental property.	500,000
CDA; nonrecourse mortgage note in the original amount of \$619,253; noninterest bearing; due in one installment on September 21, 2040; collateralized by a mortgage on the project's rental property.	430,559
CDA; nonrecourse 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 \$21,414 for the year ended December 31, 2023; accrued interest was \$206,770 as of December 31, 2023.	350,000
City of Beloit; nonrecourse mortgage note in the original amount up to \$170,639; noninterest 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, 2023.	<u>-</u>
Total long-term debt	3,230,559
Less unamortized debt issuance costs	<u>10,098</u>
Total	<u>\$ 3,220,461</u>

City of Beloit

Notes to Financial Statements

December 31, 2023

Repayment of principal on the mortgage and other notes payable as of December 31, 2023, is as follows:

**Years Ending
December 31:**

2024	\$	-
2025		-
2026		-
2027		-
2028		-
Thereafter		<u>3,230,559</u>
Total	\$	<u><u>3,230,559</u></u>

Finance Lease

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

Land	\$	409,500
Building		<u>1,540,500</u>
Total	\$	<u><u>1,950,000</u></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 useful life of the asset, 40 years. Accumulated depreciation on the land and buildings under the finance lease was \$645,940 as of December 31, 2023.

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. 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 finance lease obligation is secured by a mortgage note as described in the section above. The lease expires September 21, 2108.

The components of lease expense are as follows for the year ended December 31, 2023:

Finance lease cost:

Amortization of the right-to-use assets	\$	48,751
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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.

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. The investor members are required to make capital contributions totaling \$6,439,817. All contributions were made as of December 31, 2023.

Related-Party Transactions

Accounts Payable

Included in accounts payable are amounts owed to the City of Beloit for reimbursement of payroll and operating expenses totaling \$14,488 as of December 31, 2023.

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 \$7,738 for the period ended December 31, 2023.

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% compounded annually.

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. PILOT expense incurred and accrued totaled \$15,713 as of December 31, 2023.

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 noninterest bearing and repayable solely from available cash flow as defined in the operating agreement. There was no operating deficit loans as of December 31, 2023.

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 \$177,587 were earned during the period ended December 31, 2023. Included in accounts receivable are operating subsidies of \$19,832 as of December 31, 2023.

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.

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

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 finance 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 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.

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.

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.

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

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.

The company leases apartments to eligible residents under operating leases which are substantially all on a yearly basis. Rental revenue is recognized, net of vacancies and concessions, on a straight-line basis over the term of the leases.

Other revenue consists of various tenant charges provided for in the lease contract, such as late fees, cleaning fees and damages fees which are variable payments that do not provide a transfer of a good or service to the tenants and are not considered components of the lease contract. These fees are recognized as revenue when assessed. Certain services are also provided to tenants outside of the lease contract and are recognized when the service is complete.

As of December 31, 2023, all of the company's real estate assets are subject to operating leases.

The residential leases do not provide extension options. A new lease agreement is executed if both parties wish to continue the tenancy upon expiration of the existing lease term. As of December 31, 2023, the average remaining term of the company's residential leases is less than 12 months.

The components of rental revenue for all resident operating leases are as follows for the year ended December 31, 2023:

Fixed operating lease revenue from apartment rental, net of vacancies and concessions	\$ 203,321
Variable operating lease revenue included in other revenue	<u>10,870</u>
Total lease income	<u>\$ 214,191</u>

Supplemental statement of cash flows information related to leases as of December 31, 2023 is as follows:

Cash received from operating leases:	
Operating cash flows from operating leases	\$ 202,855

Operating subsidies represent grants from governmental agencies to provide housing to tenants. The company accounted for the proceeds from the grants by analogy to International Accounting Standard (IAS 20), *Accounting for Government Grants and Disclosure of Government Assistance* and its principles surrounding the recognition of grants related to income. The company recognizes income related to grants on a systematic and rational basis when it becomes probable that the company has complied with the terms and conditions of the grant and in the period in which the corresponding costs related to the grant are recognized.

City of Beloit

Notes to Financial Statements

December 31, 2023

Leases - Lessee

The company determines if an arrangement is or contains a lease at inception. The company has entered into a finance lease for its land and original building structure. Finance lease right-of-use (ROU) assets are included in Rental Property, net.

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	27.5
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.

Debt Issuance

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, 2023.

Tax Credit Fees

In connection with obtaining an allocation of low-income housing tax credits from the Wisconsin Housing and Economic Development 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) and the United States Department of Housing and Urban Development (HUD). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the CDA or HUD. 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 February 27, 2024, 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.

Restricted Cash

Restricted cash is comprised of the following:

Replacement reserve	\$	251,231
Operating reserve		193,838
ACC reserve		285,657
Tenants' security deposits		<u>24,072</u>
Total	\$	<u><u>754,798</u></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 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	\$	221,489
Deposits		27,408
Interest earned		2,334
Withdrawals		<u>-</u>
Balance, ending	\$	<u><u>251,231</u></u>

City of Beloit

Notes to Financial Statements

December 31, 2023

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	\$	191,919
Interest earned		<u>1,919</u>
Balance, ending	\$	<u><u>193,838</u></u>

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	\$	282,829
Interest earned		<u>2,828</u>
Balance, ending	\$	<u><u>285,657</u></u>

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		9,607,270
Land improvements		397,055
Furnishings and equipment		<u>370,658</u>
		11,960,380
Less accumulated depreciation		<u>5,059,670</u>
Total	\$	<u><u>6,900,710</u></u>

City of Beloit

Notes to Financial Statements
December 31, 2023

Mortgage and Other Notes Payable

Mortgage and other notes payable consists of the following:

CDA; managing member; nonrecourse mortgage note payable under the finance lease described in the finance lease note.; 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 \$96,625 for the year ended December 31, 2023; accrued interest was \$8,377 as of December 31, 2023.	\$ 1,410,000
CDA; nonrecourse 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 \$1,151 for the year ended December 31, 2023; accrued interest was \$12,271 as of December 31, 2023.	230,074
CDA; nonrecourse 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 \$1,282 for the year ended December 31, 2023; accrued interest was \$14,001 as of December 31, 2023.	256,500
CDA; nonrecourse mortgage note in the original amount of \$540,000; noninterest bearing; due in one installment on October 13, 2051, collateralized by a mortgage on the project's rental property.	540,000
CDA; nonrecourse 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 \$2,372 for the year ended December 31, 2023; accrued interest was \$25,047 as of December 31, 2023.	474,260
Total mortgage notes payable	2,910,834
Less unamortized financing costs	8,377
Total	<u>\$ 2,902,457</u>

Repayment of principal on the mortgage and other notes payable as of December 31, 2023, is follows:

Years Ending December 31:

2024	\$ -
2025	-
2026	-
2027	-
2028	-
Thereafter	2,910,834
Total	<u>\$ 2,910,834</u>

City of Beloit

Notes to Financial Statements
December 31, 2023

Finance Lease

The Company has entered into a finance lease agreement with the CDA dated October 14, 2011, to operate and manage the project during the term of the finance lease in accordance with all applicable public housing requirements. Rental property recorded under this noncancellable finance 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 useful life of the right to use asset, 27.5 years. Accumulated depreciation on the land and building under the finance lease was \$628,092 as of December 31, 2023.

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. 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 finance lease obligation is secured by a mortgage note. The lease expires October 13, 2109.

The components of lease expense are as follows for the year ended December 31, 2023:

Finance lease cost:

Amortization of the right-to-use assets	\$	51,273
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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).

Related-Party Transactions

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 \$16,938 for the period ended December 31, 2023. Accrued property management fees as of December 31, 2023 were \$3,390.

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 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 \$9,136 for the period ended December 31, 2023. Asset management fees accrued and included in accrued expenses were \$9,136 as of December 31, 2023.

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 \$186,023 were earned during the period ended December 31, 2023. Included in accounts receivables are operating subsidies receivable of \$45,008 as of December 31, 2023.

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. PILOT expense incurred and accrued was \$16,243 for the year ended December 31, 2023.

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.

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.

Beloit Public Library Foundation, Inc.

Nature of the Organization

The Beloit Public Library Foundation, Inc., (Foundation) is organized to raise and provide support monies for the Beloit, Wisconsin Public Library (Library).

Summary of Significant Accounting Policies

Basis of Accounting

The Foundations' financial statements have been prepared on the accrual basis of accounting. As such, revenues are recognized when earned and expenses and related liabilities are recorded in the period incurred.

Financial Statement Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Position Without Donor Restrictions - Net position that is not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Foundation. These net assets may be used at the discretion of the Foundation's management and board of directors.

Net Position With Donor Restrictions - Net position subject to donor-imposed stipulations. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated that funds be maintained in perpetuity.

The Foundation's total net assets were \$645,197 as of December 31, 2023, of which \$15,576 was with donor restrictions.

Revenue Recognition

Contributions, grants and memorials are recognized as revenue when they are earned. Revenue is reported in unrestricted net assets, unless use of the related assets is limited by the donor-imposed restrictions. Gains and losses on investments are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or law. All contributions designated for a specific donor purpose by a donor are recorded as specified. Contributions received for future programs are reflected as an increase in net assets with donor restrictions on the financial statements.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulation that limit the use of donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of changes in net assets as net assets released from restrictions. The Foundation reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts for other assets that must be used to acquire long-lived assets are reported as donor restricted support.

Cash and Cash Equivalents

For purpose of the statement of net position, the Foundation considers cash and highly liquid investments with original maturities of less than three months to be cash equivalents. Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. Investments held in one of the Foundation's investment accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. As of December 31, 2023, the Foundation had uninsured cash and investment balances of \$92,007.

Donated Services

No amounts have been reflected in the financial statements for donated services.

Fair Values of Financial Instruments

FASB ASC 820-10-50, Disclosures about Fair Value of Financial Instruments, requires disclosure of fair value information about financial instruments.

The carrying amounts reporting in the statement of net position for cash and cash equivalents, investments and accounts receivable approximate the assets' fair value.

Income Taxes

The Foundation has received a favorable determination with respect to tax-exempt status from the Internal Revenue Service under provision of Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization other than a private foundation.

Management of the Foundation has evaluated uncertain tax positions and has determined there are no uncertain tax positions as of December 31, 2023. Tax regulations within each jurisdiction are subject to interpretation of the related tax laws and regulations and require significant judgment to apply. The Foundation is subject to informational reporting requirements in the United States federal jurisdiction and the State of Wisconsin. Tax returns remain open for federal examinations for the past three years and state examination for the past four years. At December 31, 2023, there are no ongoing income tax audits or unresolved disputes with the various taxing authorities the Foundation currently files or has filed, with.

Contributions

The Foundation accounts for contributions in accordance with 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 the purpose restriction has been satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions are booked in the net assets without donor restrictions class for restrictions expiring during the fiscal year in which the contribution was made.

Direct Support

Direct support expenses are requests from the library to purchase books and other supplies, grants and awards and special library projects which are charged to program services. All other expenses are management and general or fundraising. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Foundation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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
December 31, 2023

Availability and Liquidity

The Foundation regularly monitors liquidity required to meet its operating needs. Financial assets in excess of daily cash requirements are invested in short-term investments. In addition, the Foundation receives support without donor restrictions; such support has historically funded annual programs and supporting service needs, together with investment income without donor restrictions. The Foundation projects revenue through contributions and special events, with any financial shortfall being made up by a draw from the investment account.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all administrative and general expenses, fundraising expenses and grand commitments expected to be paid in the subsequent year to be general expenditures.

The following represent the Foundation's financial assets at December 31, 2023:

Financial asset at year-end		
Cash and cash equivalents	\$	55,720
Investments		<u>592,007</u>
Total financial assets		647,727
Less restrictions		<u>15,576</u>
Financial assets available to meet cash needs for general expenditure within one year	\$	<u><u>632,151</u></u>

Investments

In accordance with GAAP, investments are reported at fair value. At December 31, 2023, the fair and cost values are as follows as reported by the trustee:

	<u>Fair</u>	<u>Cost</u>
Mutual funds:		
Equity	\$ 592,007	\$ 572,938

The Statement of Activities reports investment returns, net. Components of net investment returns are as follows:

Interest and dividend income	\$	15,458
Realized gain (losses)		7,976
Unrealized gain (losses)		<u>60,623</u>
	\$	<u><u>84,057</u></u>

City of Beloit

Notes to Financial Statements
December 31, 2023

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and is described as follows:

Level 1 - Quoted prices in accessible and 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.

	Fair Value Measurement at Using	
	Total	(Level 1)
Marketable securities	\$ 592,007	\$ 592,007

Restricted Net Position

Net position with donor restrictions consisted of the following for the year ending December 31, 2023:

July Adams Bookquest	\$ 13,633
Childrens materials and programming	6
Know Your Local Government series	800
Bookquest books	1,137
	<u>15,576</u>
	<u>\$ 15,576</u>

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 service expenses of the Foundation are for the benefit of the Beloit Public Library. The Foundations contributions to the library for the year ended December 31, 2023 were \$32,443, which included library special projects.

Blender Café

During 2016, the Foundation started a capital campaign for the Blender Café, which is a café at the library which opened for business in 2017. The Foundation collected donations and passed those donations through to the City of Beloit to assist in construction costs for the café. From time to time, the Foundation contributes resources for café programs.

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed May 16, 2024.

5. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. 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 (880 hours teacher and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the above link.

Vesting

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.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 31, 2016) are entitled to receive benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes military service. The retirement benefit will be calculated as money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefits. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the Floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Years	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees 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.

During the reporting period, the WRS recognized \$2,297,915 in contributions from the City and \$34,540 in contributions from the CDA.

Contribution rates for the plan year reported as of December 31, 2023 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

City of Beloit

Notes to Financial Statements
December 31, 2023

Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

City Information

At December 31, 2023, the City reported a liability of \$10,542,012 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.19895718%, which was a decrease of 0.00625720% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$5,145,803.

At December 31, 2023, the City reported deferred outflows of resources and deferred outflow (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 16,795,514	\$ 22,037,061
Change in assumptions	2,067,157	-
Net differences between projected and actual earnings on pension plan investments	17,873,350	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	43,704	7,463
Employer contributions subsequent to the measurement date	2,584,594	-
Total	<u>\$ 39,364,319</u>	<u>\$ 22,044,524</u>

CDA Information

At December 31, 2023, the CDA reported a liability of \$163,186 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The CDA's proportion of the net pension liability was based on the CDA's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the CDA's proportion was 0.002991000%, which was a decrease of 0.000146000% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the CDA recognized pension expense of \$77,669.

City of Beloit

Notes to Financial Statements
December 31, 2023

At December 31, 2023, the CDA reported deferred outflows of resources and deferred outflow (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 244,159	\$ 358,684
Change in assumptions	37,769	-
Net differences between projected and actual earnings on pension plan investments	322,386	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	716	280
Employer contributions subsequent to the measurement date	38,849	-
Total	<u>\$ 643,879</u>	<u>\$ 358,964</u>

City Information

\$2,584,594 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ 615,300
2025	3,055,374
2026	3,133,330
2027	7,931,197

CDA Information

\$38,849 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ 10,275
2025	51,022
2026	52,324
2027	132,445

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

- * No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

City of Beloit

Notes to Financial Statements
December 31, 2023

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns* as of December 31, 2022			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equities	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

* Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

** New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.5%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05%. Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City and CDA's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City and CDA's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City and CDA's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 34,982,551	\$ 10,542,012	\$ (6,274,056)
CDA's proportionate share of the net pension liability (asset)	525,822	163,186	(94,305)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2023, the City and CDA reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

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.

City of Beloit

Notes to Financial Statements

December 31, 2023

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 three of the past four years. Total amounts charged back to the various departments during the year were \$10,002,925.

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, 2023. The estimated liability for self-insured losses for this program consisted of the following at December 31, 2023:

Reported and known claims	\$ 1,217,714
Incurred but not reported claims	<u>545,885</u>
	<u>\$ 1,763,599</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>
2022	\$ 1,794,712	\$ 6,862,154	\$ 7,026,362	\$ 1,630,504
2023	1,630,504	7,439,382	7,306,287	1,763,599

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 3.287%.

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, 2023. A total liability of approximately \$74,594 at December 31, 2023 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 auto 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.

The City's auto liability insurance policy has 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.

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 1.89% for auto liability and 1.14% of physical damage liability. A list of the other members and their share of participation is available in the TMI report, which can be obtained directly from TMI's offices.

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.

City of Beloit

Notes to Financial Statements
December 31, 2023

The City has the following encumbrances outstanding at year-end, relating to funds on hand:

Major funds	\$	5,679,332
Nonmajor funds		1,669,883

Other Postemployment Benefits (OPEB)

Health Insurance Plan

Plan Description

The City's defined benefit healthcare OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City council. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses be at established contribution rates. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided

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 public safety retired plan members and their spouses. Eligible police and fire plan members receiving benefits contribute 0% and 0% of their premium costs for a family plan and a single plan, respectively. All others pay 100% of their premiums.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	\$	191
Active plan members		276
Total	\$	467

Total OPEB Liability

The City's total OPEB liability of \$79,121,975 was measured as of December 31, 2022 and was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions And Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.0%
Healthcare cost trend rates	6.50% decreasing by 0.10% per year down to 5.00% and level thereafter
Retirees' share of benefit-related costs	Fire and police members 0%. All others 100%
Discount rate	4.25%

City of Beloit

Notes to Financial Statements
December 31, 2023

The discount rate was based on upon all years of projected payments discounted at the municipal bond rate of 4.25% per the Bond Buyer 20-Bond Go Index.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2022	\$ 103,722,496
Changes for the year:	
Service cost	1,610,996
Interest	2,324,327
Changes of benefit terms	-
Difference between expected and actual	(1,155,460)
Changes in assumptions	(24,931,222)
Benefit payments	(2,449,162)
Net changes	<u>(24,600,521)</u>
Balance at December 31, 2023	<u>\$ 79,121,975</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25%) or 1-percentage-point higher (5.25%) than the current discount rate:

	1% Decrease (3.25%)	Discount Rate (4.25%)	1% Increase (5.25%)
Total OPEB liability	\$ 90,263,745	\$ 79,121,975	\$ 70,014,890

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)	1% Increase (7.5% Decreasing to 6.0%)
Total OPEB liability	\$ 69,076,846	\$ 79,121,975	\$ 91,412,402

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City recognized an OPEB expense (revenue) of \$(1,143,220).

City of Beloit

Notes to Financial Statements
December 31, 2023

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,104,790	\$ 11,189,913
Change in assumptions	8,088,968	25,611,916
Employer contributions subsequent to the measurement date	2,524,315	-
Total	<u>\$ 11,718,073</u>	<u>\$ 36,801,829</u>

Deferred outflows related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ (5,078,545)
2025	(3,989,466)
2026	(6,351,042)
2027	(7,841,240)
2028	(4,347,778)

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The LRLIF is a cost-sharing multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Report, which can be found at the link above.

Vesting

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 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.

City of Beloit

Notes to Financial Statements
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Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2023 are:

<u>Coverage Type</u>	<u>Employer Contributions</u>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the plan year are as listed below:

Life Insurance Employee Contribution Rates* for the Plan Year

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$8,329 in contributions from the City and \$309 in contributions from the CDA.

City of Beloit

Notes to Financial Statements
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OPEB Liabilities, OPEB Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

City Information

At December 31, 2023, the City reported a liability of \$1,600,050 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.41517000%, which was a decrease of 0.02669000% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$135,470.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 156,933
Net differences between projected and actual earnings on plan investments	30,176	-
Changes of actuarial assumptions	577,859	945,514
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,223	125,083
Employer contributions subsequent to the measurement date	8,745	-
Total	<u>\$ 640,003</u>	<u>\$ 1,227,530</u>

\$8,745 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ (56,347)
2025	(67,090)
2026	(31,366)
2027	(110,853)
2028	(170,593)
Thereafter	(160,023)

City of Beloit

Notes to Financial Statements
December 31, 2023

CDA Information

At December 31, 2023, the CDA reported a liability of \$46,321 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The CDA's proportion of the net OPEB liability was based on the CDA's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the CDA's proportion was 0.01542000%, which was an increase of 0.00251000% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the CDA recognized OPEB expense (revenue) of \$(3,928).

At December 31, 2023, the CDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,202
Net differences between projected and actual earnings on OPEB plan investments	719	-
Changes of assumptions	13,548	26,301
Changes in proportion and differences between employer contributions and proportionate share of contributions	600	3,326
Employer contributions subsequent to the measurement date	325	-
	<u>15,192</u>	<u>33,829</u>
Total	<u>\$ 15,192</u>	<u>\$ 33,829</u>

CDA Information

\$325 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ (1,792)
2025	(2,133)
2026	(997)
2027	(3,525)
2028	(5,425)
Thereafter	(5,090)

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	2.3%
Seniority/Merit	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO index.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

City of Beloit

Notes to Financial Statements
December 31, 2023

State OPEB Life Insurance Asset Allocation Targets and Expected Returns as of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50.00%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50.00	2.83
Inflation			2.30
Long-term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate

A single discount rate of 3.76% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the City and CDA's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City and CDA's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what the City and CDA's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase Discount Rate (4.76%)
City's proportionate share of the net OPEB liability (asset)	\$ 2,156,494	\$ 1,600,050	\$ 1,141,206
CDA's proportionate share of the net OPEB liability (asset)	80,078	46,321	42,377

City of Beloit

Notes to Financial Statements
December 31, 2023

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

For the year ended December 31, 2023, the City and CDA recognized an aggregate OPEB expense of \$5,355,014.

Bond Covenant Disclosures

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 stormwater 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.

	<u>Water - 2023</u>	<u>Sewer - 2023</u>	<u>Stormwater - 2023</u>
Operating revenues	\$ 6,100,230	\$ 9,181,917	\$ 1,277,820
Investment income	315,320	261,108	38,834
Operating expenses excluding depreciation	<u>(2,823,053)</u>	<u>(6,198,256)</u>	<u>(959,636)</u>
Defined earnings	<u>\$ 3,592,497</u>	<u>\$ 3,244,769</u>	<u>\$ 357,018</u>
Annual debt service on revenue bonds	\$ 2,316,369	\$ 1,906,749	\$ 104,725
Coverage factor	<u>X 1.25</u>	<u>X 1.10</u>	<u>X 1.25</u>
Required net earnings	<u>\$ 2,895,461</u>	<u>\$ 2,097,424</u>	<u>\$ 130,906</u>

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City, through its Tax Incremental Financing Districts (TID) Nos. 10 and 11, has entered into tax abatement agreements with developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

<u>Agreement Description</u>	<u>Calculation Method</u>	<u>Developer Commitment</u>	<u>2023 Payments</u>
TIF 10	35	Construction of improvements	\$ 53,606
TIF 10	35	Construction of improvements	162,622
TIF 10	25	Construction of improvements	14,238
TIF 11	25	Construction of improvements	25,606

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

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
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes			
Current levy	\$ 10,772,472	\$ 10,723,334	\$ (49,138)
Mobile home taxes	11,000	5,227	(5,773)
Prior year tax collection/rescinded taxes	100,000	27,437	(72,563)
Payment in lieu of taxes, housing authority	-	26,964	26,964
Motel tax	<u>230,000</u>	<u>242,177</u>	<u>12,177</u>
Total taxes	<u>11,113,472</u>	<u>11,025,139</u>	<u>(88,333)</u>
Intergovernmental			
Shared aidable revenue	16,136,262	16,135,955	(307)
Fire distribution fee	84,695	112,822	28,127
Expenditure restraint payment	636,785	691,066	54,281
State highway aids	1,582,243	1,566,634	(15,609)
State aid, connecting streets	266,081	266,860	779
Motor vehicle registration	575,000	571,048	(3,952)
Municipal service payment	16,391	16,586	195
Computer exemption aid	652,620	636,027	(16,593)
Other state payments	<u>200,990</u>	<u>218,084</u>	<u>17,094</u>
Total intergovernmental revenues	<u>20,151,067</u>	<u>20,215,082</u>	<u>64,015</u>
Licenses and Permits			
Licenses:			
Liquor, malt permits	60,885	59,191	(1,694)
Cable TV	390,000	361,507	(28,493)
Other licenses	<u>34,933</u>	<u>29,953</u>	<u>(4,980)</u>
Total licenses	<u>485,818</u>	<u>450,651</u>	<u>(35,167)</u>
Permits:			
Construction permits	298,500	244,607	(53,893)
Other permits	<u>53,600</u>	<u>50,416</u>	<u>(3,184)</u>
Total permits	<u>352,100</u>	<u>295,023</u>	<u>(57,077)</u>
Total licenses and permits	<u>837,918</u>	<u>745,674</u>	<u>(92,244)</u>
Fines, Forfeitures and Penalties			
Municipal court costs	120,000	88,402	(31,598)
Nontraffic fines	200,000	166,438	(33,562)
Traffic fines	175,000	129,442	(45,558)
Parking fines	160,000	99,828	(60,172)
Penalties on taxes	96,000	80,371	(15,629)
Other	<u>39,000</u>	<u>29,154</u>	<u>(9,846)</u>
Total fines, forfeitures and penalties	<u>790,000</u>	<u>593,635</u>	<u>(196,365)</u>

See notes to required supplementary information

City of Beloit

Schedule of Revenues and Other Financing Sources -
Budget and Actual - General Fund
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Fees and Service Charges			
Animal shelter	\$ 11,500	\$ 9,086	\$ (2,414)
Recreation:			
Other recreation	178,110	129,815	(48,295)
Telfer Park and Rivercenter	140,664	114,094	(26,570)
Swimming pool	70,718	35,667	(35,051)
Total recreation	<u>389,492</u>	<u>279,576</u>	<u>(109,916)</u>
Other general revenue:			
Fire inspection fees	133,390	146,909	13,519
Property transfer certificates	26,750	26,066	(684)
In-house fees	40,200	91	(40,109)
Hazardous material response	20,000	6,641	(13,359)
State highway construction & maintenance	30,000	71,751	41,751
Donations and miscellaneous	259,365	94,889	(164,476)
Nutrition coordinator	11,762	12,379	617
Recoveries from city	100,000	41,711	(58,289)
Miscellaneous police revenues	65,000	60,444	(4,556)
Total other general revenue	<u>686,467</u>	<u>460,881</u>	<u>(225,586)</u>
Total fees and service charges	<u>1,087,459</u>	<u>749,543</u>	<u>(337,916)</u>
Rent	<u>57,967</u>	<u>81,205</u>	<u>23,238</u>
Investment Income	<u>771,910</u>	<u>1,254,339</u>	<u>482,429</u>
Other	<u>471,339</u>	<u>182,062</u>	<u>(289,277)</u>
Total revenues	<u>35,281,132</u>	<u>34,846,679</u>	<u>(434,453)</u>
Other Financing Sources			
Sale of city property	100,000	100,376	376
Transfers in, tax equivalent	785,000	443,207	(341,793)
Total other financing sources	<u>885,000</u>	<u>543,583</u>	<u>(341,417)</u>
Total revenues and other financing sources	<u>\$ 36,166,132</u>	<u>\$ 35,390,262</u>	<u>\$ (775,870)</u>

See notes to required supplementary information

City of Beloit

Schedule of Expenditures
Budget and Actual - General Fund
Year Ended December 31, 2023

Current Expenditures	Original and Final Budget	Actual	Variance
General Government			
City Council, Manager, Attorney:			
Council	\$ 51,703	\$ 49,605	\$ 2,098
City manager	426,356	419,114	7,242
City attorney	702,925	700,229	2,696
Total City Council, Manager and Attorney	<u>1,180,984</u>	<u>1,168,948</u>	<u>12,036</u>
Finance and administrative services:			
Personnel and labor relations	338,949	326,348	12,601
Municipal court	372,600	375,852	(3,252)
Computer information systems	1,001,115	997,632	3,483
Records and elections	264,233	252,304	11,929
Property appraisal	426,093	422,767	3,326
Accounting	385,968	359,016	26,952
Financial management	1,568,047	311,751	1,256,296
Insurance	391,611	391,611	-
Total finance and administrative services	<u>4,748,616</u>	<u>3,437,281</u>	<u>1,311,335</u>
Total general government	<u>5,929,600</u>	<u>4,606,229</u>	<u>1,323,371</u>
Community Development			
City planning	1,017,339	948,680	68,659
Economic development	315,886	325,745	(9,859)
Code enforcement	316,928	379,423	(62,495)
Total community development	<u>1,650,153</u>	<u>1,653,848</u>	<u>(3,695)</u>
Public Safety			
Police Department:			
Staff services	13,121,347	13,073,638	47,709
Total police department	<u>13,121,347</u>	<u>13,073,638</u>	<u>47,709</u>
Fire Department:			
Staff services	601,728	595,191	6,537
Inspection and prevention	315,113	246,350	68,763
Fire fighting and rescue	8,086,738	8,142,177	(55,439)
Total fire department	<u>9,003,579</u>	<u>8,983,718</u>	<u>19,861</u>
Total public safety	<u>22,124,926</u>	<u>22,057,356</u>	<u>67,570</u>

See notes to required supplementary information

City of Beloit

Schedule of Expenditures
Budget and Actual - General Fund
Year Ended December 31, 2023

Current Expenditures	Original and Final Budget	Actual	Variance
Public Works			
DPW engineering:			
DPW administration and engineering	\$ 842,699	\$ 800,483	\$ 42,216
Total DPW engineering	<u>842,699</u>	<u>800,483</u>	<u>42,216</u>
DPW operations:			
Streets and sanitation	2,793,556	2,851,828	(58,272)
Central stores	<u>43,383</u>	<u>41,439</u>	<u>1,944</u>
Total DPW operations	<u>2,836,939</u>	<u>2,893,267</u>	<u>(56,328)</u>
DPW parks and recreation:			
Parks	1,470,459	1,454,056	16,403
Recreation	422,904	416,105	6,799
Edwards pavilion	122,054	103,594	18,460
Senior center	161,945	174,928	(12,983)
Rotary river center	17,435	8,859	8,576
Swimming pools	205,515	109,466	96,049
Big Hill park	27,094	23,838	3,256
Buildings and grounds operations	<u>604,409</u>	<u>723,711</u>	<u>(119,302)</u>
Total DPW parks and recreation	<u>3,031,815</u>	<u>3,014,557</u>	<u>17,258</u>
Total public works	<u>6,711,453</u>	<u>6,708,307</u>	<u>3,146</u>
Total expenditures	<u>\$ 36,416,132</u>	<u>\$ 35,025,740</u>	<u>\$ 1,390,392</u>

See notes to required supplementary information

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - TIF District No. 10 (Major Fund)
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Community development	\$ 38,590	\$ 24,032	\$ 14,558
Total expenditures	<u>38,590</u>	<u>24,032</u>	<u>14,558</u>
Net change in fund balance	(38,590)	(24,032)	14,558
Fund Balance, Beginning	<u>3,796,994</u>	<u>3,796,994</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,758,404</u>	<u>\$ 3,772,962</u>	<u>\$ 14,558</u>

See notes to required supplementary information

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - American Rescue Plan Act (Major Fund)
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 10,094,500	\$ 1,594,522	\$ (8,499,978)
Total revenues	<u>10,094,500</u>	<u>1,594,522</u>	<u>(8,499,978)</u>
Expenditures			
General	225,000	138,556	86,444
Capital outlay	<u>9,869,500</u>	<u>1,455,966</u>	<u>8,413,534</u>
Total expenditures	<u>10,094,500</u>	<u>1,594,522</u>	<u>8,499,978</u>
Net change in fund balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information

City of Beloit

Schedule of Proportionate Share of the Net Pension Liability (Asset) (City) -
Wisconsin Retirement System*
Year Ended December 31, 2023

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/23	0.19895718%	\$ 10,542,012	\$ 23,064,849	45.71%	95.72%
12/31/22	0.20127670%	(16,230,632)	23,016,066	70.52%	106.02%
12/31/21	0.20521438%	(12,819,063)	23,266,999	56.25%	105.26%
12/31/20	0.20668991%	(6,657,574)	22,763,635	29.25%	102.96%
12/31/19	0.20774611%	7,392,215	22,811,838	-32.41%	96.45%
12/31/18	0.20687123%	(6,142,640)	22,262,379	27.59%	102.93%
12/31/17	0.20990819%	1,730,146	22,509,679	-7.69%	99.12%
12/31/16	0.21082155%	3,425,810	22,671,117	-15.11%	98.20%
12/31/15	0.21069268%	(5,175,189)	23,218,012	22.29%	102.74%

Schedule of Employer Contributions (City) - Wisconsin Retirement System*
Year Ended December 31, 2023

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 2,584,594	\$ 2,584,594	\$ -	23,700,639	10.91%
12/31/22	2,329,720	2,329,720	-	22,858,996	10.19%
12/31/21	2,390,252	2,390,252	-	22,786,674	10.49%
12/31/20	2,410,392	2,410,392	-	22,125,262	10.89%
12/31/19	2,299,806	2,299,806	-	22,863,161	10.06%
12/31/18	2,307,248	2,307,248	-	22,050,312	10.46%
12/31/17	2,262,544	2,262,544	-	21,196,719	10.67%
12/31/16	2,015,469	2,015,469	-	22,509,679	8.95%
12/31/15	1,979,354	1,979,354	-	22,671,117	8.73%

Schedule of Proportionate Share of the Net Pension Liability (Asset) (CDA) -
Wisconsin Retirement System*
Year Ended December 31, 2023

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/23	0.00299100%	\$ 163,186	\$ 357,003	45.71%	95.72%
12/31/22	0.00311600%	(248,098)	351,812	70.52%	106.02%
12/31/21	0.00313700%	(175,151)	311,380	56.25%	105.26%
12/31/20	0.00282400%	(98,623)	337,173	29.25%	102.96%
12/31/19	0.00282161%	100,401	309,830	-32.41%	96.45%
12/31/18	0.00280972%	(83,429)	302,368	27.59%	102.93%
12/31/17	0.00285097%	23,499	305,726	-7.69%	99.12%
12/31/16	0.00286338%	46,529	307,919	-15.11%	98.20%
12/31/15	0.00286163%	(70,289)	315,347	22.29%	102.74%

Schedule of Employer Contributions (CDA) - Wisconsin Retirement System*
Year Ended December 31, 2023

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 38,849	\$ 38,849	\$ -	597,677	6.50%
12/31/22	36,063	36,063	-	534,267	6.75%
12/31/21	36,537	36,537	-	553,591	6.60%
12/31/20	32,934	32,934	-	491,552	6.70%
12/31/19	31,236	31,236	-	310,527	10.06%
12/31/18	31,337	31,337	-	299,487	10.46%
12/31/17	30,730	30,730	-	287,894	10.67%
12/31/16	27,374	27,374	-	305,726	8.95%
12/31/15	26,884	26,884	-	307,919	8.73%

*Note: These schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

City of Beloit

Schedule of Proportionate Share of the Net Life Insurance OPEB Liability (City) -
Local Retiree Life Insurance Fund*
Year Ended December 31, 2023

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/23	0.41517000%	\$ 1,600,050	\$ 20,473,039	7.82%	38.81%
12/31/22	0.44560000%	2,627,415	22,171,568	11.85%	29.57%
12/31/21	0.44186000%	2,439,331	21,560,738	11.31%	31.36%
12/31/20	0.44225000%	1,886,753	21,862,974	8.63%	37.58%
12/31/19	0.43184241%	1,114,412	21,271,444	5.24%	48.69%
12/31/18	0.45805147%	1,378,096	19,262,538	7.15%	44.81%

Schedule of Employer Contributions (City) - Local Retiree Life Insurance Fund*
Year Ended December 31, 2023

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 8,745	\$ 8,745	\$ -	17,853,043	0.05%
12/31/22	10,121	10,121	-	20,661,346	0.05%
12/31/21	10,749	10,749	-	21,915,809	0.05%
12/31/20	10,613	10,613	-	22,081,159	0.05%
12/31/19	10,507	10,507	-	22,126,703	0.05%
12/31/18	10,073	10,073	-	21,271,444	0.05%

Schedule of Proportionate Share of the Net Life Insurance OPEB Liability (CDA) -
Local Retiree Life Insurance Fund*
Year Ended December 31, 2023

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/23	0.01542000%	\$ 46,321	\$ 760,238	6.09%	38.81%
12/31/22	0.01291000%	83,840	642,422	13.05%	29.57%
12/31/21	0.01411000%	67,344	688,607	9.78%	31.36%
12/31/20	0.01230000%	48,567	607,932	7.99%	37.58%
12/31/19	0.01198329%	30,924	590,266	5.24%	48.69%
12/31/18	0.01271058%	38,241	534,521	7.15%	44.81%

Schedule of Employer Contributions (CDA) - Local Retiree Life Insurance Fund*
Year Ended December 31, 2023

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 325	\$ 325	\$ -	662,948	0.05%
12/31/22	293	293	-	598,663	0.05%
12/31/21	343	343	-	699,947	0.05%
12/31/20	293	293	-	613,999	0.05%
12/31/19	292	292	-	618,920	0.05%
12/31/18	280	280	-	619,073	0.05%

*Note: These schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

See notes to required supplementary information

City of Beloit

Schedule of Changes in Employer's Total OPEB Liability and Related Ratios -
Health Insurance
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 1,610,996	\$ 2,330,617	\$ 2,037,580	\$ 1,887,305	\$ 2,015,681	\$ 2,015,681
Interest	2,324,327	2,749,422	3,026,135	3,698,692	3,395,010	3,315,958
Changes of benefit terms	-	(346,591)	-	(11,991)	-	-
Differences between expected and actual experience	(1,155,460)	(15,340,546)	-	3,314,366	-	-
Changes of assumptions	(24,931,222)	(5,620,228)	8,941,207	10,855,096	(6,534,464)	-
Benefit payments	<u>(2,449,162)</u>	<u>(2,162,805)</u>	<u>(1,829,523)</u>	<u>(2,659,783)</u>	<u>(4,030,284)</u>	<u>(2,115,684)</u>
Net change in total OPEB liability	(24,600,521)	(18,390,131)	12,175,399	17,083,685	(5,154,057)	3,215,955
Total OPEB Liability, Beginning	<u>103,722,496</u>	<u>122,112,627</u>	<u>109,937,228</u>	<u>92,853,543</u>	<u>98,007,600</u>	<u>94,791,645</u>
Total OPEB Liability, Ending	<u>\$ 79,121,975</u>	<u>\$ 103,722,496</u>	<u>\$ 122,112,627</u>	<u>\$ 109,937,228</u>	<u>\$ 92,853,543</u>	<u>\$ 98,007,600</u>
Covered-Employee Payroll	\$ 19,619,442	\$ 19,619,442	\$ 20,694,825	\$ 20,694,825	\$ 20,585,113	\$ 20,585,113
Total OPEB Liability as a Percentage of Covered-Employee Payroll	403.28%	528.67%	590.06%	531.23%	451.07%	476.11%

Notes to Schedule:

Benefit changes. There were no changes to the benefits.

Changes in assumptions: The discount rate was changed to 4.25% to be reflective of a 20-year AA GO Bond Buyer Index rate.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31, 2022.

Methods and assumptions used to determine the total OPEB liability:

Actuarial cost method	Entry age normal (level percent of salary)
Amortization method	Average of expected remaining service lives
Amortization period	6 years
Asset valuation method	Fair Value
Inflation	2.50 percent
Healthcare cost trend rates	6.50 percent initial, decreasing by .10 percent per year to 5.0 percent and level thereafter
Salary increases	3 percent average
Investment rate of return	N/A
Retirement age	Based upon rates from the December 31, 2018 actuarial valuation for the Wisconsin Retirement System (WRS)
Mortality	Assumed life expectancies were based on the Wisconsin 2018 Mortality Table

The City implemented GASB Statement No. 75 in 2018. Information prior to 2018 is not available.

City of Beloit

Notes to Required Supplementary Information
December 31, 2023

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 2024. 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.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The City is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented. The additional information will be displayed as it becomes available.

Changes in Benefit Terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

City of Beloit

Notes to Required Supplementary Information
December 31, 2023

Changes in Assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

Local Retiree Life Insurance Fund

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in Benefits: There were no change of benefit terms for any participating employer in LRLIF.

Changes in Assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

City of Beloit

Combining Balance Sheet -
 Nonmajor Governmental Funds
 December 31, 2023

	Special Revenue Funds			
	Rental Rehab (WRRP/HOME)	Community Development Block Grant	TIF District No. 8	TIF District No. 9
Assets				
Cash and investments	\$ 152,158	\$ -	\$ 2,038	\$ 4,515
Receivables:				
Taxes	-	-	-	-
Accounts (net)	-	-	-	-
Loans	492,861	1,285,927	-	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Other	-	-	-	-
Due from other governmental units	106,479	223,160	-	-
Advances to other funds	-	-	-	-
Total assets	<u>\$ 751,498</u>	<u>\$ 1,509,087</u>	<u>\$ 2,038</u>	<u>\$ 4,515</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable	\$ 143,128	\$ 99,437	\$ 2,038	\$ 4,515
Due to other funds	-	98,866	-	-
Total liabilities	<u>143,128</u>	<u>198,303</u>	<u>2,038</u>	<u>4,515</u>
Deferred Inflows of Resources				
Property tax levied for next period	-	-	-	-
Unearned revenue, leases	-	-	-	-
Unavailable revenue	492,861	1,285,927	-	-
Total deferred inflows of resources	<u>492,861</u>	<u>1,285,927</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Restricted	115,509	24,857	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>115,509</u>	<u>24,857</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 751,498</u>	<u>\$ 1,509,087</u>	<u>\$ 2,038</u>	<u>\$ 4,515</u>

Special Revenue Funds

<u>TIF District No. 11</u>	<u>TIF District No. 13</u>	<u>TIF District No. 14</u>	<u>Fire Multi-Year Grants</u>	<u>DPW Multi-Year Grants</u>	<u>Library</u>
\$ 4,189	\$ 6,459	\$ 701,202	\$ 25,596	\$ 195,793	\$ 663,877
-	-	137,018	-	26,000	1,825,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	399,017
-	-	-	-	98,861	-
-	-	-	-	143,220	-
-	-	-	-	-	-
<u>\$ 4,189</u>	<u>\$ 6,459</u>	<u>\$ 838,220</u>	<u>\$ 25,596</u>	<u>\$ 463,874</u>	<u>\$ 2,887,894</u>
\$ 4,189	\$ 6,459	\$ -	\$ 41,700	\$ 50,848	\$ 135,188
-	-	-	-	-	-
<u>4,189</u>	<u>6,459</u>	<u>-</u>	<u>41,700</u>	<u>50,848</u>	<u>135,188</u>
-	-	137,018	-	26,000	1,825,000
-	-	-	-	-	399,017
-	-	-	-	98,872	-
-	-	<u>137,018</u>	-	<u>124,872</u>	<u>2,224,017</u>
-	-	701,202	-	288,154	528,689
-	-	-	-	-	-
-	-	-	(16,104)	-	-
-	-	<u>701,202</u>	<u>(16,104)</u>	<u>288,154</u>	<u>528,689</u>
<u>\$ 4,189</u>	<u>\$ 6,459</u>	<u>\$ 838,220</u>	<u>\$ 25,596</u>	<u>\$ 463,874</u>	<u>\$ 2,887,894</u>

City of Beloit

Combining Balance Sheet -
 Nonmajor Governmental Funds
 December 31, 2023

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
	Police	Solid Waste	Affordable Housing	Perpetual Care	Computer Replacement	Equipment Replacement	
Assets							
Cash and investments	\$ 8,987	\$ 635,236	\$ 11,469,507	\$ 2,211,882	\$ 881,635	\$ 10,577,586	\$ 27,540,660
Receivables:							
Taxes	130,000	10,212	-	-	-	-	2,128,230
Accounts (net)	17,205	463,120	-	-	-	-	480,325
Loans	-	-	-	-	-	-	1,778,788
Accrued interest	-	-	-	37,625	-	54,491	92,116
Leases	-	-	-	-	-	-	399,017
Other	-	-	-	-	-	-	98,861
Due from other governmental units	19,674	-	-	-	-	-	492,533
Advances to other funds	-	-	-	-	-	337,115	337,115
Total assets	<u>\$ 175,866</u>	<u>\$ 1,108,568</u>	<u>\$ 11,469,507</u>	<u>\$ 2,249,507</u>	<u>\$ 881,635</u>	<u>\$ 10,969,192</u>	<u>\$ 33,347,645</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)							
Liabilities							
Accounts payable	\$ 15,278	\$ 40,064	\$ -	\$ -	\$ 161,473	\$ 265,455	\$ 969,772
Due to other funds	116,865	-	-	-	-	-	215,731
Total liabilities	<u>132,143</u>	<u>40,064</u>	<u>-</u>	<u>-</u>	<u>161,473</u>	<u>265,455</u>	<u>1,185,503</u>
Deferred Inflows of Resources							
Property tax levied for next period	130,000	-	-	-	-	-	2,118,018
Unearned revenue, leases	-	-	-	-	-	-	399,017
Unavailable revenue	-	-	-	37,625	-	40,888	1,956,173
Total deferred inflows of resources	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>37,625</u>	<u>-</u>	<u>40,888</u>	<u>4,473,208</u>
Fund Balances (Deficit)							
Restricted	-	1,068,504	11,469,507	2,211,882	-	-	16,408,304
Assigned	-	-	-	-	720,162	10,662,849	11,383,011
Unassigned (deficit)	(86,277)	-	-	-	-	-	(102,381)
Total fund balances (deficit)	<u>(86,277)</u>	<u>1,068,504</u>	<u>11,469,507</u>	<u>2,211,882</u>	<u>720,162</u>	<u>10,662,849</u>	<u>27,688,934</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 175,866</u>	<u>\$ 1,108,568</u>	<u>\$ 11,469,507</u>	<u>\$ 2,249,507</u>	<u>\$ 881,635</u>	<u>\$ 10,969,192</u>	<u>\$ 33,347,645</u>

City of Beloit

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) -
 Nonmajor Governmental Funds
 Year Ended December 31, 2023

	Special Revenue Funds			
	Rental Rehab (WRRP/HOME)	Community Development Block Grant	TIF District No. 8	TIF District No. 9
Revenues				
Taxes	\$ -	\$ -	\$ 379,961	\$ 72,853
Intergovernmental	101,978	895,535	355	3,224
Licenses and permits	-	-	-	-
Fees and service charges	-	-	-	-
Investment income (loss)	4,647	13,203	9,951	2,750
Public charges for services	-	-	-	-
Other	65,312	132,961	-	-
Total revenues	<u>171,937</u>	<u>1,041,699</u>	<u>390,267</u>	<u>78,827</u>
Expenditures				
Current:				
Community development	273,421	1,099,954	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks, recreation and education	-	-	-	-
Capital outlay	-	-	11,433	14,201
Total expenditures	<u>273,421</u>	<u>1,099,954</u>	<u>11,433</u>	<u>14,201</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101,484)</u>	<u>(58,255)</u>	<u>378,834</u>	<u>64,626</u>
Other Financing Sources (Uses)				
Sale of city property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(1,034,961)	(261,018)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,034,961)</u>	<u>(261,018)</u>
Net change in fund balances	(101,484)	(58,255)	(656,127)	(196,392)
Fund Balances (Deficit), Beginning	<u>216,993</u>	<u>83,112</u>	<u>656,127</u>	<u>196,392</u>
Fund Balances (Deficit), Ending	<u>\$ 115,509</u>	<u>\$ 24,857</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

<u>TIF District No. 11</u>	<u>TIF District No. 13</u>	<u>TIF District No. 14</u>	<u>Fire Multi-Year Grants</u>	<u>DPW Multi-Year Grants</u>	<u>Library</u>	<u>Police</u>	<u>Solid Waste</u>
\$ 165,628	\$ 625,033	\$ 113,710	\$ -	\$ 26,000	\$ 1,800,000	\$ 130,000	\$ 26,367
935	39,028	11,345	169,176	194,677	458,682	377,754	137,943
-	-	-	-	-	-	-	17,742
-	-	-	-	-	8,403	-	-
2,889	12,734	15,717	169	221	22,833	598	8,160
-	-	-	-	-	61,780	214,267	2,553,534
-	-	-	-	102,590	92,409	14,873	-
<u>169,452</u>	<u>676,795</u>	<u>140,772</u>	<u>169,345</u>	<u>323,488</u>	<u>2,444,107</u>	<u>737,492</u>	<u>2,743,746</u>
69,512	429,385	-	-	-	-	-	-
-	-	-	5,275	-	-	614,465	-
-	-	-	-	411,657	-	-	2,550,051
-	-	-	-	-	2,518,919	-	-
<u>12,596</u>	<u>13,061</u>	<u>650</u>	<u>205,390</u>	<u>-</u>	<u>26,948</u>	<u>113,928</u>	<u>-</u>
<u>82,108</u>	<u>442,446</u>	<u>650</u>	<u>210,665</u>	<u>411,657</u>	<u>2,545,867</u>	<u>728,393</u>	<u>2,550,051</u>
<u>87,344</u>	<u>234,349</u>	<u>140,122</u>	<u>(41,320)</u>	<u>(88,169)</u>	<u>(101,760)</u>	<u>9,099</u>	<u>193,695</u>
-	-	-	-	-	-	-	350
(198,742)	(948,878)	-	-	-	-	-	(75,171)
(198,742)	(948,878)	-	-	-	-	-	(74,821)
(111,398)	(714,529)	140,122	(41,320)	(88,169)	(101,760)	9,099	118,874
<u>111,398</u>	<u>714,529</u>	<u>561,080</u>	<u>25,216</u>	<u>376,323</u>	<u>630,449</u>	<u>(95,376)</u>	<u>949,630</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 701,202</u>	<u>\$ (16,104)</u>	<u>\$ 288,154</u>	<u>\$ 528,689</u>	<u>\$ (86,277)</u>	<u>\$ 1,068,504</u>

City of Beloit

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) -
 Nonmajor Governmental Funds
 Year Ended December 31, 2023

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Affordable Housing</u>	<u>Perpetual Care</u>	<u>Computer Replacement</u>	<u>Equipment Replacement</u>	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,339,552
Intergovernmental	-	-	-	-	2,390,632
Licenses and permits	-	-	-	-	17,742
Fees and service charges	-	-	-	-	8,403
Investment income (loss)	366,316	(71,352)	5,852	1,853,845	2,248,533
Public charges for services	-	58,675	-	-	2,888,256
Other	-	-	680,000	1,947,792	3,035,937
Total revenues	<u>366,316</u>	<u>(12,677)</u>	<u>685,852</u>	<u>3,801,637</u>	<u>13,929,055</u>
Expenditures					
Current:					
Community development	458,183	-	-	-	2,330,455
Public safety	-	-	-	-	619,740
Public works	-	-	-	-	2,961,708
Parks, recreation and education	-	-	-	-	2,518,919
Capital outlay	-	-	161,473	1,340,545	1,900,225
Total expenditures	<u>458,183</u>	<u>-</u>	<u>161,473</u>	<u>1,340,545</u>	<u>10,331,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91,867)</u>	<u>(12,677)</u>	<u>524,379</u>	<u>2,461,092</u>	<u>3,598,008</u>
Other Financing Sources (Uses)					
Sale of city property	-	-	-	-	350
Transfers in	1,243,475	-	-	1,129,637	2,373,112
Transfers out	-	-	-	-	(2,518,770)
Total other financing sources (uses)	<u>1,243,475</u>	<u>-</u>	<u>-</u>	<u>1,129,637</u>	<u>(145,308)</u>
Net change in fund balances	<u>1,151,608</u>	<u>(12,677)</u>	<u>524,379</u>	<u>3,590,729</u>	<u>3,452,700</u>
Fund Balances (Deficit), Beginning	<u>10,317,899</u>	<u>2,224,559</u>	<u>195,783</u>	<u>7,072,120</u>	<u>24,236,234</u>
Fund Balances (Deficit), Ending	<u>\$ 11,469,507</u>	<u>\$ 2,211,882</u>	<u>\$ 720,162</u>	<u>\$ 10,662,849</u>	<u>\$ 27,688,934</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Debt Service Fund (Major Fund)
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 5,795,700	\$ 5,795,700	\$ -
Investment income	<u>6,500</u>	<u>6,514</u>	<u>14</u>
Total revenues	<u>5,802,200</u>	<u>5,802,214</u>	<u>14</u>
Expenditures			
Debt service:			
Principal retirement	4,840,275	4,765,620	74,655
Interest and fiscal charges	<u>1,278,779</u>	<u>1,282,068</u>	<u>(3,289)</u>
Total expenditures	<u>6,119,054</u>	<u>6,047,688</u>	<u>71,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(316,854)</u>	<u>(245,474)</u>	<u>71,380</u>
Other Financing Sources			
Debt premium	12,650	-	(12,650)
Transfers in	<u>145,659</u>	<u>145,658</u>	<u>(1)</u>
Total other financing sources	<u>158,309</u>	<u>145,658</u>	<u>(12,651)</u>
Net change in fund balance	(158,545)	(99,816)	58,729
Fund Balance, Beginning	<u>1,614,866</u>	<u>1,614,866</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,456,321</u>	<u>\$ 1,515,050</u>	<u>\$ 58,729</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Capital Improvements Fund (Major Fund)
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 271,000	\$ 270,433	\$ (567)
Fines, forfeitures and penalties	5,000	4,514	(486)
Special assessments	605,000	604,917	(83)
Investment income	703,500	703,251	(249)
Other	<u>2,145,680</u>	<u>832,958</u>	<u>(1,312,722)</u>
Total revenues	<u>3,730,180</u>	<u>2,416,073</u>	<u>(1,314,107)</u>
Expenditures			
Capital outlay	7,298,000	7,297,621	379
Debt service:			
Interest and fiscal charges	<u>-</u>	<u>300</u>	<u>(300)</u>
Total expenditures	<u>7,298,000</u>	<u>7,297,921</u>	<u>79</u>
Net change in fund balance	(3,567,820)	(4,881,848)	(1,314,028)
Fund Balance, Beginning	<u>9,249,830</u>	<u>9,249,830</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,682,010</u>	<u>\$ 4,367,982</u>	<u>\$ (1,314,028)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Rental Rehab (WRRP/Home) Fund
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 102,000	\$ 101,978	\$ (22)
Investment income	4,700	4,647	(53)
Other	<u>65,500</u>	<u>65,312</u>	<u>(188)</u>
Total revenues	<u>172,200</u>	<u>171,937</u>	<u>(263)</u>
Expenditures			
Current:			
Community development	<u>273,425</u>	<u>273,421</u>	<u>4</u>
Total expenditures	<u>273,425</u>	<u>273,421</u>	<u>4</u>
Net change in fund balance	(101,225)	(101,484)	(259)
Fund Balance, Beginning	<u>216,993</u>	<u>216,993</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 115,768</u>	<u>\$ 115,509</u>	<u>\$ (259)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Community Development Block Grant
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 920,800	\$ 895,535	\$ (25,265)
Investment income	15,000	13,203	(1,797)
Other	<u>131,700</u>	<u>132,961</u>	<u>1,261</u>
Total revenues	<u>1,067,500</u>	<u>1,041,699</u>	<u>(25,801)</u>
Expenditures			
Current:			
Community development	<u>1,100,000</u>	<u>1,099,954</u>	<u>46</u>
Total expenditures	<u>1,100,000</u>	<u>1,099,954</u>	<u>46</u>
Net change in fund balance	(32,500)	(58,255)	(25,755)
Fund Balance, Beginning	<u>83,112</u>	<u>83,112</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 50,612</u>	<u>\$ 24,857</u>	<u>\$ (25,755)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -

Budget and Actual - TIF District No. 8

Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 379,960	\$ 379,961	\$ 1
Intergovernmental	355	355	-
Investment income	9,950	9,951	1
	<u>390,265</u>	<u>390,267</u>	<u>2</u>
Expenditures			
Current:			
Community development	889,302	-	889,302
Capital outlay	157,092	11,433	145,659
	<u>1,046,394</u>	<u>11,433</u>	<u>1,034,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(656,129)</u>	<u>378,834</u>	<u>1,034,963</u>
Other Financing Uses			
Transfers out	<u>(233,176)</u>	<u>(1,034,961)</u>	<u>(801,785)</u>
	<u>(233,176)</u>	<u>(1,034,961)</u>	<u>(801,785)</u>
Net change in fund balance	(889,305)	(656,127)	233,178
Fund Balance, Beginning	<u>656,127</u>	<u>656,127</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (233,178)</u>	<u>\$ -</u>	<u>\$ 233,178</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - TIF District No. 9

Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 72,854	\$ 72,853	\$ (1)
Intergovernmental	3,200	3,224	24
Investment income	<u>2,750</u>	<u>2,750</u>	<u>-</u>
Total revenues	<u>78,804</u>	<u>78,827</u>	<u>23</u>
Expenditures			
Capital outlay	<u>14,201</u>	<u>14,201</u>	<u>-</u>
Total expenditures	<u>14,201</u>	<u>14,201</u>	<u>-</u>
Excess of revenues over expenditures	<u>64,603</u>	<u>64,626</u>	<u>23</u>
Other Financing Uses			
Transfers out	<u>(8,228)</u>	<u>(261,018)</u>	<u>(252,790)</u>
Total other financing uses	<u>(8,228)</u>	<u>(261,018)</u>	<u>(252,790)</u>
Net change in fund balance	56,375	(196,392)	(252,767)
Fund Balance, Beginning	<u>196,392</u>	<u>196,392</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 252,767</u>	<u>\$ -</u>	<u>\$ (252,767)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - TIF District No. 11
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 165,628	\$ 165,628	\$ -
Intergovernmental	935	935	-
Investment income	<u>2,890</u>	<u>2,889</u>	<u>(1)</u>
Total revenues	<u>169,453</u>	<u>169,452</u>	<u>(1)</u>
Expenditures			
Current:			
Community development	115,225	69,512	45,713
Capital outlay	<u>-</u>	<u>12,596</u>	<u>(12,596)</u>
Total expenditures	<u>115,225</u>	<u>82,108</u>	<u>33,117</u>
Excess of revenues over expenditures	<u>54,228</u>	<u>87,344</u>	<u>33,116</u>
Other Financing Uses			
Transfers out	<u>(34,378)</u>	<u>(198,742)</u>	<u>(164,364)</u>
Total other financing uses	<u>(34,378)</u>	<u>(198,742)</u>	<u>(164,364)</u>
Net change in fund balance	19,850	(111,398)	(131,248)
Fund Balance, Beginning	<u>111,398</u>	<u>111,398</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 131,248</u>	<u>\$ -</u>	<u>\$ (131,248)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - TIF District No. 13

Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 625,033	\$ 625,033	\$ -
Intergovernmental	39,030	39,028	(2)
Investment income	12,735	12,734	(1)
	<u>676,798</u>	<u>676,795</u>	<u>(3)</u>
Total revenues			
Expenditures			
Current:			
Community development	753,230	429,385	
Capital outlay	13,061	13,061	-
	<u>766,291</u>	<u>442,446</u>	<u>-</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(89,493)</u>	<u>234,349</u>	<u>(3)</u>
Other Financing Uses			
Transfers out	<u>(38,700)</u>	<u>(948,878)</u>	<u>(910,178)</u>
Total other financing uses	<u>(38,700)</u>	<u>(948,878)</u>	<u>(910,178)</u>
Net change in fund balance	(128,193)	(714,529)	(910,181)
Fund Balance, Beginning	<u>714,529</u>	<u>714,529</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 586,336</u>	<u>\$ -</u>	<u>\$ (910,181)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - TIF District No. 14

Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 113,710	\$ 113,710	\$ -
Intergovernmental	11,500	11,345	(155)
Investment income	<u>15,700</u>	<u>15,717</u>	<u>17</u>
Total revenues	<u>140,910</u>	<u>140,772</u>	<u>(138)</u>
Expenditures			
Capital outlay	<u>560</u>	<u>650</u>	<u>(90)</u>
Total expenditures	<u>560</u>	<u>650</u>	<u>(90)</u>
Net change in fund balance	140,350	140,122	(228)
Fund Balance, Beginning	<u>561,080</u>	<u>561,080</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 701,430</u>	<u>\$ 701,202</u>	<u>\$ (228)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - DPW Multi-Year Grants Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 26,000	\$ 26,000	\$ -
Intergovernmental	194,677	194,677	-
Investment income	-	221	221
Other	-	102,590	102,590
	<u>220,677</u>	<u>323,488</u>	<u>102,811</u>
Total revenues			
Expenditures			
Current:			
Public works	<u>209,000</u>	<u>411,657</u>	<u>(202,657)</u>
Total expenditures	<u>209,000</u>	<u>411,657</u>	<u>(202,657)</u>
Net change in fund balance	194,176	(88,169)	(282,345)
Fund Balance, Beginning	<u>376,323</u>	<u>376,323</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 570,499</u>	<u>\$ 288,154</u>	<u>\$ (282,345)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Library

Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 1,800,000	\$ 1,800,000	\$ -
Intergovernmental	445,450	458,682	13,232
Fees and service charges	12,000	8,403	(3,597)
Investment income	3,300	22,833	19,533
Public charges for services	56,200	61,780	5,580
Other	<u>111,615</u>	<u>92,409</u>	<u>(19,206)</u>
Total revenues	<u>2,428,565</u>	<u>2,444,107</u>	<u>15,542</u>
Expenditures			
Current:			
Parks, recreation and education	2,460,865	2,518,919	(58,054)
Capital outlay	<u>33,000</u>	<u>26,948</u>	<u>6,052</u>
Total expenditures	<u>2,493,865</u>	<u>2,545,867</u>	<u>(52,002)</u>
Net change in fund balance	(65,300)	(101,760)	(36,460)
Fund Balance, Beginning	<u>630,449</u>	<u>630,449</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 565,149</u>	<u>\$ 528,689</u>	<u>\$ (36,460)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -

Budget and Actual - Police

Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 130,000	\$ 130,000	\$ -
Intergovernmental	377,750	377,754	4
Investment income	500	598	98
Public charges for services	214,267	214,267	-
Other	<u>70,000</u>	<u>14,873</u>	<u>(55,127)</u>
Total revenues	<u>792,517</u>	<u>737,492</u>	<u>(55,025)</u>
Expenditures			
Current:			
Public safety	728,400	614,465	113,935
Capital outlay	<u>-</u>	<u>113,928</u>	<u>(113,928)</u>
Total expenditures	<u>728,400</u>	<u>728,393</u>	<u>7</u>
Net change in fund balance	64,117	9,099	(55,018)
Fund Balance (Deficit), Beginning	<u>(95,376)</u>	<u>(95,376)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u><u>\$ (31,259)</u></u>	<u><u>\$ (86,277)</u></u>	<u><u>\$ (55,018)</u></u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Solid Waste
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 23,000	\$ 26,367	\$ 3,367
Intergovernmental	137,000	137,943	943
Licenses and permits	18,216	17,742	(474)
Investment income	-	8,160	8,160
Public charges for services	<u>2,539,550</u>	<u>2,553,534</u>	<u>13,984</u>
Total revenues	<u>2,717,766</u>	<u>2,743,746</u>	<u>25,980</u>
Expenditures			
Current:			
Public works	2,642,884	2,550,051	92,833
Debt service:			
Principal retirement	68,622	-	68,622
Interest and fiscal charges	<u>7,460</u>	<u>-</u>	<u>7,460</u>
Total expenditures	<u>2,718,966</u>	<u>2,550,051</u>	<u>168,915</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,200)</u>	<u>193,695</u>	<u>194,895</u>
Other Financing Sources (Uses)			
Sale of City property	1,200	350	(850)
Transfers out	<u>-</u>	<u>(75,171)</u>	<u>(75,171)</u>
Total other financing sources (uses)	<u>1,200</u>	<u>(74,821)</u>	<u>(76,021)</u>
Net change in fund balance	-	118,874	118,874
Fund Balance, Beginning	<u>949,630</u>	<u>949,630</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 949,630</u>	<u>\$ 1,068,504</u>	<u>\$ 118,874</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Computer Replacement
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Investment income	\$ 5,850	\$ 5,852	\$ 2
Other	<u>680,000</u>	<u>680,000</u>	<u>-</u>
Total revenues	<u>685,850</u>	<u>685,852</u>	<u>2</u>
Expenditures			
Capital outlay	<u>-</u>	<u>161,473</u>	<u>(161,473)</u>
Total expenditures	<u>-</u>	<u>161,473</u>	<u>(161,473)</u>
Net change in fund balance	685,850	524,379	(161,471)
Fund Balance, Beginning	<u>195,783</u>	<u>195,783</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 881,633</u>	<u>\$ 720,162</u>	<u>\$ (161,471)</u>

City of Beloit

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Equipment Replacement Fund
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Investment income	\$ 2,268,465	\$ 1,853,845	\$ (414,620)
Operating income	<u>1,999,000</u>	<u>1,947,792</u>	<u>(51,208)</u>
Total revenues	<u>4,267,465</u>	<u>3,801,637</u>	<u>(465,828)</u>
Expenditures			
Capital outlay	<u>-</u>	<u>1,340,545</u>	<u>(1,340,545)</u>
Total expenditures	<u>-</u>	<u>1,340,545</u>	<u>(1,340,545)</u>
Excess of revenues over expenditures	<u>4,267,465</u>	<u>2,461,092</u>	<u>(1,806,373)</u>
Other Financing Sources			
Transfers in	<u>1,054,465</u>	<u>1,129,637</u>	<u>75,172</u>
Total other financing sources	<u>1,054,465</u>	<u>1,129,637</u>	<u>75,172</u>
Net change in fund balance	5,321,930	3,590,729	(1,731,201)
Fund Balance, Beginning	<u>7,072,120</u>	<u>7,072,120</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 12,394,050</u>	<u>\$ 10,662,849</u>	<u>\$ (1,731,201)</u>

City of Beloit

Combining Statement of Net Position (Deficit) -
 Nonmajor Proprietary Funds
 December 31, 2023

	Enterprise Funds				Total
	Golf Course	Cemeteries	Ambulance	Transit System	
Assets					
Current assets:					
Cash and investments	\$ 15,500	\$ 100	\$ -	\$ 54,221	\$ 69,821
Receivables:					
Taxes	50,000	-	-	750,000	800,000
Customer accounts	-	-	1,587,005	39,906	1,626,911
Due from other governmental units	-	-	-	1,203,723	1,203,723
Inventories	-	-	-	122,063	122,063
Total current assets	<u>65,500</u>	<u>100</u>	<u>1,587,005</u>	<u>2,169,913</u>	<u>3,822,518</u>
Capital assets:					
Land	816,000	322,000	-	132,000	1,270,000
Land improvements	935,516	35,448	-	-	970,964
Buildings	280,988	120,153	-	5,215,511	5,616,652
Machinery, equipment and vehicles	72,936	43,028	-	7,346,833	7,462,797
Less accumulated depreciation	(998,399)	(159,241)	-	(5,631,829)	(6,789,469)
Total capital assets, net	<u>1,107,041</u>	<u>361,388</u>	<u>-</u>	<u>7,062,515</u>	<u>8,530,944</u>
Total noncurrent assets	<u>1,107,041</u>	<u>361,388</u>	<u>-</u>	<u>7,062,515</u>	<u>8,530,944</u>
Total assets	<u>1,172,541</u>	<u>361,488</u>	<u>1,587,005</u>	<u>9,232,428</u>	<u>12,353,462</u>
Deferred Outflows of Resources					
Unamortized loss on advance refunding	-	-	-	125	125
Pension related amounts	132,269	28,097	1,891,340	1,186,495	3,238,201
OPEB related amounts, health	371	-	227	5,651	6,249
OPEB related amounts, life	6,559	-	9,559	43,404	59,522
Total deferred outflows of resources	<u>139,199</u>	<u>28,097</u>	<u>1,901,126</u>	<u>1,235,675</u>	<u>3,304,097</u>
Liabilities					
Current liabilities:					
Accounts payable	8,325	1,143	7,062	179,893	196,423
Accrued liabilities	-	-	-	1,321	1,321
Due to other funds	-	-	247,730	1,768,751	2,016,481
Compensated absences	14,652	13,758	46,312	83,027	157,749
Current maturities of general obligation debt	-	14,997	-	58,286	73,283
Other current liabilities	2,597	-	-	-	2,597
Total current liabilities	<u>25,574</u>	<u>29,898</u>	<u>301,104</u>	<u>2,091,278</u>	<u>2,447,854</u>
Noncurrent liabilities:					
General obligation debt	-	30,002	-	193,669	223,671
Compensated absences	21,629	24,243	-	2,538	48,410
OPEB liability, health	479	-	-	11,145	11,624
Net OPEB liability, life	18,339	-	25,611	157,618	201,568
Advances from other funds	852,478	337,115	-	-	1,189,593
Net pension liability	24,317	7,254	530,874	305,981	868,426
Total noncurrent liabilities	<u>917,242</u>	<u>398,614</u>	<u>556,485</u>	<u>670,951</u>	<u>2,543,292</u>
Total liabilities	<u>942,816</u>	<u>428,512</u>	<u>857,589</u>	<u>2,762,229</u>	<u>4,991,146</u>
Deferred Inflows of Resources					
Property tax levied for next period	50,426	-	-	749,452	799,878
Pension related amounts	70,796	15,509	1,055,451	660,119	1,801,875
OPEB related amounts, health	223	-	-	5,184	5,407
OPEB related amounts, life	13,553	-	19,283	110,292	143,128
Total deferred inflows of resources	<u>134,998</u>	<u>15,509</u>	<u>1,074,734</u>	<u>1,525,047</u>	<u>2,750,288</u>
Net Position (Deficit)					
Net investment in capital assets	1,107,041	361,388	-	6,810,685	8,279,114
Unrestricted (deficit)	(873,115)	(415,824)	1,555,808	(629,858)	(362,989)
Total net position (deficit)	<u>\$ 233,926</u>	<u>\$ (54,436)</u>	<u>\$ 1,555,808</u>	<u>\$ 6,180,827</u>	<u>\$ 7,916,125</u>

City of Beloit

Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit) -

Nonmajor Proprietary Funds

Year Ended December 31, 2023

	Enterprise Funds				Total
	Golf Course	Cemeteries	Ambulance	Transit System	
Operating Revenues					
Charges for services	\$ 494,752	\$ 156,376	\$ 1,745,550	\$ 98,569	\$ 2,495,247
Other	-	9,363	-	79,071	88,434
Total operating revenues	<u>494,752</u>	<u>165,739</u>	<u>1,745,550</u>	<u>177,640</u>	<u>2,583,681</u>
Operating Expenses					
Operation and maintenance	536,427	317,427	1,703,734	2,381,444	4,939,032
Contractual services	-	-	-	191,925	191,925
Depreciation	1,323	2,017	-	234,803	238,143
Total operating expenses	<u>537,750</u>	<u>319,444</u>	<u>1,703,734</u>	<u>2,808,172</u>	<u>5,369,100</u>
Operating income (loss)	<u>(42,998)</u>	<u>(153,705)</u>	<u>41,816</u>	<u>(2,630,532)</u>	<u>(2,785,419)</u>
Nonoperating Revenues (Expenses)					
Intergovernmental revenues	-	-	-	1,569,133	1,569,133
Investment income (loss)	403	97,074	(1,103)	(5,051)	91,323
Interest expense (including amortization)	-	(1,634)	-	(7,821)	(9,455)
General property taxes	50,000	-	-	600,000	650,000
Total nonoperating revenues (expenses)	<u>50,403</u>	<u>95,440</u>	<u>(1,103)</u>	<u>2,156,261</u>	<u>2,301,001</u>
Income (loss) before contributions	7,405	(58,265)	40,713	(474,271)	(484,418)
Capital contributions	-	-	-	1,318,226	1,318,226
Change in net position	7,405	(58,265)	40,713	843,955	833,808
Total Net Position, Beginning	<u>226,521</u>	<u>3,829</u>	<u>1,515,095</u>	<u>5,336,872</u>	<u>7,082,317</u>
Total Net Position (Deficit), Ending	<u>\$ 233,926</u>	<u>\$ (54,436)</u>	<u>\$ 1,555,808</u>	<u>\$ 6,180,827</u>	<u>\$ 7,916,125</u>

City of Beloit

Combining Statement of Cash Flows -
 Nonmajor Proprietary Funds
 Year Ended December 31, 2023

	Enterprise Funds				
	Golf Course	Cemeteries	Ambulance	Transit System	Total
Cash Flows From Operating Activities					
Received from customers	\$ 504,621	\$ 165,739	\$ 1,559,957	\$ 275,656	\$ 2,505,973
Paid to suppliers for goods and services	(365,534)	(146,404)	(504,658)	(1,520,443)	(2,537,039)
Payments to employees for services	(166,942)	(149,872)	(909,086)	(968,964)	(2,194,864)
Net cash from operating activities	<u>(27,855)</u>	<u>(130,537)</u>	<u>146,213</u>	<u>(2,213,751)</u>	<u>(2,225,930)</u>
Cash Flows From Noncapital Financing Activities					
Operating grants received	-	-	-	2,189,433	2,189,433
Property taxes received	50,000	-	-	600,000	650,000
Noncapital interfund/advance	21	-	-	381,000	381,021
Net cash from noncapital financing activities	<u>50,021</u>	<u>-</u>	<u>-</u>	<u>3,170,433</u>	<u>3,220,454</u>
Cash Flows From Capital and Related Financing Activities					
Debt retired	-	(16,114)	-	(58,541)	(74,655)
Interest paid	-	(1,634)	-	(7,725)	(9,359)
Advances (to) from other funds	(21)	51,211	(145,110)	-	(93,920)
Acquisition and construction of capital assets	(8,548)	-	-	(1,193,128)	(1,201,676)
Construction grants received	-	-	-	307,763	307,763
Net cash from capital and related financing activities	<u>(8,569)</u>	<u>33,463</u>	<u>(145,110)</u>	<u>(951,631)</u>	<u>(1,071,847)</u>
Cash Flows From Investing Activities					
Investment income (loss)	403	97,074	(1,103)	(5,051)	91,323
Net cash from investing activities	<u>403</u>	<u>97,074</u>	<u>(1,103)</u>	<u>(5,051)</u>	<u>91,323</u>
Net increase (decrease) in cash and cash equivalents	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,000</u>
Cash and Cash Equivalents, Beginning	<u>1,500</u>	<u>100</u>	<u>-</u>	<u>54,221</u>	<u>55,821</u>
Cash and Cash Equivalents, Ending	<u>\$ 15,500</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 54,221</u>	<u>\$ 69,821</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities					
Operating income (loss)	\$ (42,998)	\$ (153,705)	\$ 41,816	\$ (2,630,532)	\$ (2,785,419)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	1,323	2,017	-	234,803	238,143
Change in noncash components of working capital:					
Accounts receivable	-	-	(200,478)	3,454	(197,024)
Inventories	-	-	-	29,158	29,158
Accounts payable	4,061	(573)	(7,523)	19,359	15,324
Other current liabilities	(516)	19,845	2,873	526	22,728
OPEB related deferrals and liabilities	3,999	-	(7,645)	41,891	38,245
Pension related deferrals and assets/liabilities	6,276	1,879	317,170	87,590	412,915
Net cash flows from operating activities	<u>(27,855)</u>	<u>(130,537)</u>	<u>146,213</u>	<u>(2,213,751)</u>	<u>(2,225,930)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds					
Cash and investments, statement of net position	<u>\$ 15,500</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 54,221</u>	<u>\$ 69,821</u>
Cash and Cash Equivalents, Ending	<u>\$ 15,500</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 54,221</u>	<u>\$ 69,821</u>
Noncash Investing, Capital and Financing Activity					
None.					

City of Beloit

Enterprise Fund - Beloit Mass Transit
Detailed Schedule of Revenues And Expenses - Regulatory Basis
Year Ended December 31, 2023

Revenue

401 - Passenger fares for transit service	\$	98,569
407 - Non-transportation revenue		
Advertising		33,635
Investment Income		(5,051)
Rental Income		44,694
Charter and miscellaneous		742 *
409 - Local operating assistance, city levy		600,000
409 - Local operating assistance, inter-government		81,319
411 - State operating assistance		383,683
State paratransit grant		27,392
413 - Federal operating assistance		935,426
CARES Federal assistance		186,528
ARPA Federal assistance		489,231
Capital contributions		783,780
		<u>3,659,948</u>
Total revenue		

Expenses, by Object Class Total

501 - Labor		968,964
502 - Fringe benefits		813,430
503 - Services		61,310
504 - Materials and supplies		481,527
505 - Utilities		126,029
506 - Casualty and liability costs		62,621
508 - Purchased transportation services		53,639
509 - Miscellaneous		5,849
509 - Interest expense		7,821
513 - Depreciation		234,803
		<u>2,815,993</u>
Total expenses		
Excess expenses over revenues for the year	\$	<u>843,955</u>

City of Beloit

Enterprise Fund - Beloit Mass Transit
 Reconciliation of Revenues and Expenses to WisDOT and Federal
 Recognized Revenues and Expenses
 Year Ended December 31, 2023

	<u>Per WisDOT Guidelines</u>	<u>Per Federal Guidelines</u>
Beloit revenues	\$ 3,659,948	\$ 3,659,948
Less unrecognized revenues:		
Advertising revenue	-	33,635
Charter revenue	742	742
Investment income	(5,051)	(5,051)
Rental income	44,694	44,694
Local Operating Assistance	681,319	681,319
State Operating Assistance	411,075	411,075
Federal Operating Assistance	1,076,739	1,076,739
Capital Contributions	1 <u>1,318,226</u>	<u>1,318,226</u>
Adjusted revenues	<u>\$ 132,204</u>	<u>\$ 98,569</u>
Total expenses	\$ 2,815,993	\$ 2,815,993
Less nonrecognized expenses:		
Interest	7,821	7,821
Depreciation	234,803	234,803
Less contra expenses:		
Charter revenue	742	742
State Paratransit Assistance	27,392	27,392
Capital Contributions for Operating Expenses	2 <u>-</u>	<u>-</u>
Recognized expenses	<u>\$ 2,545,235</u>	<u>\$ 2,545,235</u>
Recognized earnings (deficits)	<u>\$ (2,413,031)</u>	<u>\$ (2,446,666)</u>
1 - Capital contributions, assets capitalized	\$ 1,318,226	
Capital contributions, expensed	<u>-</u>	
Total capital contributions	<u>\$ 1,318,226</u>	
2 - Capital contributions, expensed	\$ -	
Federal share	<u>80%</u>	
Federal and local share of expenses	<u>\$ -</u>	

City of Beloit

Enterprise Fund - Beloit Mass Transit
Computation of the Deficit Distribution Among the Subsidy Grantors
Year Ended December 31, 2023

State Funds

WisDOT Contract Amount		<u>\$ 383,683</u>	
Local Operating Subsidy	<u>\$ 681,319</u>		
5 Times Operating Subsidy		<u>\$ 3,406,595</u>	
WisDOT Recognized Deficit	<u>\$ 2,413,031</u>		
Federal Share of Operating Assistance	<u>\$ 837,335</u>		
Remaining State Share of Deficit		<u>\$ 1,575,696</u>	
WisDOT Recognized Expenses	<u>\$ 2,545,235</u>		
Maximum State and Federal Operating Assistance	100.00%		
	<u>\$ 2,545,235</u>		
Federal Share of Operating Assistance	<u>\$ 837,335</u>		
Remaining State Share of Operating Assistance		<u>\$ 1,707,900</u>	
State Share, Least of the Five			<u>\$ 383,683</u>

Federal Section 9 Funds

Federally Recognized Deficit	<u>\$ 2,446,666</u>		
50% of Federal Deficit		<u>\$ 1,223,333</u>	
Federal Recognized Deficit	<u>\$ 2,446,666</u>		
Less State share	<u>383,683</u>		
Local Share		<u>\$ 2,062,983</u>	
Maximum Federal Share Per Grant Award		<u>\$ 837,335</u>	
Federal Section 9 Share, Least of the Three			<u>\$ 837,335</u>

City of Beloit

Combining Statement of Net Position -
Internal Service Funds
December 31, 2023

	<u>Equipment Operations</u>	<u>General Liability Insurance</u>	<u>Health Insurance</u>	<u>Retiree Health Insurance</u>	<u>Total</u>
Assets					
Current assets:					
Cash and investments	\$ 66,263	\$ 932,347	\$ 6,622,595	\$ 178,075	\$ 7,799,280
Accounts receivable	7,880	103,400	76,371	38,568	226,219
Total current assets	<u>74,143</u>	<u>1,035,747</u>	<u>6,698,966</u>	<u>216,643</u>	<u>8,025,499</u>
Noncurrent assets:					
Restricted assets:					
Deposit with risk pool	-	1,575,475	-	-	1,575,475
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	(63,340)	-	-	-	(63,340)
Net capital assets	<u>3,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,825</u>
Total noncurrent assets	<u>3,825</u>	<u>1,575,475</u>	<u>-</u>	<u>-</u>	<u>1,579,300</u>
Total assets	<u>77,968</u>	<u>2,611,222</u>	<u>6,698,966</u>	<u>216,643</u>	<u>9,604,799</u>
Deferred Outflows of Resources					
Pension related amounts	345,509	77,698	75,531	-	498,738
OPEB related amounts, life	16,367	1,104	242	-	17,713
Total deferred outflows of resources	<u>361,876</u>	<u>78,802</u>	<u>75,773</u>	<u>-</u>	<u>516,451</u>
Liabilities					
Current liabilities:					
Accounts payable	22,083	9,647	37,402	668	69,800
Claims payable	-	74,594	1,763,599	-	1,838,193
Total current liabilities	<u>22,083</u>	<u>84,241</u>	<u>1,801,001</u>	<u>668</u>	<u>1,907,993</u>
Noncurrent liabilities:					
Net OPEB liability, life	38,890	6,482	1,423	-	46,795
Net pension liability	83,165	23,997	16,801	-	123,963
Total noncurrent liabilities	<u>122,055</u>	<u>30,479</u>	<u>18,224</u>	<u>-</u>	<u>170,758</u>
Total liabilities	<u>144,138</u>	<u>114,720</u>	<u>1,819,225</u>	<u>668</u>	<u>2,078,751</u>
Deferred Inflows of Resources					
Pension related amounts	195,736	41,967	37,683	-	275,386
OPEB related amounts, life	29,653	4,474	1,699	-	35,826
Deferred inflows of resources	<u>225,389</u>	<u>46,441</u>	<u>39,382</u>	<u>-</u>	<u>311,212</u>
Net Position					
Net investment in capital assets	3,825	-	-	-	3,825
Unrestricted	66,492	2,528,863	4,916,132	215,975	7,727,462
Total net position	<u>\$ 70,317</u>	<u>\$ 2,528,863</u>	<u>\$ 4,916,132</u>	<u>\$ 215,975</u>	<u>\$ 7,731,287</u>

City of Beloit

Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit) -

Internal Service Funds

Year Ended December 31, 2023

	Equipment Operations	General Liability Insurance	Health Insurance	Retiree Health Insurance	Total
Operating Revenues					
Charges for services	\$ 1,409,392	\$ 1,507,903	\$ 8,999,942	\$ 4,286,992	\$ 16,204,229
Other	6	-	-	-	6
Total operating revenues	<u>1,409,398</u>	<u>1,507,903</u>	<u>8,999,942</u>	<u>4,286,992</u>	<u>16,204,235</u>
Operating Expenses					
Operation and maintenance	1,337,027	816,977	8,728,455	2,899,186	13,781,645
Contractual services	19,419	807,647	-	-	827,066
Total operating expenses	<u>1,356,446</u>	<u>1,624,624</u>	<u>8,728,455</u>	<u>2,899,186</u>	<u>14,608,711</u>
Operating income (loss)	52,952	(116,721)	271,487	1,387,806	1,595,524
Total Net Position (Deficit), Beginning	<u>17,365</u>	<u>2,645,584</u>	<u>4,644,645</u>	<u>(1,171,831)</u>	<u>6,135,763</u>
Total Net Position, Ending	<u>\$ 70,317</u>	<u>\$ 2,528,863</u>	<u>\$ 4,916,132</u>	<u>\$ 215,975</u>	<u>\$ 7,731,287</u>

City of Beloit

 Combining Statement of Cash Flows -
 Internal Service Funds
 Year Ended December 31, 2023

	<u>Equipment Operations</u>	<u>General Liability Insurance</u>	<u>Health Insurance</u>	<u>Retiree Health Insurance</u>	<u>Total</u>
Cash Flows From Operating Activities					
Received from customers	\$ 1,431,948	\$ 1,664,284	\$ 9,150,639	\$ 4,338,611	\$ 16,585,482
Paid to suppliers for goods and services	(863,703)	(1,396,013)	(8,589,671)	(2,903,763)	(13,753,150)
Payments to employees for services	(518,174)	(150,291)	-	-	(668,465)
Net cash from operating activities	<u>50,071</u>	<u>117,980</u>	<u>560,968</u>	<u>1,434,848</u>	<u>2,163,867</u>
Cash Flows From Noncapital Financing Activities					
Noncapital interfund/advance repayment	-	-	-	(1,256,773)	(1,256,773)
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,256,773)</u>	<u>(1,256,773)</u>
Net increase (decrease) in cash and cash equivalents	50,071	117,980	560,968	178,075	907,094
Cash and Cash Equivalents, Beginning	<u>16,192</u>	<u>814,367</u>	<u>6,061,627</u>	<u>-</u>	<u>6,892,186</u>
Cash and Cash Equivalents, Ending	<u>\$ 66,263</u>	<u>\$ 932,347</u>	<u>\$ 6,622,595</u>	<u>\$ 178,075</u>	<u>\$ 7,799,280</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities					
Operating income (loss)	\$ 52,952	\$ (116,721)	\$ 271,487	\$ 1,387,806	\$ 1,595,524
Change in noncash components of working capital:					
Accounts receivable	(53)	152,613	149,871	51,619	354,050
Accounts payable	(8,860)	72,280	1,659	(4,577)	60,502
OPEB related deferrals and liabilities	25,825	4,578	743	-	31,146
Pension related deferrals and assets/liabilities	(19,793)	5,230	4,113	-	(10,450)
Claims payable	-	-	133,095	-	133,095
Net cash flows from operating activities	<u>\$ 50,071</u>	<u>\$ 117,980</u>	<u>\$ 560,968</u>	<u>\$ 1,434,848</u>	<u>\$ 2,163,867</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Internal Service Funds					
Cash and investments, statement of net position	<u>\$ 66,263</u>	<u>\$ 932,347</u>	<u>\$ 6,622,595</u>	<u>\$ 178,075</u>	<u>\$ 7,799,280</u>
Cash and Cash Equivalents, Ending	<u>\$ 66,263</u>	<u>\$ 932,347</u>	<u>\$ 6,622,595</u>	<u>\$ 178,075</u>	<u>\$ 7,799,280</u>

City of Beloit

Combining Statement of Net Position -
Community Development Authority
December 31, 2023

	Primary Government				Total Primary Government	Component Units		Total Before Eliminations	Eliminations	Total
	Major	Major	Major	Major		Beloit	Beloit			
	Section 8 Rental Voucher Program	Low Rent Public Housing	Project Based Vouchers	Administration		Apartment Redevelopment Phase 1, LLC	Apartment Redevelopment Phase 2, LLC			
Assets										
Current assets:										
Cash and investments	\$ 540,859	\$ 673,548	\$ 37,738	\$ 144,639	\$ 1,396,784	\$ 219,271	\$ 162,548	\$ 1,778,603	\$ -	\$ 1,778,603
Receivables:										
Accounts	3,591	162	-	-	3,753	78,909	70,019	152,681	(64,840)	87,841
Notes receivable from Beloit Apartments Redevelopment, Phase 1, LLC	-	2,800,000	-	-	2,800,000	-	-	2,800,000	(2,800,000)	-
Notes receivable from Beloit Apartments Redevelopment, Phase 2, LLC	-	2,580,074	-	-	2,580,074	-	-	2,580,074	(2,580,074)	-
Due from Beloit Apartments Redevelopment, Phase 1, LLC	-	1,551	-	-	1,551	-	-	1,551	(1,551)	-
Due from Beloit Apartments Redevelopment, Phase 2, LLC	-	3,390	-	-	3,390	-	-	3,390	(3,390)	-
Due from other governmental units	-	14,128	-	-	14,128	-	-	14,128	-	14,128
Tax credit fees	-	-	-	-	-	15,205	25,653	40,858	-	40,858
Prepaid items	4,590	4,729	-	-	9,319	3,911	5,368	18,598	-	18,598
Total current assets	549,040	6,077,582	37,738	144,639	6,808,999	317,296	263,588	7,389,883	(5,449,855)	1,940,028
Noncurrent assets:										
Restricted assets:										
Cash and investments	-	-	-	-	-	424,489	754,798	1,179,287	-	1,179,287
Total restricted assets	-	-	-	-	-	424,489	754,798	1,179,287	-	1,179,287
Capital assets:										
Land	-	344,067	70,472	-	414,539	420,849	945,397	1,780,785	(1,179,500)	601,285
Land improvements	-	-	-	-	-	215,575	397,055	612,630	-	612,630
Buildings	-	145,533	21,153	-	166,686	1,540,500	640,000	2,347,186	(975,520)	1,371,666
Building improvements	-	-	-	-	-	8,462,057	9,607,270	18,069,327	-	18,069,327
Machinery, equipment, furnishings and vehicles	16,092	175,318	2,909	-	194,319	322,849	370,658	887,826	-	887,826
Less accumulated depreciation	(16,092)	(300,966)	(23,743)	-	(340,801)	(3,721,108)	(5,059,670)	(9,121,579)	-	(9,121,579)
Total capital assets, net	-	363,952	70,791	-	434,743	7,240,722	6,900,710	14,576,175	(2,155,020)	12,421,155
Total noncurrent assets	-	363,952	70,791	-	434,743	7,665,211	7,655,508	15,755,462	(2,155,020)	13,600,442
Total assets	549,040	6,441,534	108,529	144,639	7,243,742	7,982,507	7,919,096	23,145,345	(7,604,875)	15,540,470
Deferred Outflows of Resources										
Pension related amounts	381,577	262,302	-	-	643,879	-	-	643,879	-	643,879
OPEB related amounts, life	7,084	7,452	656	-	15,192	-	-	15,192	-	15,192
Total deferred outflows of resources	388,661	269,754	656	-	659,071	-	-	659,071	-	659,071
Total assets and deferred outflows of resources	937,701	6,711,288	109,185	144,639	7,902,813	7,982,507	7,919,096	23,804,416	(7,604,875)	16,199,541

City of Beloit

Combining Statement of Net Position -
Community Development Authority
December 31, 2023

	Primary Government				Total Primary Government	Component Units		Total Before Eliminations	Eliminations	Total
	Major	Major	Major	Major		Beloit	Beloit			
	Section 8 Rental Voucher Program	Low Rent Public Housing	Project Based Vouchers	Administration		Apartments Redevelopment Phase 1, LLC	Apartments Redevelopment Phase 2, LLC			
Liabilities										
Current liabilities:										
Accounts payable	\$ 1,226	\$ 1,494	\$ 131	\$ -	\$ 2,851	\$ 20,756	\$ 43,175	\$ 66,782	\$ (4,941)	\$ 61,841
Accrued liabilities	15,418	30,244	-	-	45,662	1,759,923	985,670	2,791,255	-	2,791,255
Due to Beloit Apartments Redevelopment, Phase 1, LLC	-	19,832	-	-	19,832	-	-	19,832	(19,832)	-
Due to Beloit Apartments Redevelopment, Phase 2, LLC	-	45,008	-	-	45,008	-	-	45,008	(45,008)	-
Due to primary government	35,554	19,664	-	-	55,218	-	-	55,218	-	55,218
Deposits	51,261	36,798	3,803	-	91,862	39,650	26,751	158,263	-	158,263
Total current liabilities	103,459	153,040	3,934	-	260,433	1,820,329	1,055,596	3,136,358	(69,781)	3,066,577
Noncurrent liabilities:										
Compensated absences	33,252	98,832	-	-	132,084	-	-	132,084	-	132,084
Mortgage notes payable	-	-	-	-	-	2,800,000	2,580,074	5,380,074	(5,380,074)	-
Other notes payable	-	-	-	-	-	420,461	322,383	742,844	-	742,844
Net pension liability	100,350	62,836	-	-	163,186	-	-	163,186	-	163,186
Net OPEB liability, life	23,894	21,087	1,340	-	46,321	-	-	46,321	-	46,321
Total noncurrent liabilities	157,496	182,755	1,340	-	341,591	3,220,461	2,902,457	6,464,509	(5,380,074)	1,084,435
Total liabilities	260,955	335,795	5,274	-	602,024	5,040,790	3,958,053	9,600,867	(5,449,855)	4,151,012
Deferred Inflows of Resources										
Unearned revenue	-	-	-	-	-	898,151	-	898,151	-	898,151
Pension related amounts	211,321	147,643	-	-	358,964	-	-	358,964	-	358,964
OPEB related amounts, life	19,938	13,151	740	-	33,829	-	-	33,829	-	33,829
Total deferred inflows of resources	231,259	160,794	740	-	392,793	898,151	-	1,290,944	-	1,290,944
Net Position										
Net investment in capital assets	-	363,952	70,791	-	434,743	7,240,722	6,900,710	14,576,175	(2,155,020)	12,421,155
Restricted for grant programs	9,054	5,850,747	-	-	5,859,801	-	-	5,859,801	-	5,859,801
Unrestricted (deficit)	436,433	-	32,380	144,639	613,452	(5,197,156)	(2,939,667)	(7,523,371)	-	(7,523,371)
Total net position	\$ 445,487	\$ 6,214,699	\$ 103,171	\$ 144,639	\$ 6,907,996	\$ 2,043,566	\$ 3,961,043	\$ 12,912,605	\$ (2,155,020)	\$ 10,757,585

City of Beloit

Combining Statement of Revenues, Expenses and Changes in Net Position -
 Community Development Authority
 Year Ended December 31, 2023

	Primary Government				Total Primary Government	Component Units		Total Before Eliminations	Eliminations	Total
	Major	Major	Major	Major		Beloit	Beloit			
	Section 8 Rental Voucher Program	Low Rent Public Housing	Project Based Vouchers	Administration		Apartments Redevelopment Phase 1, LLC	Apartments Redevelopment Phase 2, LLC			
Expenses										
Community development	\$ 3,547,416	\$ 612,372	\$ 3,444	\$ -	\$ 4,163,232	\$ 592,049	\$ 791,347	\$ 5,546,628	\$ (308,399)	\$ 5,238,229
Program Revenues										
Charges for services	-	24,675	-	-	24,675	159,333	203,321	387,329	-	387,329
Operating grants and contributions	3,499,895	1,028,051	-	-	4,527,946	177,587	186,023	4,891,556	(689,888)	4,201,668
Other revenue	-	-	-	-	-	54,883	11,197	66,080	-	66,080
Total program revenues	3,499,895	1,052,726	-	-	4,552,621	391,803	400,541	5,344,965	(689,888)	4,655,077
Net revenues (expenses)	(47,521)	440,354	(3,444)	-	389,389	(200,246)	(390,806)	(201,663)	(381,489)	(583,152)
General Revenues (Expenses)										
Investment income	3,962	1,138	-	-	5,100	3,697	7,084	15,881	-	15,881
Interest and amortization	-	-	-	-	-	(178,613)	(107,283)	(285,896)	-	(285,896)
Payment to Beloit Apartments Redevelopment, Phase 1, LLC	-	(67,522)	-	-	(67,522)	-	-	(67,522)	67,522	-
Payment to Beloit Apartments Redevelopment, Phase 2, LLC	-	(313,967)	-	-	(313,967)	-	-	(313,967)	313,967	-
Gain on sale of property (loss)	-	-	-	-	-	(77,790)	-	(77,790)	-	(77,790)
Miscellaneous	37,597	122	-	-	37,719	(3,250)	(9,136)	25,333	-	25,333
Total general revenues (expenses)	41,559	(380,229)	-	-	(338,670)	(255,956)	(109,335)	(703,961)	381,489	(322,472)
Revenues (expenses) before contributions	(5,962)	60,125	(3,444)	-	50,719	(456,202)	(500,141)	(905,624)	-	(905,624)
Contributions										
Contributions	-	-	-	-	-	160,350	-	160,350	-	160,350
Total contributions	-	-	-	-	-	160,350	-	160,350	-	160,350
Change in net position	(5,962)	60,125	(3,444)	-	50,719	(295,852)	(500,141)	(745,274)	-	(745,274)
Net Position, Beginning	451,449	6,154,574	106,615	144,639	6,857,277	2,339,418	4,461,184	13,657,879	(2,155,020)	11,502,859
Net Position, Ending	\$ 445,487	\$ 6,214,699	\$ 103,171	\$ 144,639	\$ 6,907,996	\$ 2,043,566	\$ 3,961,043	\$ 12,912,605	\$ (2,155,020)	\$ 10,757,585

City of Beloit

Combining Statement of Cash Flows -
Community Development Authority
Year Ended December 31, 2023

	Primary Government				Total
	Major Section 8 Rental Voucher Program	Major Low Rent Public Housing	Major Project Based Vouchers	Major Administration	
Cash Flows From Operating Activities					
Received from customers	\$ 81,273	\$ 53,885	\$ -	\$ -	\$ 135,158
Paid to suppliers for goods and services	(3,361,390)	(730,949)	(1,952)	-	(4,094,291)
Payments to employees for services	(193,249)	(130,866)	-	-	(324,115)
Net cash flows from operating activities	(3,473,366)	(807,930)	(1,952)	-	(4,283,248)
Cash Flows From Noncapital Financing Activities					
Governmental grants received	3,499,895	1,040,576	-	-	4,540,471
Paid to LLC's	-	(331,264)	-	-	(331,264)
Net cash flows from noncapital financing activities	3,499,895	709,312	-	-	4,209,207
Cash Flows From Capital and Financing Activities					
Proceeds from sale of property	-	-	1	-	1
Net cash flows from capital and related financing activities	-	-	1	-	1
Cash Flows From Investing Activities					
Investment income	3,962	1,138	-	-	5,100
Net cash flows from investing activities	3,962	1,138	-	-	5,100
Net change in cash and cash equivalents	30,491	(97,480)	(1,951)	-	(68,940)
Cash and Cash Equivalents, Beginning	510,368	771,028	39,689	144,639	1,465,724
Cash and Cash Equivalents, Ending	\$ 540,859	\$ 673,548	\$ 37,738	\$ 144,639	\$ 1,396,784
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities					
Operating income (loss)	\$ (3,547,416)	\$ (587,697)	\$ (3,444)	\$ -	\$ (4,138,557)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Nonoperating income	37,597	122	-	-	37,719
Depreciation	-	4,116	85	-	4,201
Change in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	-	(155)	-	-	(155)
Other accounts receivable	28,654	-	-	-	28,654
Prepaid items	(396)	(406)	-	-	(802)
Pension related deferrals and assets/liabilities	24,044	16,036	1,526	-	41,606
OPEB related deferrals and liabilities	(2,342)	(1,586)	-	-	(3,928)
Accounts payable and accrued liabilities	7,228	(231,051)	(119)	-	(223,942)
Due to primary government	(19,706)	(25,682)	-	-	(45,388)
Deposits	(1,029)	18,373	-	-	17,344
Net cash provided by operating activities	\$ (3,473,366)	\$ (807,930)	\$ (1,952)	\$ -	\$ (4,283,248)
Noncash Capital and Financing Activities					
None					

STATISTICAL SECTION

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

138 - 143

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

144 - 148

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

149 - 152

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

153 - 154

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

155 - 157

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 55,479,784	\$ 59,758,251	\$ 65,844,049	\$ 67,681,103	\$ 72,490,136	\$ 73,804,277	\$ 78,886,500	\$ 81,290,230	\$ 80,399,780	\$ 82,148,077
Restricted	12,769,533	17,998,995	13,240,969	15,943,566	19,793,501	12,274,022	21,239,849	29,083,126	39,147,844	23,565,289
Unrestricted (deficit)	(20,090,783)	(21,550,970)	(23,910,707)	(31,078,924)	(88,769,431)	(84,540,705)	(92,849,530)	(97,487,032)	(95,106,267)	(75,278,440)
Total governmental activities net position	<u>\$ 48,158,534</u>	<u>\$ 56,206,276</u>	<u>\$ 55,174,311</u>	<u>\$ 52,545,745</u>	<u>\$ 3,514,206</u>	<u>\$ 1,537,594</u>	<u>\$ 7,276,819</u>	<u>\$ 12,886,324</u>	<u>\$ 24,441,357</u>	<u>\$ 30,434,926</u>
Business-type activities										
Net investment in capital assets	\$ 57,555,475	\$ 55,645,129	\$ 53,967,808	\$ 52,335,132	\$ 52,474,261	\$ 51,152,284	\$ 50,317,450	\$ 52,537,428	\$ 61,549,962	\$ 61,065,244
Restricted	3,212,483	3,979,871	2,109,432	2,112,303	3,036,621	2,215,301	3,164,341	4,056,346	4,688,743	2,185,379
Unrestricted	10,091,793	10,056,464	12,115,399	13,265,935	11,819,693	13,960,270	16,004,269	16,204,485	10,368,984	18,144,046
Total business-type activities net position	<u>\$ 70,859,751</u>	<u>\$ 69,681,464</u>	<u>\$ 68,192,639</u>	<u>\$ 67,713,370</u>	<u>\$ 67,330,575</u>	<u>\$ 67,327,855</u>	<u>\$ 69,486,060</u>	<u>\$ 72,798,259</u>	<u>\$ 76,607,689</u>	<u>\$ 81,394,669</u>
Primary government										
Net investment in capital assets	\$ 107,836,387	\$ 110,826,442	\$ 115,643,805	\$ 116,257,070	\$ 121,614,118	\$ 122,015,168	\$ 126,671,444	\$ 131,704,038	\$ 140,200,753	\$ 141,838,972
Restricted	15,982,016	21,978,866	15,350,401	18,055,869	22,830,122	14,489,323	24,404,190	33,139,472	43,836,587	25,750,668
Unrestricted	(4,800,118)	(6,917,588)	(7,627,256)	(14,053,824)	(73,599,459)	(67,639,042)	(74,312,755)	(79,158,927)	(82,988,294)	(55,760,045)
Total primary government net position	<u>\$ 119,018,285</u>	<u>\$ 125,887,740</u>	<u>\$ 123,366,950</u>	<u>\$ 120,259,115</u>	<u>\$ 70,844,781</u>	<u>\$ 68,865,449</u>	<u>\$ 76,762,879</u>	<u>\$ 85,684,583</u>	<u>\$ 101,049,046</u>	<u>\$ 111,829,595</u>

Note: 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.

City of Beloit, Wisconsin
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 772,449	\$ 778,843	\$ 782,031	\$ 1,007,820	\$ 1,199,584	\$ 1,146,064	\$ 1,028,238	\$ 991,868	\$ 935,426	\$ 1,106,289
Finance and administrative services	4,358,216	5,446,685	6,391,553	6,476,937	7,678,069	5,554,143	2,371,271	3,062,239	2,966,549	5,371,780
Community development	2,143,055	3,029,594	6,574,221	3,266,790	2,949,491	5,810,962	3,137,997	2,294,829	5,282,824	12,678,268
Economic development	355,466	268,874	368,492	420,046	433,082	440,630	403,260	355,477	316,980	464,098
Public safety:										
Police services	15,311,616	15,005,398	15,906,565	15,777,635	13,534,636	14,535,554	15,327,257	14,588,068	12,704,675	13,219,393
Fire services	10,153,177	10,680,264	9,395,681	10,658,395	9,735,744	9,280,506	10,842,510	8,936,228	7,270,238	7,499,725
Public works	16,731,753	13,037,701	16,224,141	14,973,850	16,836,734	17,344,453	11,377,938	14,322,858	17,319,225	15,776,900
Parks and recreation	2,290,591	2,344,409	2,571,609	2,627,298	2,560,159	2,465,679	1,841,398	2,482,945	2,607,390	3,198,822
Interest and fiscal charges	2,437,125	2,169,801	2,011,442	2,010,600	1,972,300	1,818,478	1,807,465	1,630,116	1,527,487	968,356
Total governmental activities	<u>54,553,448</u>	<u>52,761,569</u>	<u>60,225,735</u>	<u>57,219,371</u>	<u>56,899,799</u>	<u>58,396,469</u>	<u>48,137,334</u>	<u>48,664,628</u>	<u>50,930,794</u>	<u>60,283,631</u>
Business-type activities:										
Water	4,567,804	4,894,535	4,761,331	3,995,317	4,957,318	4,548,386	4,408,316	4,445,221	4,454,810	4,566,352
Sewer	8,820,728	9,206,619	8,873,499	9,012,687	9,168,565	9,292,453	8,963,305	8,681,409	8,449,981	9,297,340
Storm	-	-	998,387	977,034	978,025	952,574	921,231	950,367	1,067,732	1,108,681
Other non-major enterprise funds	5,352,057	5,349,522	4,286,233	4,433,774	4,352,889	4,455,228	4,181,005	3,816,929	3,909,177	5,312,693
Total business-type activities	<u>18,740,589</u>	<u>19,450,676</u>	<u>18,919,450</u>	<u>18,418,812</u>	<u>19,456,797</u>	<u>19,248,641</u>	<u>18,473,857</u>	<u>17,893,926</u>	<u>17,881,700</u>	<u>20,285,060</u>
Total expenses	<u>\$ 73,294,037</u>	<u>\$ 72,212,245</u>	<u>\$ 79,145,185</u>	<u>\$ 75,638,183</u>	<u>\$ 76,356,596</u>	<u>\$ 77,645,110</u>	<u>\$ 66,611,191</u>	<u>\$ 66,558,554</u>	<u>\$ 68,812,494</u>	<u>\$ 80,568,697</u>
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 24,937	\$ 49,500	\$ 43,065	\$ 37,381	\$ -	\$ 37,381	\$ -	\$ -	\$ -	\$ -
Finance and administrative services	1,267,188	1,058,211	3,433,164	3,317,896	4,891,235	3,619,505	1,286,489	867,116	877,857	2,626,749
Community development	270,531	121,212	147,455	91,562	126,459	136,214	135,656	114,710	77,030	55,095
Public safety:										
Police services	1,307,662	1,208,635	970,757	1,111,992	1,108,601	1,137,947	1,529,668	924,462	984,035	877,628
Fire services	49,148	28,248	11,972	40,258	36,032	53,510	24,198	35,096	8,160	11,508
Public works	2,742,229	2,731,862	2,780,201	2,742,428	3,097,658	3,039,585	2,976,547	2,932,097	3,048,196	3,090,640
Parks and recreation	193,649	226,895	279,608	317,482	444,274	378,531	164,822	249,447	260,937	265,198
Operating grants and contributions	1,352,609	1,054,099	4,147,241	832,304	913,335	787,073	701,704	1,128,990	656,889	907,565
Capital grants and contributions	160,386	172,012	626,960	79,484	1,136,615	445,809	186,786	402,019	411,779	825,580
Total governmental activities	<u>7,368,339</u>	<u>6,650,674</u>	<u>12,440,423</u>	<u>8,570,787</u>	<u>11,754,209</u>	<u>9,635,555</u>	<u>7,005,870</u>	<u>6,653,937</u>	<u>6,324,883</u>	<u>8,659,963</u>
Business-type activities:										
Charges for services:										
Water	5,465,477	5,496,668	5,507,429	5,873,464	5,883,446	5,888,465	6,013,155	6,076,364	5,913,886	6,100,230
Sewer	6,725,986	6,751,680	7,167,202	7,614,184	7,604,279	7,985,607	8,107,787	8,934,587	8,933,190	9,181,917
Storm	-	-	1,124,771	1,127,563	1,119,715	1,126,622	1,163,345	1,172,291	1,270,401	1,277,820
Other non-major enterprise funds	2,818,869	2,863,402	1,806,460	1,984,177	2,196,587	1,982,109	1,836,103	2,314,932	2,353,990	2,583,681
Operating grants and contributions	1,195,763	1,234,243	1,234,089	1,179,413	1,184,400	1,169,143	1,766,175	1,848,260	1,392,318	1,569,133
Capital grants and contributions	734,718	68,837	6,490	59,245	91,647	780,970	1,396,793	1,234,419	1,356,007	3,099,120
Total business-type activities	<u>16,940,813</u>	<u>16,414,830</u>	<u>16,846,441</u>	<u>17,838,046</u>	<u>18,080,074</u>	<u>18,932,916</u>	<u>20,283,358</u>	<u>21,580,853</u>	<u>21,219,792</u>	<u>23,811,901</u>
Total revenues	<u>\$ 24,309,152</u>	<u>\$ 23,065,504</u>	<u>\$ 29,286,864</u>	<u>\$ 26,408,833</u>	<u>\$ 29,834,283</u>	<u>\$ 28,568,471</u>	<u>\$ 27,289,228</u>	<u>\$ 28,234,790</u>	<u>\$ 27,544,675</u>	<u>\$ 32,471,864</u>
Net (expense)/revenue										
Governmental activities	\$ (47,185,109)	\$ (46,110,895)	\$ (47,785,312)	\$ (48,648,584)	\$ (45,145,590)	\$ (48,760,914)	\$ (41,131,464)	\$ (42,010,691)	\$ (44,605,911)	\$ (51,623,668)
Business-type activities	(1,799,776)	(3,035,846)	(2,073,009)	(580,766)	(1,376,723)	(315,725)	1,809,501	3,686,927	3,338,092	3,526,835
Total net expense	<u>\$ (48,984,885)</u>	<u>\$ (49,146,741)</u>	<u>\$ (49,858,321)</u>	<u>\$ (49,229,350)</u>	<u>\$ (46,522,313)</u>	<u>\$ (49,076,639)</u>	<u>\$ (39,321,963)</u>	<u>\$ (38,323,764)</u>	<u>\$ (41,267,819)</u>	<u>\$ (48,096,833)</u>

(continued)

City of Beloit, Wisconsin
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
Fiscal Year

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General revenues										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	\$ 6,867,316	\$ 6,886,366	\$ 7,080,809	\$ 7,246,136	\$ 7,631,364	\$ 7,852,636	\$ 8,303,092	\$ 9,056,030	\$ 9,432,382	\$ 10,723,334
Property taxes, levied for debt service	4,787,927	4,800,000	4,769,154	4,850,000	4,849,994	5,250,052	5,249,998	5,350,000	5,450,000	5,795,700
Property taxes, levied for other	8,885,545	9,077,710	9,625,284	9,673,138	10,236,771	8,648,331	8,417,863	8,768,162	14,811,355	3,313,185
Other taxes	591,020	668,830	724,441	660,550	628,669	713,589	629,104	647,899	727,051	698,010
Intergovernmental revenues not restricted to specific programs	21,961,045	22,177,385	21,936,614	21,686,774	21,637,351	21,565,462	21,374,359	22,110,717	22,544,562	32,669,552
Public gifts and/or grants										
Investment income (loss)	972,002	262,851	292,699	205,821	621,267	1,099,877	794,254	(76,084)	(223,454)	3,083,942
Gain (loss) on sale of property	214,055	35,026	961,838	1,650	760	2,763	-	-	151,297	100,376
Miscellaneous	1,237,121	882,350	974,468	858,406	1,067,892	836,528	1,888,360	1,103,292	2,744,292	943,052
Public gifts and grants	-	-	-	-	-	-	-	-	20,000	182,889
Transfers	(10,654)	633,315	388,040	837,543	(98,359)	815,064	213,659	660,180	503,459	107,197
Total general revenues and transfers	<u>45,505,377</u>	<u>45,423,833</u>	<u>46,753,347</u>	<u>46,020,018</u>	<u>46,575,709</u>	<u>46,784,302</u>	<u>46,870,689</u>	<u>47,620,196</u>	<u>56,160,944</u>	<u>57,617,237</u>
Business-type activities:										
Taxes	612,481	662,833	662,833	662,833	634,719	610,019	162,722	97,775	610,019	650,000
Intergovernmental revenues not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment income	299,078	281,989	265,580	266,130	453,836	518,050	333,198	170,687	345,626	706,585
Miscellaneous	-	-	-	-	-	-	66,443	16,990	19,152	10,757
Gain (loss) on sale of property	5,231	8,968	43,811	10,077	11,083	-	-	-	-	-
Transfers	10,654	(633,315)	(388,040)	(837,543)	98,359	(815,064)	(213,659)	(660,180)	(503,459)	(107,197)
Total business-type activities	<u>927,444</u>	<u>320,475</u>	<u>584,184</u>	<u>101,497</u>	<u>1,197,997</u>	<u>313,005</u>	<u>348,704</u>	<u>(374,728)</u>	<u>471,338</u>	<u>1,260,145</u>
Total primary government	<u>\$ 46,432,821</u>	<u>\$ 45,744,308</u>	<u>\$ 47,337,531</u>	<u>\$ 46,121,515</u>	<u>\$ 47,773,706</u>	<u>\$ 47,097,307</u>	<u>\$ 47,219,393</u>	<u>\$ 47,245,468</u>	<u>\$ 56,632,282</u>	<u>\$ 58,877,382</u>
Change in net position										
Governmental activities	\$ (1,679,732)	\$ (687,062)	\$ (1,031,965)	\$ (2,628,566)	\$ 1,430,119	\$ (1,976,612)	\$ 5,739,225	\$ 5,609,505	\$ 11,555,033	\$ 5,993,569
Business-type activities	(872,332)	(2,715,371)	(1,488,825)	(479,269)	(178,726)	(2,720)	2,158,205	3,312,199	3,809,430	4,786,980
Total change in net position	<u>\$ (2,552,064)</u>	<u>\$ (3,402,433)</u>	<u>\$ (2,520,790)</u>	<u>\$ (3,107,835)</u>	<u>\$ 1,251,393</u>	<u>\$ (1,979,332)</u>	<u>\$ 7,897,430</u>	<u>\$ 8,921,704</u>	<u>\$ 15,364,463</u>	<u>\$ 10,780,549</u>

City of Beloit, Wisconsin
Program Revenues by Function/Program
Last Ten Fiscal Years
(Accrual basis of accounting)
Fiscal Year

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function/Program										
Governmental activities:										
General government	\$ 24,937	\$ 49,500	\$ 43,065	\$ 37,381	\$ -	\$ 37,381	\$ -	\$ -	\$ -	\$ -
Finance and administrative services	1,564,123	1,385,039	3,604,755	3,358,715	4,899,942	3,655,698	1,312,960	922,393	914,517	2,644,897
Community development	478,325	149,384	3,152,232	129,548	264,462	278,839	225,207	431,995	38,491	184,354
Public safety:										
Police services	1,307,867	1,208,635	971,617	1,112,922	1,109,331	1,138,417	1,529,878	924,887	984,135	877,908
Fire services	109,580	88,520	79,249	112,583	104,964	128,630	102,117	119,791	109,568	124,330
Public works	3,404,713	3,266,069	4,031,218	3,226,837	4,639,822	3,716,296	3,320,382	3,626,588	3,603,840	4,115,594
Parks and Recreation	478,794	503,527	558,287	592,801	735,688	680,294	515,326	628,283	674,332	712,880
Total governmental activities	<u>7,368,339</u>	<u>6,650,674</u>	<u>12,440,423</u>	<u>8,570,787</u>	<u>11,754,209</u>	<u>9,635,555</u>	<u>7,005,870</u>	<u>6,653,937</u>	<u>6,324,883</u>	<u>8,659,963</u>
Business-type activities:										
Water	5,540,195	5,525,879	5,513,919	5,932,709	5,975,093	6,322,504	6,480,487	6,811,831	6,083,290	6,834,641
Sewer	6,725,986	6,751,680	7,167,202	7,614,184	7,604,279	7,985,607	8,467,510	9,130,687	8,945,767	10,228,400
Storm	-	-	1,124,771	1,127,563	1,119,715	1,154,153	1,163,345	1,172,291	1,270,401	1,277,820
Other non-major enterprise funds	4,674,632	4,137,271	3,040,549	3,163,590	3,380,987	3,470,652	4,172,016	4,466,044	4,920,334	5,471,040
Total business-type activities	<u>16,940,813</u>	<u>16,414,830</u>	<u>16,846,441</u>	<u>17,838,046</u>	<u>18,080,074</u>	<u>18,932,916</u>	<u>20,283,358</u>	<u>21,580,853</u>	<u>21,219,792</u>	<u>23,811,901</u>
Total primary government	<u>\$ 24,309,152</u>	<u>\$ 23,065,504</u>	<u>\$ 29,286,864</u>	<u>\$ 26,408,833</u>	<u>\$ 29,834,283</u>	<u>\$ 28,568,471</u>	<u>\$ 27,289,228</u>	<u>\$ 28,234,790</u>	<u>\$ 27,544,675</u>	<u>\$ 32,471,864</u>

City of Beloit, Wisconsin
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
Fiscal Year

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund										
Nonspendable	\$ 2,071,820	\$ 1,791,582	\$ 1,578,930	\$ 1,623,597	\$ 1,619,687	\$ 1,569,862	\$ 1,669,195	\$ 1,768,070	\$ 3,032,405	\$ 1,793,950
Assigned	300,000	-	-	-	-	-	170,054	250,000	250,000	-
Restricted	-	-	-	-	77,500	80,404	80,801	80,801	80,801	86,381
Unassigned	<u>7,762,537</u>	<u>8,007,592</u>	<u>8,303,332</u>	<u>8,547,746</u>	<u>9,033,798</u>	<u>11,882,949</u>	<u>13,298,793</u>	<u>14,001,286</u>	<u>14,090,516</u>	<u>15,937,913</u>
Total general fund	<u>10,134,357</u>	<u>9,799,174</u>	<u>9,882,262</u>	<u>10,171,343</u>	<u>10,730,985</u>	<u>13,533,215</u>	<u>15,218,843</u>	<u>16,100,157</u>	<u>17,453,722</u>	<u>17,818,244</u>
All other governmental funds										
Nonspendable	11,709	402,577	-	-	230,000	-	-	-	-	-
Restricted	10,480,740	10,974,549	12,697,326	15,725,655	14,756,865	15,308,192	19,091,551	22,072,592	30,611,977	24,922,017
Assigned	11,784,859	11,235,991	9,844,541	9,514,852	11,264,413	9,367,272	7,568,294	8,097,654	8,619,066	12,774,611
Unassigned	<u>(3,841,960)</u>	<u>(3,904,273)</u>	<u>(3,672,678)</u>	<u>(3,508,626)</u>	<u>(3,772,199)</u>	<u>(2,654,371)</u>	<u>(1,533,398)</u>	<u>(448,431)</u>	<u>(95,376)</u>	<u>(102,381)</u>
Total all other governmental funds	<u>18,435,348</u>	<u>18,708,844</u>	<u>18,869,189</u>	<u>21,731,881</u>	<u>22,479,079</u>	<u>22,021,093</u>	<u>25,126,447</u>	<u>29,721,815</u>	<u>39,135,667</u>	<u>37,594,247</u>
Total governmental funds	<u>\$ 28,569,705</u>	<u>\$ 28,508,018</u>	<u>\$ 28,751,451</u>	<u>\$ 31,903,224</u>	<u>\$ 33,210,064</u>	<u>\$ 35,554,308</u>	<u>\$ 40,345,290</u>	<u>\$ 45,821,972</u>	<u>\$ 56,589,389</u>	<u>\$ 55,412,491</u>

Note: It is the city's policy to maintain an unrestricted 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 2023 was \$9,094,533 which represents three months of budgeted operating expenditures. The city exceeded this limit by \$6,843,380. The city implemented GASB Statement 54 beginning with fiscal year 2011.

City of Beloit, Wisconsin
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
Fiscal Year

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes (see Schedule 6)	\$ 20,588,063	\$ 20,887,634	\$ 21,617,852	\$ 21,981,699	\$ 22,925,315	\$ 22,021,092	\$ 22,184,889	\$ 23,416,365	\$ 29,996,118	\$ 20,160,391
Intergovernmental	22,704,505	22,913,912	22,964,293	22,436,639	22,386,326	22,298,080	23,084,121	23,213,053	23,463,450	33,536,028
Licenses and permits	938,474	970,400	908,737	810,263	930,851	874,915	892,846	772,948	837,042	763,416
Fines, forfeitures and penalties	1,077,893	937,079	795,998	793,591	780,934	839,569	576,375	652,391	704,324	598,149
Fees and service charges	792,397	816,604	818,488	816,408	850,262	868,215	493,285	600,076	620,192	757,946
Rent	19,178	47,003	57,804	47,992	48,426	77,441	59,006	64,287	66,451	81,205
Special assessments	190,402	312,480	280,934	301,179	181,709	445,809	317,334	141,899	206,166	604,917
Investment income (loss)	431,892	433,241	513,378	290,359	663,241	1,134,475	878,679	6,347	(279,997)	4,212,637
Unrealized Gain (loss) on investment	479,956	(187,938)	(226,204)	-	-	-	-	-	-	-
Public charges for services	2,709,994	2,686,514	2,512,226	2,805,361	2,951,775	2,954,676	2,921,251	2,947,067	2,866,344	2,888,256
Other	2,230,696	2,199,253	2,174,997	1,772,753	1,828,636	1,756,882	1,951,282	2,158,390	2,888,936	4,053,068
Total revenues	<u>52,163,450</u>	<u>52,016,182</u>	<u>52,418,503</u>	<u>52,056,244</u>	<u>53,547,475</u>	<u>53,271,154</u>	<u>53,359,068</u>	<u>53,972,823</u>	<u>61,369,026</u>	<u>67,656,013</u>
Expenditures										
Current										
General government	3,705,212	3,739,168	3,594,944	3,802,126	3,735,593	3,456,460	3,745,846	3,814,189	4,134,821	4,744,785
Community development	2,864,857	3,408,202	2,959,096	3,011,525	2,929,178	5,334,163	2,636,440	2,886,972	6,006,829	13,074,229
Public safety	20,423,475	20,470,156	20,137,594	20,174,270	20,452,943	20,635,006	21,379,119	21,141,917	21,695,846	22,677,096
Public works	8,943,426	8,600,822	8,346,050	7,860,052	8,534,307	8,541,995	7,591,765	7,829,785	8,764,282	9,670,015
Parks, recreation, and education	2,090,762	2,140,358	2,236,552	2,352,785	2,232,644	2,224,300	2,222,186	2,291,703	2,238,850	2,518,919
Capital outlay	9,513,875	8,663,135	11,549,110	7,579,934	11,215,512	8,900,383	9,472,563	6,541,790	7,177,073	10,653,812
Debt service:										
Principal retirement	6,993,294	7,237,072	7,561,023	9,350,155	7,703,037	6,613,034	5,508,748	18,269,811	5,038,333	4,765,620
Interest and fiscal charges	2,303,641	2,165,894	2,011,867	1,939,205	1,920,594	1,860,125	1,799,175	1,512,923	1,500,453	1,282,368
Total expenditures	<u>56,838,542</u>	<u>56,424,807</u>	<u>58,396,236</u>	<u>56,070,052</u>	<u>58,723,808</u>	<u>57,565,466</u>	<u>54,355,842</u>	<u>64,289,090</u>	<u>56,556,487</u>	<u>69,386,844</u>
Excess of revenues over (under) expenditures	(4,675,092)	(4,408,625)	(5,977,733)	(4,013,808)	(5,176,333)	(4,294,312)	(996,774)	(10,316,267)	4,812,539	(1,730,831)
Other financing sources (uses)										
Debt issued	3,149,816	3,370,000	4,960,000	3,525,000	5,395,000	5,470,000	5,240,000	4,170,000	5,170,000	-
Debt issued - refunding	5,477,459	-	-	2,510,000	-	-	-	9,890,000	-	-
Premium on bonds	256,111	-	130,133	200,080	131,430	243,147	115,550	881,607	62,217	-
Payments to escrow agent	(5,643,847)	-	-	-	-	-	-	-	-	-
Sale of city property	568,504	116,084	340,759	63,480	96,003	110,345	83,553	70,757	219,202	110,726
Transfers in	2,439,001	2,266,370	2,752,842	2,441,410	4,879,721	4,001,142	1,799,146	1,943,681	13,278,330	2,961,977
Transfers out	(1,590,226)	(1,405,516)	(1,962,568)	(1,574,389)	(4,018,981)	(3,186,078)	(1,450,493)	(1,163,096)	(12,774,871)	(2,518,770)
Total other financing sources (uses)	<u>4,656,818</u>	<u>4,346,938</u>	<u>6,221,166</u>	<u>7,165,581</u>	<u>6,483,173</u>	<u>6,638,556</u>	<u>5,787,756</u>	<u>15,792,949</u>	<u>5,954,878</u>	<u>553,933</u>
Net change in fund balances	<u>\$ (18,274)</u>	<u>\$ (61,687)</u>	<u>\$ 243,433</u>	<u>\$ 3,151,773</u>	<u>\$ 1,306,840</u>	<u>\$ 2,344,244</u>	<u>\$ 4,790,982</u>	<u>\$ 5,476,682</u>	<u>\$ 10,767,417</u>	<u>\$ (1,176,898)</u>
Debt service as a percentage of non-capital expenditures	16.81%	18.12%	18.54%	20.82%	17.76%	15.48%	15.67%	31.59%	11.95%	9.25%

City of Beloit, Wisconsin
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

Fiscal Year	Property	Mobile Home	Payments In Lieu of	Prior Year Collections/ (Rescinded)	Motel	Total
2014	\$ 20,505,168	\$ 12,869	\$ 8,808	\$ (4)	\$ 61,222	\$ 20,588,063
2015	20,785,707	12,541	9,104	760	79,522	20,887,634
2016	21,491,882	13,891	26,342	-	85,737	21,617,852
2017	21,823,022	11,774	19,462	-	127,441	21,981,699
2018	22,740,363	12,391	24,294	-	148,267	22,925,315
2019	21,773,650	18,198	22,547	-	206,697	22,021,092
2020	21,985,127	10,901	20,068	-	168,793	22,184,889
2021	23,194,143	9,185	17,303	-	195,734	23,416,365
2022	29,709,518	9,743	22,525	-	254,332	29,996,118
2023	19,858,586	5,227	26,964	27,437	242,177	20,160,391

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

Fiscal Year	Residential Property	Commercial Property	Manufacturing Property	Agricultural Property	Personal Property	Total Taxable Assessed Value	City Direct Tax Rate	Total Equalized Value	Taxable Assessed Value as a Percentage of Equalized Value
2014	\$ 884,755,300	\$ 430,356,700	\$ 168,818,300	\$ 576,400	\$ 81,975,602	\$ 1,566,482,302	10.83	\$ 1,471,696,200	106.44%
2015	883,032,900	439,131,000	163,631,548	549,800	84,559,452	1,570,904,700	10.96	1,557,937,900	100.83%
2016	883,276,700	471,910,400	165,852,600	546,900	87,247,190	1,608,833,790	11.11	1,593,559,300	100.96%
2017	887,557,400	439,840,500	183,826,900	549,500	82,752,330	1,594,526,630	11.40	1,607,119,800	99.22%
2018	896,333,000	441,798,280	201,252,600	540,500	63,378,600	1,603,302,980	11.28	1,650,289,200	97.15%
2019	907,040,900	444,963,280	195,112,400	532,500	66,880,100	1,614,529,180	11.33	1,785,854,900	90.41%
2020	907,396,840	465,284,600	194,408,900	532,500	67,426,750	1,635,049,590	11.57	1,944,861,100	84.07%
2021	914,763,800	606,210,300	164,175,700	448,000	79,440,300	1,765,038,100	12.37	2,377,775,400	74.23%
2022	1,448,863,300	788,819,100	218,162,900	594,700	102,238,880	2,558,678,880	7.72	2,654,129,100	96.40%
2023	1,466,100,500	826,918,300	220,092,700	601,700	94,186,460	2,607,899,660	7.58	2,957,108,400	88.19%

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			
2014	2015	7.77	3.06	10.83	6.27	0.16	1.04	10.88	29.18	(1.34)	27.84
2015	2016	7.92	3.04	10.96	6.60	0.17	1.19	11.47	30.39	(1.59)	28.80
2016	2017	8.09	3.02	11.11	6.52	0.17	1.20	9.63	28.62	(1.59)	27.04
2017	2018	8.39	3.01	11.40	6.43	-	1.21	11.63	30.68	(1.72)	28.96
2018	2019	8.02	3.26	11.28	6.24	-	1.18	12.08	30.77	(1.73)	29.04
2019	2020	8.07	3.26	11.33	6.48	-	1.23	11.39	30.43	(1.76)	28.67
2020	2021	8.30	3.27	11.57	6.80	-	1.29	12.01	31.67	(1.82)	29.85
2021	2022	9.00	3.37	12.37	7.17	-	1.35	13.60	34.49	(1.69)	32.80
2022	2023	4.70	3.02	7.72	4.41	-	0.87	4.90	17.90	(1.20)	16.70
2023	2024	5.36	2.22	7.58	4.54	-	0.89	4.49	17.49	(1.43)	16.06

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			
2014	2015	7.77	3.06	10.83	6.27	0.16	1.04	10.72	29.02	(1.34)	27.68
2015	2016	7.92	3.04	10.96	6.60	0.17	1.19	10.88	29.79	(1.59)	28.21
2016	2017	8.09	3.02	11.11	6.52	0.17	1.20	10.52	29.51	(1.59)	27.92
2017	2018	8.39	3.01	11.40	6.43	-	1.21	10.36	29.40	(1.72)	27.68
2018	2019	8.02	3.26	11.28	6.24	-	1.18	10.56	29.26	(1.73)	27.53
2019	2020	8.07	3.26	11.33	6.48	-	1.23	11.93	30.98	(1.76)	29.22
2020	2021	8.30	3.27	11.57	6.80	-	1.29	11.83	31.49	(1.82)	29.67
2021	2022	9.00	3.37	12.37	7.17	-	1.35	11.98	32.87	(1.69)	31.18
2022	2023	4.70	3.02	7.72	4.41	-	0.87	7.98	20.98	(1.20)	19.78
2023	2023	5.36	2.22	7.58	4.54	-	0.89	7.74	20.75	(1.43)	19.32

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			
2014	2015	7.77	3.06	10.83	6.27	0.16	1.04	11.53	29.82	(1.34)	28.48
2015	2016	7.92	3.04	10.96	6.60	0.17	1.19	12.05	30.97	(1.59)	29.38
2016	2017	8.09	3.02	11.11	6.52	0.17	1.20	12.13	31.12	(1.59)	29.53
2017	2018	8.39	3.01	11.40	6.43	-	1.21	12.21	31.26	(1.72)	29.54
2018	2019	8.02	3.26	11.28	6.24	-	1.18	11.55	30.24	(1.73)	28.51
2019	2020	8.07	3.26	11.33	6.48	-	1.23	10.23	29.27	(1.76)	27.51
2020	2021	8.30	3.27	11.57	6.80	-	1.29	11.67	31.33	(1.82)	29.51
2021	2022	9.00	3.37	12.37	7.17	-	1.35	16.84	37.73	(1.69)	36.04
2022	2023	4.70	3.02	7.72	4.41	-	0.87	14.30	27.30	(1.20)	26.10
2023	2024	5.36	2.22	7.58	4.54	-	0.89	12.30	25.31	(1.43)	23.88

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	2023			2014		
		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	Rank	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	Rank
Amazon	Distribution Center	\$ 174,857,460	6.70%	1			
ABC Supply/Hendricks	Wholesale Distribution/Property Development	144,871,450	5.56%	2	\$ 73,431,530	4.69%	1
Hawks Ridge Apartments LLC	Apartment Rentals	42,206,800	1.62%	3			
Kerry Ingredients	Mfg of Food Additives	37,585,300	1.44%	4	42,911,300	2.74%	2
Frito Lay Inc	Food Processor	27,222,400	1.04%	5	22,735,800	1.45%	4
Beloit Health Systems	Health Services	23,012,250	0.88%	6	15,815,060	1.01%	6
Pratt Industries	Corrugated Packaging Manufacturer	22,449,100	0.86%	7			
One Reynolds Drive LLC	Warehouse	17,907,900	0.69%	8			
Woodman's	Retail Grocer	16,172,500	0.62%	9	14,963,960	0.96%	8
Kettle Foods	Retailer	15,888,500	0.61%	10	18,084,000	1.15%	5
Staples Contract & Commercial	Fulfillment Center				34,571,410	2.21%	3
Walmart	Retailer				15,491,790	0.99%	7
McGuire/Morgan Square	Developer Commercial				12,008,700	0.77%	9
Genecor	Manufacturer				11,739,700	0.75%	10
Totals		<u>\$ 522,173,660</u>	<u>20.02%</u>		<u>\$ 261,753,250</u>	<u>16.71%</u>	

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
2014	2015	\$ 16,963,108	\$ 3,843,552	22.66%	\$ 13,105,602	\$ 16,949,154	99.92%
2015	2016	17,211,767	3,062,611	17.79%	14,104,637	17,167,248	99.74%
2016	2017	17,868,428	4,374,679	24.48%	13,387,123	17,761,802	99.40%
2017	2018	18,184,413	4,510,840	24.81%	13,598,548	18,109,388	99.59%
2018	2019	18,080,071	4,660,287	25.78%	13,395,570	18,055,857	99.87%
2019	2020	18,298,448	3,200,950	17.49%	14,963,529	18,164,479	99.27%
2020	2021	18,918,305	3,220,348	17.02%	15,546,888	18,767,236	99.20%
2021	2022	21,833,606	3,678,344	16.85%	17,818,060	21,496,404	98.46%
2022	2023	19,757,682	3,403,918	17.23%	16,306,333	19,710,251	99.76%
2023	2024	19,708,243	2,837,821	14.40%	N/A	N/A	N/A

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**

Fiscal Year	General Obligation Bonds	Issuance Premiums (Discounts)	Other Debt	Capital Leases	Other Capital Leases	Sewer Revenue Bonds	Water Revenue Bonds	Storm Water Revenue Bonds	Total Outstanding Debt	Estimated Full Property Value	Percentage of Full Property Value	Population	Debt per Capita	Debt to Personal Income
Governmental Activities														
2014	\$48,305,828	\$ 607,154	\$ 60,000	\$16,370,388	\$ 346,426	\$ -	\$ -	\$ -	\$ 65,689,796	\$ 1,471,696,200	4.46%	36,805	1,785	4.61%
2015	46,827,654	568,900	50,000	13,991,490	346,426	-	-	-	61,784,470	1,557,937,900	3.97%	36,792	1,679	4.20%
2016	46,798,538	530,646	40,000	11,473,188	302,821	-	-	-	59,145,193	1,593,559,300	3.71%	36,657	1,613	3.99%
2017	46,163,976	622,695	30,000	8,848,028	257,388	-	-	-	55,922,087	1,607,119,800	3.48%	36,520	1,531	3.64%
2018	46,962,975	674,971	20,000	5,798,330	210,050	-	-	-	53,666,326	1,650,289,200	3.25%	36,683	1,463	3.33%
2019	47,839,309	761,576	-	3,838,285	160,727	-	-	-	52,599,897	1,785,854,900	2.95%	36,548	1,439	3.13%
2020	48,566,916	799,601	-	2,893,321	109,336	-	-	-	52,369,174	1,944,861,100	2.69%	36,657	1,429	2.91%
2021	46,915,466	1,547,626	-	396,496	55,790	-	-	-	48,915,378	2,377,775,400	2.06%	36,376	1,345	2.59%
2022	47,499,419	1,438,011	-	-	-	-	-	-	48,937,430	2,654,129,100	1.84%	36,760	1,331	2.53%
2023	42,733,801	1,328,396	-	-	-	-	-	-	44,062,197	2,957,108,400	1.49%	36,674	1,201	2.15%
Business-Type Activities														
2014	4,680,857	179,630	-	-	-	2,988,818	24,560,000	1,255,000	33,664,305	1,471,696,200	2.29%	36,805	915	2.36%
2015	4,224,935	124,094	-	-	-	2,844,366	23,290,000	1,225,000	31,708,395	1,557,937,900	2.04%	36,792	862	2.15%
2016	3,715,865	1,001,970	-	-	-	2,696,447	21,155,000	1,160,000	29,729,282	1,593,559,300	1.87%	36,657	811	2.00%
2017	3,219,819	924,830	-	-	-	2,544,978	19,855,000	1,095,000	27,639,627	1,607,119,800	1.72%	36,520	757	1.80%
2018	2,949,086	849,609	-	-	-	6,149,874	22,415,000	1,030,000	33,393,569	1,650,289,200	2.02%	36,683	910	2.08%
2019	2,687,716	704,165	-	-	-	5,856,047	20,950,000	960,000	31,157,928	1,785,854,900	1.74%	36,548	853	1.85%
2020	2,486,550	647,789	-	-	-	5,553,409	19,255,000	885,000	28,827,748	1,944,861,100	1.48%	36,657	786	1.60%
2021	1,635,474	506,236	-	-	-	5,246,867	17,625,000	810,000	25,823,577	2,377,775,400	1.09%	36,376	710	1.37%
2022	1,379,952	483,994	-	-	-	4,981,329	15,725,000	730,000	23,300,275	2,654,129,100	0.88%	36,760	634	1.21%
2023	1,061,232	357,053	-	-	-	27,253,746	13,930,000	650,000	43,252,031	2,957,108,400	1.46%	36,674	1,179	2.11%
Total Government-wide														
2014	52,986,685	786,784	60,000	16,370,388	346,426	2,988,818	24,560,000	1,255,000	99,354,101	1,471,696,200	6.75%	36,805	2,699	6.97%
2015	51,052,589	692,994	50,000	13,991,490	346,426	2,844,366	23,290,000	1,225,000	93,492,865	1,557,937,900	6.00%	36,792	2,541	6.35%
2016	50,514,403	1,532,616	40,000	11,473,188	302,821	2,696,447	21,155,000	1,160,000	88,874,475	1,593,559,300	5.58%	36,657	2,424	5.99%
2017	49,383,795	1,547,525	30,000	8,848,028	257,388	2,544,978	19,855,000	1,095,000	83,561,714	1,607,119,800	5.20%	36,520	2,288	5.44%
2018	49,912,061	1,524,580	20,000	5,798,330	210,050	6,149,874	22,415,000	1,030,000	87,059,895	1,650,289,200	5.28%	36,683	2,373	5.41%
2019	50,527,025	1,465,741	-	3,838,285	160,727	5,856,047	20,950,000	960,000	83,757,825	1,785,854,900	4.69%	36,548	2,292	4.98%
2020	51,053,466	1,447,390	-	2,893,321	109,336	5,553,409	19,255,000	885,000	81,196,922	1,944,861,100	4.17%	36,657	2,215	4.51%
2021	48,550,940	2,053,862	-	396,496	55,790	5,246,867	17,625,000	810,000	74,738,955	2,377,775,400	3.14%	36,376	2,055	3.95%
2022	48,879,371	1,922,005	-	-	-	4,981,329	15,725,000	730,000	72,237,705	2,654,129,100	2.72%	36,760	1,965	3.74%
2023	43,795,033	1,685,449	-	-	-	27,253,746	13,930,000	650,000	87,314,228	2,957,108,400	2.95%	36,674	2,381	4.25%

City of Beloit, Wisconsin
Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Years

Fiscal Year	General Obligation Debt	Unamortized Premiums	Total GO Debt	Less: Amounts Available in Debt Service Fund (a)	Net GO Debt Total	Per Capita (c)	Percentage of Estimated Actual Market Value of Property (b)	Total Debt Applicable to Debt Limit	Legal Debt Limit (d)	Legal Debt Margin (e)	Legal Debt Margin as a Percentage of the Debt Limit
2014	\$ 52,986,685	\$ 607,154	\$ 53,593,839	\$ 2,048,472	\$ 51,545,367	\$ 1,400	\$ -	\$ 52,986,685	\$ 73,584,810	\$ 20,598,125	27.99%
2015	51,052,589	568,900	51,621,489	2,012,373	49,609,116	1,348	3.18%	51,052,589	77,896,895	26,844,306	34.46%
2016	50,514,403	530,646	51,045,049	1,745,892	49,299,157	1,345	3.09%	50,514,403	79,677,965	29,163,562	36.60%
2017	49,383,795	622,695	50,006,490	1,241,939	48,764,551	1,335	3.03%	49,383,795	80,355,990	30,972,195	38.54%
2018	49,912,061	674,971	50,587,032	754,798	49,832,234	1,358	3.02%	49,912,061	82,514,460	32,602,399	39.51%
2019	50,527,025	761,576	51,288,601	879,948	50,408,653	1,379	2.82%	50,527,025	89,292,745	38,765,720	43.41%
2020	51,053,466	799,601	51,853,067	954,732	50,898,335	1,389	2.62%	51,053,466	97,243,055	46,189,589	47.50%
2021	48,550,940	2,053,862	50,604,802	685,299	49,919,503	1,372	2.10%	48,550,940	118,888,770	70,337,830	59.16%
2022	48,879,371	1,922,005	50,801,376	1,042,811	49,758,565	1,354	1.87%	48,879,371	132,706,455	83,827,084	63.17%
2023	43,795,033	1,685,449	45,480,482	1,233,539	44,246,943	1,206	1.50%	43,795,033	147,855,420	104,060,387	70.38%

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(a) Restricted net position 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 15: 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, 2023**

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
County of Rock, Wisconsin	\$ 109,325,000	13.81%	\$ 15,096,033
Blackhawk Technical College	69,075,000	11.74%	8,109,958
Beloit School District	20,290,000	94.38%	19,150,108
Beloit Turner School District	19,171,000	10.88%	2,085,997
Clinton Community School District	23,936,000	27.95%	6,690,854
Subtotal, overlapping debt			<u>51,132,949</u>
City direct debt			<u>44,062,197</u>
Total direct and overlapping debt			<u><u>\$ 95,195,146</u></u>
Population			36,674
Overlapping debt per capita			\$ 1,394
Direct and overlapping debt per capita			\$ 2,596

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**

Sewer Utility Revenue Bonds

Fiscal Year	Utility Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 6,878,377	\$ 6,135,784	\$ 742,593	\$ 141,066	\$ 73,424	3.46
2015	6,899,605	6,475,410	424,195	144,452	69,998	1.98
2016	7,297,866	6,102,227	1,195,639	147,919	66,490	5.58
2017	7,752,906	6,191,780	1,561,126	133,242	81,080	7.28
2018	7,829,771	6,202,268	1,627,503	155,104	119,667	5.92
2019	8,229,911	6,420,497	1,809,414	293,827	175,682	3.85
2020	8,280,886	6,256,912	2,023,974	302,637	167,700	4.30
2021	9,046,276	5,887,083	3,159,193	306,542	159,550	6.78
2022	9,026,004	5,669,195	3,356,809	315,538	151,230	7.19
2023	9,443,025	6,198,256	3,244,769	324,632	282,443	5.34

Water Utility Revenue Bonds

	Utility Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 5,515,294	\$ 2,068,833	\$ 3,446,461	\$ 1,240,000	\$ 992,212	1.54
2015	5,535,133	2,633,314	2,901,819	1,270,000	962,339	1.30
2016	5,550,013	2,306,354	3,243,659	1,300,000	963,725	1.43
2017	5,919,662	2,061,800	3,857,862	1,260,198	797,172	1.88
2018	6,008,411	2,809,093	3,199,318	1,420,000	810,323	1.43
2019	6,027,076	2,556,570	3,470,506	1,465,000	829,865	1.51
2020	6,070,556	2,410,740	3,659,816	1,595,000	763,325	1.55
2021	6,097,613	2,607,122	3,490,491	1,630,000	672,231	1.52
2022	6,103,022	2,575,127	3,527,895	1,695,000	607,493	1.53
2023	6,415,550	2,823,053	3,592,497	1,795,000	526,069	1.55

Stormwater Utility Revenue Bonds

	Utility Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 959,068	\$ 720,259	\$ 238,809	\$ 55,000	\$ 68,694	1.93
2015	972,517	846,762	125,755	-	23,371	5.38
2016	1,131,853	778,841	353,012	65,000	34,850	3.54
2017	1,137,755	748,405	389,350	36,215	60,385	4.03
2018	1,134,838	777,875	356,963	65,000	31,600	3.70
2019	1,145,320	764,312	381,008	70,000	30,250	3.80
2020	1,180,572	762,962	417,610	75,000	28,425	4.04
2021	1,183,123	789,234	393,889	75,000	26,550	3.88
2022	1,283,624	914,318	369,306	80,000	24,600	3.53
2023	1,316,654	959,636	357,018	80,000	22,200	3.49

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Sewer, water, and stormwater charges include non-operating revenues. Operating expenses do not include interest, amortization, or depreciation. The City's required coverage ratios are 1.10 for the sewer bonds and 1.25 for the water and stormwater bonds.

**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>
2014	36,805	\$ 1,424,831,965	\$ 38,713	9,754	16,933	15,666	1,267	7.5%
2015	36,792	1,472,636,592	40,026	9,812	17,120	16,002	1,118	6.5%
2016	36,657	1,483,765,389	40,477	9,702	17,264	16,298	966	5.6%
2017	36,520	1,534,789,520	42,026	9,575	17,449	16,622	827	4.7%
2018	36,683	1,609,209,844	43,868	9,466	17,273	16,579	694	4.0%
2019	36,548	1,681,865,864	46,018	9,180	17,372	16,621	751	4.3%
2020	36,657	1,800,921,753	49,129	9,089	17,142	15,796	1,346	7.9%
2021	36,376	1,889,915,080	51,955	8,638	17,556	16,511	1,045	6.0%
2022	36,760	1,930,524,920	52,517	8,242	17,175	16,437	738	4.3%
2023	36,674	2,052,093,670	55,955 *	7,858	17,772	17,021	751	4.2%

Sources: (1) State of Wisconsin Department of Administration or U. S. Census Bureau (2023).

(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.

* 2023 Per Capita Personal Income is an estimate from the Wisconsin Department of Revenue in their Metropolitan Statistical Area Outlook Report.

(4) State of Wisconsin Department of Public Instruction.

(5) State of Wisconsin Department of Workforce Development - Office of Economic Advisors.

**City of Beloit, Wisconsin
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Amazon	1,220	1	7.72%			
Beloit Health Systems	919	2	5.82%	1,576	1	10.52%
Kerry Ingredients	783	3	4.96%	740	3	4.94%
Frito-Lay	781	4	4.94%	663	4	4.43%
School District of Beloit	723	5	4.58%	938	2	6.26%
ABC Supply	712	6	4.51%	356	10	2.38%
Taylor Company	694	7	4.39%	635	5	4.24%
Hormel	441	8	2.79%			
Fairbanks - Morse	375	9	2.37%	374	9	2.50%
Walmart	350	10	2.22%			
City of Beloit				447	7	2.98%
Birds Eye				559	6	3.73%
Beloit College				408	8	2.72%
Total	<u>6,998</u>		<u>41.11%</u>	<u>6,696</u>		<u>42.74%</u>

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Manager	3.00	3.00	2.00	2.00	3.25	3.25	3.25	4.25	4.25	4.25
City Attorney	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	4.00	4.00	4.00	4.50	5.00	5.00	5.00	5.00	5.00	5.00
Human Resources	2.00	3.00	2.00	2.10	2.25	2.25	3.00	3.00	4.00	4.08
Economic Development	4.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.70	5.00
Municipal Court	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	3.90	3.90
Finance and Administrative Services	18.05	17.15	17.30	16.15	16.30	16.15	16.30	16.15	16.30	16.15
Police	90.66	91.16	91.16	91.16	91.16	91.66	92.41	91.70	92.20	93.00
Fire	64.74	63.24	64.86	64.73	61.83	61.83	61.83	61.83	61.83	61.83
Community Development	28.50	27.50	28.00	27.50	27.50	27.50	*47.2	46.70	46.20	47.20
Department of Public Works	152.49	155.14	153.11	150.90	152.40	150.90	128.02	127.36	128.69	128.19
Library	27.34	27.60	26.98	32.66	32.66	25.44	26.35	26.73	24.64	23.35
Total	403.48	404.99	402.61	404.90	405.55	397.18	396.56	395.92	395.71	395.95

Source: City of Beloit annual budget

*In 2020 Transit moved from the Public Works Department to the Community Development Department.
 A full time employee is scheduled to work 2,080 hours per year (including vacation and sick leave used). Full time equivalent employment is determined by dividing the total hours worked by 2,080.

City of Beloit, Wisconsin
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
New Building permits	6	7	10	12	20	20	23	55	27	25
Building permits issued	1,074	1,002	1,009	945	1,199	1,171	1,217	1,439	1,026	904
Building inspections conducted	1,657	2,269	3,449	3,025	3,463	3,778	3,904	3,400	3,338	2,263
Site plans reviewed	14	13	12	14	22	19	17	11	17	15
Police										
Physical Arrests	4,850	4,683	3,802	3,635	2,362	3,555	2,590	2,370	2,672	2,704
Traffic Violations	4,746	3,564	2,611	3,253	3,968	4,051	3,160	3,117	3,667	3,183
Parking Violations	7,072	3,837	2,275	3,440	2,778	2,538	2,072	2,757	2,404	2,503
Fire										
Emergency responses	8,452	8,513	8,929	10,067	8,331	8,587	8,253	7,446	8,110	6,979
Fires extinguished	122	134	114	115	198	95	129	189	162	153
Inspections conducted	2,050	2,096	1,964	1,945	1,953	1,992	990	1,974	1,817	1,054
Ambulance runs	3,835	3,969	4,428	4,837	4,690	4,699	4,517	5,111	5,085	5,320
Engineering and public works										
Development plans reviewed	14	13	12	14	22	25	71	58	55	42
Infrastructure projects designed	15	24	16	29	33	20	19	26	21	25
Infrastructure projects completed	14	20	15	21	25	15	14	14	9	26
Highways and Streets										
Street resurfacing (miles)	1.92	6.3	6.1	3.6	5.67	5.11	2.3	4.19	1.82	8
Potholes repaired	38,176	38,720	43,737	36,921	37,507	40,305	38,185	38,244	13,281	51,787
Sanitation										
Refuse collected (tons/day)	39.07	37	42.51	42.55	42.56	41.16	43.18	46.6	55.05	60.54
Recyclables collected (tons/day)	18.47	16.5	19.96	24.25	21.8	16.68	13.8	13.3	13.4	13.05
Culture and Recreation										
Facility use permits issued	491	530	577	589	596	565	145	515	468	474
Number of programs offered	84	86	84	87	90	86	15	27	45	50
Rounds of golf played	20,056	19,502	19,266	20,575	17,801	19,358	13,722	21,273	19,750	20,870
Senior center participants	25,934	26,194	26,546	26,599	22,706	20,019	6,510	6,555	16,262	15,352
Number of cemetery interments	147	164	141	152	160	148	185	165	149	151
Water										
Work orders processed	2,321	2,336	2,910	2,157	3,614	3,804	2,158	3,848	1,860	1,437
DHL locate tickets processed	4,170	5,183	5,033	5,175	5,484	4,802	5,189	5,523	4,694	5,721
Main breaks	52	34	36	33	37	41	21	24	33	19
Average daily production (MGD)	5.468	6.109	5.804	5.931	6.062	6.004	6.265	4.668	6.746	7.283
Peak daily production (MGD)	7.500	8.427	8.593	8.786	7.809	7.692	8.49	10.121	10.036	10.093
Wastewater										
Average daily treatment (MGD)	3.776	3.95	4.205	4.272	4.992	5.88	4.39	3.83	3.73	3.89
Peak daily treatment (MGD)	9.640	6.071	5.414	6.466	14.4	16.44	6.48	4.898	4.29	5.37
Transit										
Total route miles	311,017	287,839	287,963	287,963	287,963	274,461	265,086	320,324	312,906	321,100
Passengers	223,291	198,719	184,013	146,198	143,158	131,561	37,577	79,500	94,780	97,937

Source: Various city departments.

City of Beloit, Wisconsin
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	40	40	51	47	51	54	58	62	58	59
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Trucks	14	14	14	14	14	12	12	12	11	11
Ambulances	4	4	4	4	4	4	4	4	5	5
Refuse Collection										
Garbage trucks	13	13	12	12	12	12	12	12	12	12
94 Gallon trash cart	0	0	12,647	12,647	12,720	12,776	12,845	12,960	13,078	13,151
94 Gallon recycling cart	0	0	12,647	12,647	12,735	12,788	12,861	12,973	13,103	13,170
64 Gallon trash cart	0	0	278	278	288	320	327	335	353	363
64 Gallon recycling cart	0	0	278	278	288	320	327	335	353	363
Other public works										
Streets/highways (miles)	183.5	184.8	184.8	184.8	186.7	186.7	186.7	185.8	187.8	187.8
Streetlights	1,308	1,456	1,498	1,499	1,538	1,538	1,555	1,519	1,656	1,705
Traffic signals	40	41	42	42	43	43	45	45	46	46
Parks and recreation										
Acreage	924	924	924	924	924	924	924	924	924	924
Parks	39	39	39	39	39	39	39	39	39	39
Tennis courts	11	11	11	10	9	9	9	9	9	4
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	2	2	2	1	1	1	1	1	1
Water										
Wells	9	8	8	8	8	8	8	8	8	8
Water mains (miles)	198.9	199	199	199	204.2	204.4	205.4	206	209	210
Hydrants	1,555	1,558	1,488	1,574	1,613	1,653	1,671	1,694	1,699	1,584
Storage capacity (MGD)	4.150	4.15	4.15	4.15	4.15	5.25	5.25	5.25	5.25	5.25
Wastewater										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewer (miles)	172.8	172.8	172.8	172.8	177.7	187.1	177.9	178.6	178.7	179.0
Storm sewer (miles)	110.2	110.2	110.2	110.2	111.8	113.8	133.3	113.7	114.3	113.0
Treatment capacity (MGD)	11.3	11.3	11.3	11.3	13.2	13.2	13.2	13.2	13.2	13.2
Transit										
Buses	12	12	12	12	12	12	13	11	10	10

Source: Various city departments.

SINGLE AUDIT SECTION

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the City Council of
City of Beloit

We have audited, in accordance with the 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 (*Government Auditing Standards*), the 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 (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 12, 2024. Our report includes a reference to other auditors who audited the financial statements of the Beloit Public Library Foundation, Inc., a component unit and the limited liability corporations (LLC's) presented as component units of the City of Beloit Community Development Authority (CDA), as described in our report on the City's financial statements. The financial statements of the Beloit Public Library Foundation, Inc. and the LLC's of the CDA, were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
June 12, 2024

**Report on Compliance
for Each Major Federal and Major State Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance and the *State Single Audit Guidelines***

Independent Auditors' Report

To the City Council of
City of Beloit

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited the City of Beloit, Wisconsin's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of the City's major federal and major state programs for the year ended December 31, 2023. The City's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal and major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *Guidelines*. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

Madison, Wisconsin
June 12, 2024

City of Beloit

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Agency/Pass-Through Agency/Program Title	Assistance Listing Number	Passed Through Agency	Pass-Through Agency / Grantor Number	Total Expenditures	Payments Made to Subrecipients
U.S. Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	14.218	Direct	359**	\$ 763,296	\$ 283,853
Community Development Block Grants/Entitlement Grants - Revolving Loan/Program Income	14.218	Direct	359**	131,631	-
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	Direct	19121	120,000	120,000
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	Direct	358**	63,866	63,866
Total CDBG - Entitlement Grants Cluster				1,078,793	467,719
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii					
	14.228	WI DOA	19023	21,161	17,268
Home Investment Partnerships Program					
Home Investment Partnerships Program - Program Income	14.239	C/ Janesville	35125-36125	101,978	-
Total ALN #14.239				171,443	-
				273,421	-
Public and Indian Housing					
	14.850	Direct		481,343	-
Resident Opportunity and Supportive Services - Service Coordinators					
	14.870	Direct		5,430	-
Housing Voucher Cluster					
Section 8 Housing Choice Vouchers	14.871	Direct		3,532,220	-
Total Housing Voucher Cluster				3,532,220	-
Public Housing Capital Fund					
WI39-PO64-501-19	14.872	Direct		12,066	-
WI39-PO64-501-20	14.872	Direct		74,113	-
WI39-PO64-501-21	14.872	Direct		67,329	-
WI39-PO64-501-22	14.872	Direct		76,374	-
WI39-PO64-501-23	14.872	Direct		230,313	-
WI39-EO64-501-23	14.872	Direct		13,086	-
Total ALN #14.872				473,281	-
Family Self-Sufficiency Program - Grant No. FSS23WI5189					
	14.896	Direct		67,262	-
Total U.S. Department of Housing and Urban Development				5,932,911	484,987
U.S. Department of Justice					
Bulletproof Vest Partnership					
Bulletproof Vest Partnership	16.607	Direct	38373	9,432	-
Total ALN #16.607				3,537	-
				12,969	-
Project Safe Neighborhoods					
Project Safe Neighborhoods	16.609	WI DOJ	2021-PW-01-17213	20,000	-
Project Safe Neighborhoods	16.609	WI DOJ	2022-PW-01-18107	10,182	-
Project Safe Neighborhoods	16.609	WI DOJ	2020-PW-01-16592	9,991	-
Total ALN #16.609				40,173	-
Total U.S. Department of Justice				53,142	-
U.S. Department of Transportation					
Highway Planning and Construction					
	20.205	IL DOT	35283	194,680	-
Federal Transit Cluster					
COVID-19 Federal Transit Formula Grants	20.507	Direct	WI-2021-024-00	186,528	-
COVID-19 Federal Transit Formula Grants	20.507	Direct	WI-2023-034-00	489,231	-
Federal Transit Formula Grants	20.507	Direct	WI-2023-049-00	837,335	-
Federal Transit Formula Grants	20.507	Direct	WI-2023-054-00	98,091	-
Federal Transit Formula Grants	20.507	Direct	1318-2023-4	783,780	-
Total Federal Transit Cluster				2,394,965	-
Highway Safety Cluster					
State and Community Highway Safety					
Seatbelt CIOT	20.600	WI DOT	10663	4,670	-
Speed Grant	20.600	WI DOT	10563	1,835	-
Alcohol Enforcement	20.600	WI DOT	10584	20,593	-
Alcohol Enforcement	20.600	WI DOT	10582	61,215	-
Total Highway Safety Cluster				88,313	-
Total U.S. Department of Transportation				2,677,958	-
U.S. Department of Treasury					
COVID-19 Coronavirus State & Local Fiscal Recovery Funds					
	21.027	Direct	77611998-xxxx-xxxxx	1,594,522	-
Total U.S. Department of Treasury				1,594,522	-
Total federal awards				\$ 10,258,533	\$ 484,987

See notes to schedules of expenditures of federal and state awards

City of Beloit

Schedule of Expenditures of State Awards
 Year Ended December 31, 2023

State Agency/Pass-Through Agency/Program Title	State Number	Grant Number	Total Expenditures	Payments Made to Subrecipients
Wisconsin Department of Natural Resources				
Knowles-Nelson Stewardship Program - Development of Local Parks	370.TA1	SADLP6231399	\$ 49,436	\$ -
Knowles-Nelson Stewardship Program - Urban Rivers	370.TA1	URGP623171	49,436	-
Total State Number #370.TA1			98,872	-
Recycling Grants to Responsible Units	370.670	N/A	128,329	-
Recycling Consolidation Grant	370.673	N/A	9,013	-
Total Wisconsin Department of Natural Resources			236,214	-
Wisconsin Department of Transportation				
Transit Operating Aids				
2023 Paratransit Aids	395.175	85.205	27,392	-
2023 Operating Aids	395.176	25707410-436001	383,683	-
Total Transit Operating Aids			411,075	-
Transportation Facilities Economic Assistance and Development	395.260	84.185	182,889	-
Total Wisconsin Department of Transportation			593,964	-
Wisconsin Department of Administration				
Office of Justice Assistance				
Uniform Beat Patrol Officers	455.275	61622239-406001-10033	121,434	-
Total Wisconsin Department of Administration			121,434	-
Total state awards			\$ 951,612	\$ -

See notes to schedules of expenditures of federal and state awards

City of Beloit

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended December 31, 2023

1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the Schedules) includes the federal and state grant activity of the City of Beloit (the City) under programs of the federal and state government for the year ended December 31, 2023. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Because the Schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

The reporting entity for the City is based upon criteria established by the Governmental Accounting Standards Board. The City is the primary government according to GASB criteria, while the Beloit Community Development Authority (CDA) is a component unit. Federal and state awards received directly by the CDA are included in this report.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual; i.e., 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. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis; i.e., when the revenue has been earned and the liability is incurred.

3. Pass-Through Agencies

The following identifies the pass-through agency acronyms used on the schedule of expenditures of federal awards:

C/ Janesville	City of Janesville, Wisconsin
WI DOA	Wisconsin Department of Administration
WI DOT	Wisconsin Department of Transportation
WI DOJ	Wisconsin Department of Justice
IL DOT	Illinois Department of Transportation

4. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate.

City of Beloit

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended December 31, 2023

5. Pre-2023 Expenditures on Schedule of Expenditures of State Awards

The Transportation Facilities Economic Assistance and Development, State Number 395.260, was a major program for 2023. The 2023 Schedule of Expenditures of State Awards includes expenditures omitted in prior years for this program. This had no impact on major programs selected for testing and is not material to the statements.

City of Beloit

Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Section 1. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Noncompliance material to financial statements noted? yes X no

Federal and State Awards

	<u>Federal Programs</u>		<u>State Programs</u>	
Internal control over major programs:				
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no
Significant deficiencies identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> none reported	<u> </u> yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the <i>State Single Audit Guidelines</i> ?	<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no
Auditee qualified as low-risk auditee?	<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>		<u>\$250,000</u>	
Identification of major federal programs:				

Assistance Listing Numbers

Name of Federal Program or Cluster

	<u>CDBG - Entitlement Grants Cluster</u>
14.218	COVID-19 Community Development Block Grants/Entitlement Grants
14.218	Community Development Block Grants/Entitlement Grants
	<u>Housing Voucher Cluster</u>
14.871	Section 8 Housing Choice Vouchers
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

City of Beloit

Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Identification of major state programs:

<u>State Numbers</u>	<u>Name of State Program</u>
395.175/6	Transit Operating Aids
395.260	Transportation Facilities Economic Assistance and Development

Section 2. Financial Statement Findings Required to Be Reported in Accordance With Government Auditing Standards

Finding 2023-001: Internal Control Over Financial Reporting

Repeat of Prior Year Finding 2022-001

Criteria: According to Statement on Auditing Standards AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, sufficient internal controls should be in place that provide for the preparation of reliable financial statements that are fairly presented in conformity with generally accepted accounting principles. According to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), sufficient internal controls should be in place that provide for the preparation of the schedule of expenditures of federal and state awards.

Condition: The City's financial records contained material misstatements and the City did not prepare its annual financial statements in accordance with generally accepted accounting principles. The City prepared the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; however, material changes were proposed to the City during the audit process.

Cause: Due to staffing and financial limitations, the City chooses to contract with the auditors to assist with some year-end audit entries, prepare the annual financial statements, and assist with the schedule of expenditures of federal and state awards.

Effect: Complete and accurate financial statements and the schedule of expenditures of federal and state awards are not available until the conclusion of the audit.

Recommendation: We recommend the City evaluate if additional procedures are practical at this time to eliminate material adjustments proposed by the auditor and to increase the City's involvement in the financial reporting process.

Management's Response: Most entries are prepared by City staff. The Finance and Administrative Services Director and Director of Accounting and Purchasing review and approve the financial statements, disclosures and schedules prepared by our auditing firm utilizing a financial statement disclosure checklist. The Director of Accounting and Purchasing and Senior Accountant have also made changes by conducting monthly reconciliations for payables and major receivables, and monthly reconciliations for cash.

Finding 2023-002: Internal Control Environment

Repeat of Prior Year Finding 2022-002

Criteria: According to Statement on Auditing Standards AU-C Section 315, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, sufficient internal accounting controls should be in place that mitigate the risk of material misstatement in the financial records due to fraud or error.

Condition: We identified key controls that ideally should be present or strengthened in order to mitigate the risk of material misstatement in relation to the City's significant transaction cycles as follows:

Controls Over Capital Assets

1. Capital assets and the related accumulated depreciation do not materially reconcile from the City's Fixed Asset System to the financial statements. Also, material capital asset additions were identified during our testing that were not identified by the City.

Cause: The City does not have the resources required to adequately segregate all accounting functions at all times. The City's internal control system does not require the above controls to be in place.

Effect: Due to the lack of certain controls, there is a risk that material misstatements (intentional and unintentional) may go undetected in the City's financial records.

Recommendation: We recommend that the City consider the benefits of implementing additional policies and procedures to address key controls related to its significant transaction cycles, as noted above.

Management's Response: During 2024, the Accounting Director will reconcile the capital assets and accumulated depreciation from the Munis Fixed Asset System to the financial statements and make the appropriate adjustments as needed. The City will also put a process in place to help capture all capital asset additions during the year.

Section 3. Federal and State Awards Findings and Questioned Costs

None reported.

City of Beloit

Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Section 4. Other Issues

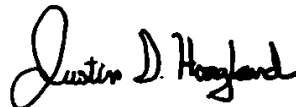
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? yes no

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Transportation	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Natural Resources	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Administration	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Was a Management Letter or other document conveying audit comments issued as a result of this audit? yes no

Name and signature of partner



Justin D. Hoagland, CPA, Principal

Date of report

June 12, 2024