

Off-Track Betting Special Projects Fund

Mission Statement

It is the mission of the Off-Track Betting (OTB) Fund to finance projects from off-track betting receipts, as determined by the Mayor and Council.

Primary Functions → The primary function of the OTB Fund is to account for OTB revenues and to allocate those revenues for special projects.

Fund Highlights → The State Legislature approved a horse racing bill in December 1986 that included a provision for race tracks to operate off-track betting parlors in Illinois. A facility was opened in Rockford on November 18, 1987. The City and the County each receives one percent of the handle.

The City utilizes receipts for financing nonrecurring projects, the Rockford arts and property tax relief. Past undertakings have included property tax relief, contribution to the arts, certain road projects and fire station construction.

As part of its City Hall renovation project, the City has issued three General Obligation Certificate issues (1990 - \$1,355,000; 1991 - \$4,000,000; and 1992 - \$5,050,000) totaling \$10,405,000. Debt service, 1990-2008, is scheduled to be derived from four revenue streams: the East Side TIF District, off-track betting income, redevelopment sales taxes and existing property taxes.

Budget Summary

OTB PROJECTS BUDGET SUMMARY					
APPROPRIATION	2003 <u>ACTUAL</u>	2004 <u>BUDGET</u>	2004 <u>ACTUAL</u>	2005 <u>BUDGET</u>	INCREASE (DECREASE)
DEBT SERVICE	\$93,041	\$280,085	\$280,085	\$269,298	(\$10,787)
ARTS	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
TOTAL	<u>\$168,041</u>	<u>\$355,085</u>	<u>\$355,085</u>	<u>\$344,298</u>	<u>(\$10,787)</u>
FUNDING SOURCE	2004 <u>AMOUNT</u>		2004 <u>PERCENTAGE</u>	2005 <u>AMOUNT</u>	2005 <u>PERCENTAGE</u>
OTB RECEIPTS	\$225,000		100.0	\$180,000	100.0
OTB ADMISSION FEE	0		0.0	0	0.0
INTEREST INCOME	<u>0</u>		<u>0.0</u>	<u>0</u>	<u>0.0</u>
TOTAL	<u>\$225,000</u>		<u>100.0</u>	<u>\$180,000</u>	<u>100.0</u>

Budget Analysis

2003 and 2004 income, budgeted at \$225,000 and \$180,000, were \$193,985 (86.2%) and \$176,082 (97.8%) respectively. The 2005 budget estimate of \$180,000 is based on the 2004 fall estimate with no growth for an estimated 360 days of operation. 2005 debt service for the City Hall renovation project will total \$269,298. The only additional expense will be the \$75,000 arts contribution.

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Five Year Financial Forecast

The 2006-2010 five year forecast assumes marginal revenue growth and expenditure of revenue for the arts and debt service. With debt service completed in 2007, the fund's deficit should be eliminated by 2019.

OTB SPECIAL PROJECTS FUND 2006-2010 FINANCIAL FORECAST (IN 000'S)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues	\$180	\$180	\$180	\$180	\$180
Expenditures	478	529	75	75	75
Excess (Deficit)	<u>(298)</u>	<u>(349)</u>	105	105	105
Beginning Balance	<u>(239)</u>	<u>(537)</u>	<u>(885)</u>	<u>(780)</u>	<u>(675)</u>
Ending Balance	<u>(\$537)</u>	<u>(\$885)</u>	<u>(\$780)</u>	<u>(\$675)</u>	<u>(\$570)</u>