

**VILLAGE OF BELLEVILLE**

Belleville, Wisconsin

FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2012

# VILLAGE OF BELLEVILLE

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## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Belleville  
Belleville, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Belleville, Wisconsin, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Village of Belleville's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

The prior year enterprise fund comparative information has been derived from the village's 2011 financial statements and, in our report dated March 12, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

To the Village Board  
Village of Belleville

***Basis for Qualified Opinion on the Governmental Activities Information***

The financial statements do not include the financial data for the village's equity interest in the joint venture of the fire and emergency medical association as discussed in Note V.D. to the financial statements. Accounting principles generally accepted in the United States of America require the financial data for the equity interest in joint ventures to be reported in the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

***Qualified Opinion***

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on the Governmental Activities Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities information of the Village of Belleville, Wisconsin, as of December 31, 2012, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Belleville, Wisconsin, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1, the Village of Belleville adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinion is not modified with respect to this matter.

***Other Matters***

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

To the Village Board  
Village of Belleville

***Other Matters*** (cont.)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Belleville's basic financial statements. The detailed general fund budget to actual schedules and the combining financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the detailed general fund budget to actual schedules and the combining financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
March 13, 2013

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## (UNAUDITED)

As management of the Village of Belleville, our discussion and analysis of the financial performance provides a narrative overview of the village's financial activities for the fiscal year that ended on December 31, 2012. We encourage readers to consider the information presented here in conjunction with the village's financial statements following this section.

### FINANCIAL HIGHLIGHTS

- ❖ The Village of Belleville's combined net position decreased .87%, between fiscal years 2011 and 2012 to \$15,115,244. The 2012 governmental net position decreased 4.97% primarily because of a decrease in capital grants and contributions in the current year. The business-type activities remained consistent with the previous year increasing .25%.
- ❖ The village's 2012 revenues total \$3,936,843, expenses total \$4,069,043, and net transfers in total \$15,989 resulting in a decrease in net assets of .87%.
- ❖ The village had capital assets of \$8,678,436 in the governmental activities and \$17,583,360 in the business-type activities for a total of \$26,261,796 at the end of 2012. The largest investment in capital assets was infrastructure, including streets and storm sewer, sewer mains, sewer laterals, water mains, water laterals and hydrants. Of the total Village of Belleville capital assets, the governmental activities account for 33% and the business-type activities total 67%. The business-type activities represent the water utility with 26% of the business-type capital assets; the sewer utility having 61%; and the new stormwater utility having 13% of the business-type capital assets. The proportion of assets is close to the previous year's.
- ❖ The debt limit as of December 31, 2012 was \$8,926,890. Total general obligation debt outstanding at year end was \$7,010,170, which represents approximately 79% of the allowable debt limit. The remaining allowable debt is \$1,916,720.
- ❖ The governmental funds reported a combined fund balance of \$575,763, which was \$361,664 less than the previous year. The combined governmental funds ending fund balance includes \$882,637 in nonspendable and restricted funds, which includes \$215,086 restricted for debt service and \$172,906 restricted for the lake fund. The decline is primarily attributable to deficit fund balances in nonmajor funds: waste management (\$77,186), TIF No. 3 (\$222,947), and other capital projects (\$181,246).
- ❖ The general fund actual revenues exceeded budgeted revenues by \$50,845, or 4% of the amended budget. Actual general fund expenditures, not including transfers, were \$34,976 more than the amended budget. In January 2012, the village board approved fund carryovers from 2011 to 2012 in the amount of \$52,738, primarily for police uniforms and training, major elevator repair at the Belleville Public Library, public building renovations, and park improvements.

- ❖ Water utility charges for services increased from \$312,953 in 2011 to \$326,419 in 2012. The sewer utility charges for services increased from \$768,846 in 2011 to \$796,750 in 2012. Water rates have remained the same since October 2010. Rates for sewer increased 6% between 2010 and 2012. Stormwater charges for services were received in the amount of \$105,327. Total operating expenses of the water and sewer utility decreased from \$957,087 in 2011 to \$925,222 in 2012, due primarily to depreciation on recent plant additions. Total non-operating expenses net of non-operating revenues decreased by \$15,085, primarily due to a decrease in interest expense. Capital contributions decreased from \$572,181 in 2011 to \$776 in 2012. Together, these changes resulted in an increase in net position of \$48,231, or .5%. Stormwater Utility operating expenses totaled \$66,077. The net position of the stormwater utility increased by \$78,612 to \$2,224,856 because of contributed capital assets of \$39,250 from governmental activities along with operating income of \$39,250.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual financial report consists of four parts:

1. *The Management's Discussion and Analysis* provides a brief discussion of the basic financial statements, annual comparisons of the government-wide financial statements, and analysis of government's overall financial position.
2. *Basic Financial Statements*:
  - ❖ *Government-wide Financial Statements* provide both long-term and short-term information about the village's overall financial status.
  - ❖ *Fund Financial Statements* focus on the individual parts of village government and report the village's operations in more detail than the government-wide statements.
  - ❖ *Notes to the Financial Statements* explain some of the information in the financial statements and provide more detailed data.
3. *Required Supplementary Information* further explains and support the information in the financial statements.
4. *Supplementary Information* provides detailed budgetary comparison schedules and combines details about the non-major governmental funds.

The Village of Belleville made the decision to implement the following Governmental Accounting Standards Board Statement effective January 1, 2012:

GASB 63: Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

## Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Belleville's finances. The statements distinguish between governmental and business type activities.

*Governmental activities* include the village's basic services, such as general government (administration, court, attorneys, assessing, insurance, buildings), public safety (police, fire, EMS, building inspections), public works, and leisure activities (parks, senior citizens), conservation and development (zoning), and public service enterprises (cemetery), are financed through taxes and intergovernmental revenues.

*Business-type activities* include the water and sewer utility and stormwater utility and are financed by fees charged to cover the costs of services they provide.

The *Statement of Net Position* presents information on all of the Village of Belleville's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the village is improving or deteriorating. To assess the overall health of the village you need to consider additional non-financial factors such as changes in the property tax base, economy, and rate of growth. (The Statement of Net Position can be found on Page 1 of this report.)

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The statement shows the degree to which the direct expenses of a function are offset by program revenues. (The Statement of Activities can be found on Page 2 and 3 of this report.)

## 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 Village of Belleville, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements.

All of the funds within the village can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*. The governmental and proprietary categories are organized as major funds or non-major funds, with an emphasis placed on major funds, as the GASB standards require. A fund is considered major if it is a primary operating fund of the village or meets certain defined criteria.

*Governmental Funds* – Most of the village's basic services are included in governmental funds which focus on how cash, and other financial assets that can be converted to cash, flow in and out, along with the balances left at the end of the year that are available for spending. The governmental fund financial statements tell how general government services were funded as well as what future spending remains. Because fund financial statements do not include the additional long-term focus of government-wide statements, additional information is provided at the bottom of the governmental fund financial statements explaining the difference between them. The Village of Belleville maintains ten individual governmental funds, four of which are reported as major governmental funds. (The governmental funds financial statements can be found on pages 4-5 and 7-8 of this report.)

- ❖ General Fund - Accounts for the village's primary operating activities and is used to account for all financial resources, except those required to be accounted for in another fund.
- ❖ Debt Service Fund - Accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise fund debt.
- ❖ Lake Restoration Fund - Accounts for proceeds from long-term borrowing and other resources to be used for lake restoration projects along with the expenditures for the project.
- ❖ Library Fund – Accounts for resources legally restricted to supporting expenditures for the library.

The remaining six funds are classified as non-major governmental funds:

- ❖ Waste Management
- ❖ Cemetery
- ❖ Tax Incremental District No. 3
- ❖ Tax Incremental District No. 4
- ❖ Tax Incremental District No. 5
- ❖ Other Capital Projects

*Proprietary Funds* – Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Belleville uses an enterprise fund to account for the Municipal Water and Sewer Utility and Stormwater Utility. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Municipal Water and Sewer Utility and Stormwater Utility which are considered to be major funds of the village. (The proprietary fund financial statements can be found on pages 10-17 of this report.)

*Fiduciary Funds* – Agency funds are used to account for assets held by the village in a trustee capacity. The village is the trustee, or fiduciary for collection of all property taxes within the village for all taxing districts, including the Belleville School District and Madison Area Technical College, State and County. (The fiduciary fund financial statement can be found on page 18 of this report.)

#### Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. (The Notes to Financial Statements can be found on pages 22-56 of this report.)

#### Supplemental Information

In addition to the basic financial statements and accompanying notes, required supplementary information presents a budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds are presented immediately following the required supplementary information. (Individual fund statements and schedules can be found on pages 57-58 of this report.)

## FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position: The Village of Belleville's combined net position decreased, .87%, between fiscal years 2011 and 2012 to \$15,115,244. The 2012 governmental net assets decreased 4.97% primarily because of a decrease in capital grants and contributions in the current year. The business-type activities remained consistent with prior year increasing .25%.

Village of Belleville's 2012 Net Position						
	Governmental Activities		Business-Type Activities		Total Activities	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	3,868,587	4,455,569	1,321,128	1,477,046	5,189,715	5,932,615
Capital Assets	<u>8,678,436</u>	<u>8,652,576</u>	<u>17,583,360</u>	<u>17,922,483</u>	<u>26,261,796</u>	<u>26,575,059</u>
<b>Total Assets</b>	12,547,023	<b>13,108,145</b>	18,904,488	<b>19,399,529</b>	31,451,511	<b>32,507,674</b>
Long-Term Liabilities (Debt)	7,463,702	7,645,517	6,849,429	7,382,459	14,313,131	15,027,976
Other Liabilities	<u>1,973,829</u>	<u>2,190,555</u>	<u>49,307</u>	<u>41,699</u>	<u>2,023,136</u>	<u>2,232,254</u>
<b>Total Liabilities</b>	9,437,531	<b>9,836,072</b>	6,898,736	<b>7,424,158</b>	16,336,267	<b>17,260,230</b>
Net Position						
Net investment in capital assets	5,456,744	5,277,232	10,754,642	10,565,402	12,187,686*	11,849,869*
Restricted	1,441,040	1,634,206	568,202	464,499	2,009,242	2,098,705
Unrestricted	<u>(3,788,292)</u>	<u>(3,639,365)</u>	<u>682,908</u>	<u>945,470</u>	<u>918,316*</u>	<u>1,298,870*</u>
<b>Total Net Position</b>	<b>3,109,492</b>	<b>3,272,073</b>	<b>12,005,752</b>	<b>11,975,371</b>	<b>15,115,244</b>	<b>15,247,444</b>
Net Position 1/1/2012	<u>3,272,073</u>	<u>4,887,998</u>	<u>11,975,371</u>	<u>9,394,032</u>	<u>15,247,444</u>	<u>14,282,030</u>
<b>CHANGE IN NET POSITION</b>	<b>(162,581)</b>	<b>(1,615,925)</b>	<b>30,381</b>	<b>2,581,339</b>	<b>(132,200)</b>	<b>965,414</b>
<b>PERCENTAGE CHANGE IN NET POSITION</b>	<b>-4.97%</b>	<b>-33.06%</b>	<b>0.25%</b>	<b>27.48%</b>	<b>-0.87%</b>	<b>6.80%</b>

\*Adjusted for capital assets owned by business-type activities but financed by governmental activities.

Change in Net Position: The village's 2012 revenues total \$3,936,843 and expenses total \$4,069,043, resulting in a decrease in net position of \$132,200 or .87%.

## Change in Village of Belleville's 2012 Net Position

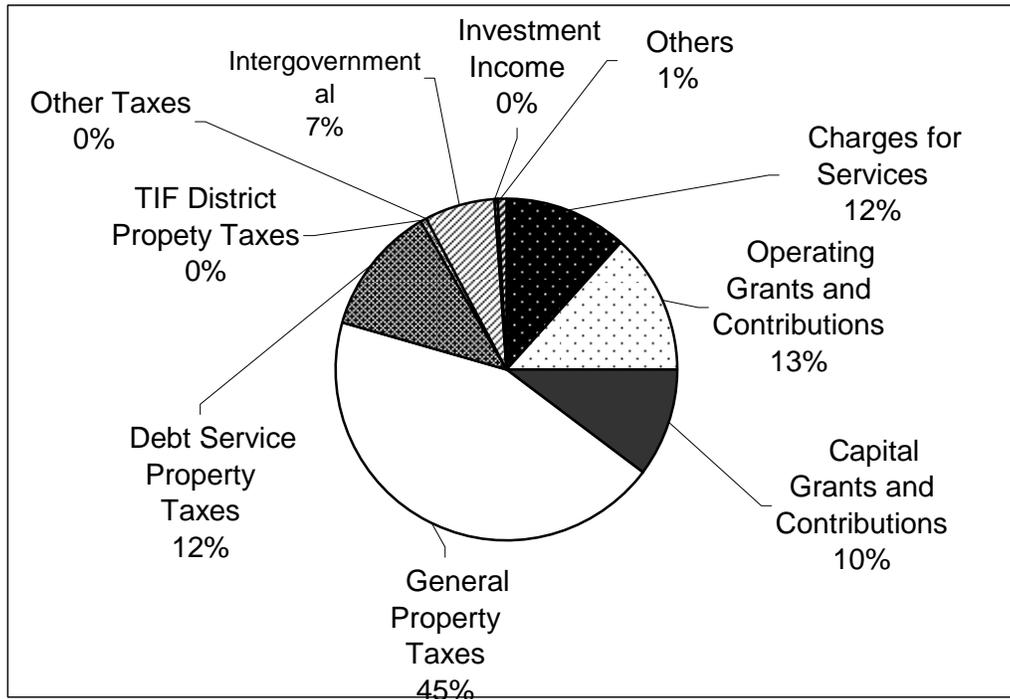
	Governmental Activities		Business-Type Activities		Total Activities	
	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>						
<b>Program Revenues</b>						
Charges for Services	314,534	214,569	1,228,496	1,099,080	1,543,030	1,313,649
Operating Grants and Contributions	362,250	366,197			362,250	366,197
Capital Grants and Contributions	279,716	1,158,605	776	786,607	280,492	1,945,212
<b>General Revenues</b>						
General Property Taxes	1,190,205	1,168,423			1,190,205	1,168,423
Debt Service Property Taxes	334,763	298,384			334,763	298,384
TIF District Property Taxes	11,323	5,354			11,323	5,354
Other Taxes	2,598	422			2,598	422
Intergovernmental	180,481	222,333			180,481	222,333
Investment Income	4,219	6,357	3,479	3,626	7,698	9,983
Others	24,003	53,002			24,003	53,002
<b>Total Revenues</b>	<b>2,704,092</b>	<b>3,493,646</b>	<b>1,232,751</b>	<b>1,889,313</b>	<b>3,936,843</b>	<b>5,382,959</b>
<b>EXPENSES</b>						
General Government	409,385	389,191			409,385	389,191
Public Safety	580,539	636,925			580,539	636,925
Public Works	699,491	907,146			699,491	907,146
Leisure Activities	633,738	403,512			633,738	403,512
Conservation and Development	203,509	415,140			203,509	415,140
Public Service Enterprises	14,849	18,020			14,849	18,020
Interest and Fiscal Charges	341,151	428,087			341,151	428,087
Water			250,252	269,447	250,252	269,447
Sewer			870,052	897,976	870,052	897,976
Stormwater			66,077	52,101	66,077	52,101
<b>Total Expenses</b>	<b>2,882,662</b>	<b>3,198,021</b>	<b>1,186,381</b>	<b>1,219,524</b>	<b>4,069,043</b>	<b>4,417,545</b>
Increase in Net Position Before Transfer	-178,570	295,625	46,370	669,789	-132,200	965,414
Transfers	<u>15,989</u>	<u>1,911,550</u>	<u>-15,989</u>	<u>1,911,550</u>	<u>0</u>	<u>0</u>
		-				
Change in Net Position	-162,581	1,615,925	30,381	2,581,339	-132,200	965,414
<b>ENDING NET POSITION</b>	<b>3,109,492</b>	<b>3,272,073</b>	<b>12,005,752</b>	<b>11,975,371</b>	<b>15,115,244</b>	<b>15,247,444</b>

*Governmental Activities:*

**Revenues** for the village's governmental activities total \$2,704,092, with the property taxes being the largest revenue source for governmental activities, accounting for 57% of total revenues. This is an increase of 4% from the previous year.

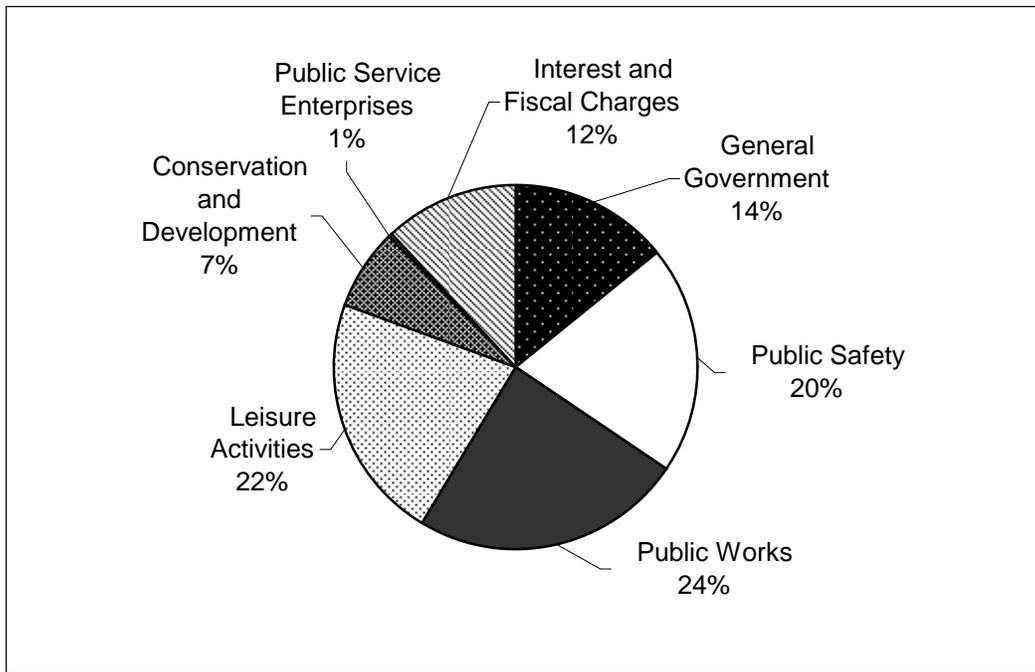
Taxes have been broken out into four categories: debt service property taxes (12%), general property taxes (45%), TIF district property taxes and other taxes which are each less than 1% of total revenues. The tax collected for debt service property taxes, which is 12% of total revenues, were collected to pay for the principal and interest due in 2012. Charges for services contribute 12% total revenues, along with operating grants contributing 13% of the total revenues, and capital grants and contributions contributing 10% of the total revenues.

Governmental Activity Revenues for 2012



**Expenditures** for the village’s governmental activities total \$2,882,662. Public safety and general government activities each account for 20% and 14%, respectively. Public safety includes police, fire, EMS, and building inspections. Public works services account for approximately 24% of total expenditures for 2012; this is a slight decrease from the previous year’s allocations but more public works staff time was allocated to leisure services and parks.

### Governmental Activity Expense for 2012



### Village of Belleville’s Capital Assets

In the government-wide financial statement, fixed assets are accounted for as capital assets. Capital assets are defined as assets with an initial cost of more than \$5,000 for general assets and \$15,000 for infrastructure assets.

The village had capital assets of \$8,678,436 in the governmental activities and \$17,583,360 in the business-type activities for a total of \$26,261,796 at the end of 2012. Of the total Capital Assets, the governmental activities account for 33% and the business-type activities total 67%. The business-type activities represent the water utility with 26% of the business-type capital assets; the sewer utility having 61%; and stormwater having 13% of the business-type capital assets.

<b><u>Business-Type Activities</u></b>		
<b><u>Water</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Land and Land Rights	14,023	14,023
Land Held for Future Use	30,000	30,000
Construction Work in Process	96,635	96,635
Source of Supply	8,057	8,057
Pumping	99,123	99,123
Water Treatment	2,924	2,924
Transmission & Distribution	5,180,103	5,136,270
General	38,174	38,174
Less: Accumulated Depreciation	<u>(816,296)</u>	<u>(706,975)</u>
<b>Net Assets Water Utility Plant</b>	<b>4,652,743</b>	<b>4,718,231</b>
<b><u>Sewer</u></b>		
Land and Land Rights	30,150	30,150
Construction Work in Process	7,855	7,855
Collection System	4,077,092	4,065,139
Collection System Pumping	460,332	460,332
Treatment and Disposal	8,746,088	8,746,088
General	256,921	256,921
Less: Accumulated Depreciation	<u>(2,919,619)</u>	<u>(2,501,968)</u>
<b>Net Assets Sewer Utility Plant</b>	<b>10,658,819</b>	<b>11,064,517</b>
<b><u>Stormwater</u></b>		
Total Capital Assets Depreciated	2,628,243	2,479,767
Less: Accumulated Depreciation	<u>(356,445)</u>	<u>(340,032)</u>
<b>Net Stormwater Plant</b>	<b>2,271,798</b>	<b>2,139,735</b>
<b>TOTAL UTILITY CAPITAL ASSETS</b>	<b>17,583,360</b>	<b>17,922,483</b>

<b>Governmental Activities</b>				
	2012	<u>Accumulated</u> <u>Depreciation</u>	2012	Net 2011
Land	227,620		227,620	184,270
Infrastructure Land	1,849,236		1,849,236	1,849,236
Construction in Progress	0		0	0
Buildings and Improvements	3,165,512	(600,933)	2,564,579	2,685,430
Equipment	664,445	(403,909)	260,536	313,734
Streets	4,831,052	(1,596,512)	3,234,540	3,328,906
Sidewalks	537,591	(257,343)	280,248	291,000
Bridges	267,017	(5,340)	261,677	0
<b>Capital Assets, Net of Depreciation</b>	<b>11,542,473</b>	<b>(2,864,037)</b>	<b>8,678,436</b>	<b>8,652,576</b>

## Debt Activity

### Long-term Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds payable by the governmental funds will be retired by future property tax levies or tax increments (TID) accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds. In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed five percent of the equalized value of taxable property within the village's jurisdiction.

The debt limit as of December 31, 2012 was \$8,926,890 Total general obligation debt outstanding at year end was \$7,010,170, which represents approximately 79% of the allowable debt limit. This is a 2% increase from last year, as the decline in equalized value on which the limit is based affects the ratio. The remaining allowable debt is \$1,916,720.

## Comparison of Outstanding Debt by Activity

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Activities</b>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General Obligation Bonds and Notes	\$6,360,548	\$6,529,725	\$649,622	\$726,251	\$7,010,170	\$7,255,976
Special Assess B- Bond	\$1,090,000	\$1,090,000			\$1,090,000	\$1,090,000
Bond Anticipation Notes	\$0	\$0			\$0	\$0
Revenue Bond		0	6,199,807	6,656,208	6,199,807	6,656,208
<b>Total Outstanding</b>	<b>\$7,450,548</b>	<b>\$7,619,725</b>	<b>\$6,849,429</b>	<b>\$7,382,459</b>	<b>\$14,299,977</b>	<b>\$15,002,184</b>

The total outstanding general obligation debt of \$7,010,170 responsibilities are as follows:

Village	\$ 6,360,548
Utility	\$ 649,622

The village has approved the issuance of an Industrial Revenue Bond (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. The bonds are not reported as liabilities in the financial statements. The total amount of the IRB's outstanding balance at the end of the year is approximately \$256,277 made up of one issue for Belleville Land LLC.

### **Current Portion of Outstanding Debt by Activity**

	<u>Governmental</u>	<u>Business-type</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds and Notes	\$ 6,360,548	\$ 649,622	\$ 385,000
Special Assess B- Bond	\$ 1,090,000		\$ 105,000
Revenue Bond		\$ 6,199,807	\$ 468,658
<b>Totals</b>	<b>\$ 7,450,548</b>	<b>\$ 6,849,429</b>	<b>\$ 958,658</b>

## **FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

As the village completes this year, its governmental funds reported a combined fund balance of \$575,763, which was \$361,664 less than the previous year.

The combined governmental funds ending fund balance of includes \$882,637 in nonspendable and restricted funds, which includes \$215,086 restricted for debt service and \$172,906 restricted for the lake fund.

The individual fund balances are as follows:

### **General Fund**

The general fund has experienced a significant shift in fund balance from unassigned to nonspendable in the last five years. The general fund balance decreased by \$49,214 to \$548,855. The general fund has an unassigned fund balance of \$100,258. The general fund unassigned fund's balance represents 7% of the actual general expenditures (which were \$1,432,253) in 2012.

## Lake Restoration

The Lake Restoration Fund balance decreased 24.5% in 2012, as Lake Belle View Restoration projects completed construction in 2012. Collection of up to one million was collected each year for the lake project which was started in 1998, and had been continued through 2009. Currently the Lake Restoration Fund has a fund balance of \$172,906. A G.O. borrowing of \$1.495 million was completed in 2010, of which \$1.033 million was designated for dam repairs and lake construction. The fundraising effort with Madison Community Foundation have resulted in additional \$521,735 in donations received since 2010 to cover additional lake, river and park improvements. There are additional donation pledges receivable that are anticipated to be recognized in the next two years. Lake/island habitat restoration, as required by permit, will be ongoing for the next few years. Total cash and in-kind contributions via Madison Community Foundation through December 31<sup>st</sup> were \$571,941.

## Other

The other funds are a grouping of non major governmental funds and is made up of the waste management, cemetery, TIF No. 3, TIF No. 4, and TIF No. 5. The total non-major fund balance (deficit) is \$(460,475). The major reasons for the decrease in fund balance of \$258,513 was due to administration and TIF district establishment costs, and capital projects as discussed above.

## TIF District Funds

In 2009, three TIF funds were created:

- **TIF #3** was created to serve the Far West Side Development. Most of the capital funds borrowed are for infrastructure improvements to serve this new development. A G.O. bond of \$2.365 million was taken out in 2009 to cover costs specifically within this district. The fund balance (deficit) at the end of 2012 for TIF #3 was (\$222,947), as significant capital improvements including a sanitary sewer interceptor, power, and road improvements were installed to serve the new Far West Side Development. Water tower and additional road improvements have yet to be completed according to plans. The base value of the district increased by \$3,005,300 in 2012, generating \$71,342 in TIF increment. After debt obligations to the developers are satisfied, excess increment funds may be applied to offset the Village's TIF project costs in future years.
- **TIF #4** was created to encourage industrial/commercial development. The fund balance (deficit) at the end of 2012 was \$(14,861), reflecting administration and district establishment costs. The Village has approved a project plan for Landmark Services to expand grain storage facilities. Upon completion of that project, the Village would issue a municipal revenue obligation to the developer for \$377,500. Construction plans have not yet been submitted.
- **TIF #5** was created to encourage redevelopment and blight elimination in the downtown Main Street and old railroad/Badger State Trail corridors. The fund balance (deficit) at the end of 2012 was \$(16,127), reflecting administration and district establishment costs. No projects as of yet have been approved for this district.

## **Capital Projects**

The other capital projects fund balance was (\$181,246) in 2012. The Village Board has approved a promissory note of \$190,000 in 2013 to eliminate the deficit. The deficit was primarily created by capital purchases of radios for the Fire Department, Old Library restoration, and Lake Belle View habitat restoration.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgets are adopted at the department level of expenditures. Budgets are adopted for the general fund, debt service fund, other capital projects fund, and special revenue funds (waste management, library, cemetery), as required by Wisconsin Statute 65.90. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes in the overall budget must be approved by a two-thirds board action.

The general fund actual expenditures excluding transfers out were over final budgeted expenditures by \$34,976, or 2% of the amended budget. Significant departmental expenditure changes were as follows:

- 1) General government (clerk's) +\$26,203: Due to staff changes and increased attorney expenditures for police union and unanticipated personnel issues.
- 2) Public works/engineering +\$18,654: Due to increased engineering services
- 3) Police/public safety - \$60,722 under expenditure budget: Due primarily to staff turnover; some of these funds were subsequently carried over for major department facility and equipment upgrades.
- 4) Leisure +\$53,352 – Due primarily to major facility ADA renovations and repairs at the public library (much of which was offset by a CDBG grant).

Actual revenues received were \$16,673 more than the budgeted amount. This primarily results from grant revenues received from a Dane County CDBG grant toward building ADA-renovations as just mentioned.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Village of Belleville is strategically located a short distance from Madison, which, has started the process of turning the community into a bedroom community. Belleville has been seeing fast residential growth because of the short commute and people wanting the “small town” way of life.

The village board reviews the future impacts of current budget years in order to try to alleviate impacts of future revenue losses, or large planned project costs. Levy restraints limiting levy increases were still in effect for the 2012 budgeting year (2011 tax year). Due to the growth in and new construction during 2011, the village was able to increase its levy by 3.67%, but kept its actual levy increase to .44%. The village's mil rate for Dane County residents increased from \$8.17 in 2011 tax year to \$8.20. Green County residents' rate increased as well, from \$8.02 to \$8.06.

The levy for capital projects increased from \$76,603 in 2012 to \$90,000. Debt service payments required continued their upward trend to \$340,891 (net of refunding transactions), a 1.83% increase from the previous year. These payments reflected the large borrowings ongoing since 2008 for infrastructure improvements made within the Village and the Far West Side Development and Lake Belle View reconstruction.

Reflecting a general statewide trend, state shared revenues increased modestly by 1%. Equalized value is \$178,537,800, which is down in both counties; -7% in Green County and -4% in Dane County. Net new construction increased only 1.76% in both counties overall. Financial Management Plan updates were completed in late 2009 with Ehlers & Associates to prepare for the slowing economy, increased infrastructure spending, utility fund challenges and status changes.

## **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Village of Belleville's finances for all those with an interest in the government's finances and to demonstrate the village's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Belleville, Village Administrator/Clerk/Treasurer, P.O. Box 79, Belleville, WI 53508.

# VILLAGE OF BELLEVILLE

## STATEMENT OF NET POSITION As of December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Community Development Authority
<b>ASSETS</b>				
Cash and investments	\$ 171,719	\$ 674,787	\$ 846,506	\$ 375,884
Receivables (net)				
Taxes	1,951,756	-	1,951,756	-
Other	322,039	131,139	453,178	-
Special assessments	985,000	-	985,000	-
Internal balances	111,707	(111,707)	-	-
Inventories and prepaid items	14,135	11,696	25,831	-
Other assets	125,594	20,711	146,305	-
Restricted cash and investments	186,637	594,502	781,139	-
Capital assets				
Land	227,620	74,173	301,793	-
Land improvements	1,849,236	-	1,849,236	-
Construction in progress	-	104,490	104,490	-
Less: Other capital assets, net of depreciation	<u>6,601,580</u>	<u>17,404,697</u>	<u>24,006,277</u>	<u>-</u>
Total Assets	<u>12,547,023</u>	<u>18,904,488</u>	<u>31,451,511</u>	<u>375,884</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	104,251	49,307	153,558	-
Deposits	31,158	-	31,158	-
Unearned revenue	1,838,420	-	1,838,420	-
Noncurrent liabilities				
Due within one year	417,472	554,340	971,812	-
Due in more than one year	<u>7,046,230</u>	<u>6,295,089</u>	<u>13,341,319</u>	<u>-</u>
Total Liabilities	<u>9,437,531</u>	<u>6,898,736</u>	<u>16,336,267</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,456,744	10,754,642	12,187,686	-
Restricted for				
Library activities	99,391	-	99,391	-
Lake restoration	342,941	-	342,941	-
Cemetery activities	51,892	-	51,892	-
Debt service	946,816	-	946,816	-
Equipment replacement	-	257,164	257,164	-
Bond redemption	-	311,038	311,038	-
Community development	-	-	-	375,884
Unrestricted (deficit)	<u>(3,788,292)</u>	<u>682,908</u>	<u>918,316</u>	<u>-</u>
<b>TOTAL NET POSITION</b>	<u>\$ 3,109,492</u>	<u>\$ 12,005,752</u>	<u>\$ 15,115,244</u>	<u>\$ 375,884</u>

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2012

<u>Functions/Programs</u>	Program Revenues			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government				
Governmental Activities				
General government	\$ 409,385	\$ 5,891	\$ 6,300	\$ -
Public safety	580,539	31,195	12,946	-
Public works	699,491	179,737	107,773	-
Leisure activities	633,738	11,826	120,906	53,133
Conservation and development	203,509	78,311	-	226,583
Public service enterprise	14,849	7,574	-	-
Interest and fiscal charges	<u>341,151</u>	<u>-</u>	<u>114,325</u>	<u>-</u>
Total Governmental Activities	<u>2,882,662</u>	<u>314,534</u>	<u>362,250</u>	<u>279,716</u>
Business-type Activities				
Water	250,252	326,419	-	-
Sewer	870,052	796,750	-	776
Stormwater	<u>66,077</u>	<u>105,327</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>1,186,381</u>	<u>1,228,496</u>	<u>-</u>	<u>776</u>
Total Primary Government	<u>\$ 4,069,043</u>	<u>\$ 1,543,030</u>	<u>\$ 362,250</u>	<u>\$ 280,492</u>
Component Unit				
Community Development Authority	<u>\$ 1,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for TIF districts				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
<b>Change in net position</b>				
NET POSITION - Beginning of Year				
<b>NET POSITION - END OF YEAR</b>				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Community Development Authority
\$ (397,194)	\$ -	\$ (397,194)	\$ -
(536,398)	-	(536,398)	-
(411,981)	-	(411,981)	-
(447,873)	-	(447,873)	-
101,385	-	101,385	-
(7,275)	-	(7,275)	-
<u>(226,826)</u>	<u>-</u>	<u>(226,826)</u>	<u>-</u>
<u>(1,926,162)</u>	<u>-</u>	<u>(1,926,162)</u>	<u>-</u>
-	76,167	76,167	-
-	(72,526)	(72,526)	-
-	<u>39,250</u>	<u>39,250</u>	-
-	<u>42,891</u>	<u>42,891</u>	-
<u>(1,926,162)</u>	<u>42,891</u>	<u>(1,883,271)</u>	<u>-</u>
-	-	-	(1,910)
1,190,205	-	1,190,205	-
334,763	-	334,763	-
11,323	-	11,323	-
2,598	-	2,598	-
180,481	-	180,481	-
4,219	3,479	7,698	1,712
24,003	-	24,003	-
<u>15,989</u>	<u>(15,989)</u>	<u>-</u>	<u>-</u>
<u>1,763,581</u>	<u>(12,510)</u>	<u>1,751,071</u>	<u>1,712</u>
(162,581)	30,381	(132,200)	(198)
<u>3,272,073</u>	<u>11,975,371</u>	<u>15,247,444</u>	<u>376,082</u>
<u>\$ 3,109,492</u>	<u>\$ 12,005,752</u>	<u>\$ 15,115,244</u>	<u>\$ 375,884</u>

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

## BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2012

	General	Library	Debt Service Fund	Lake Restoration
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 98,858	\$ 28,449	\$ 38,278
Receivables				
Taxes	889,981	215,560	481,796	4,000
Special assessments	-	-	985,000	-
Accounts	15,873	-	-	305,415
Due from other funds	239,663	-	-	-
Advances to other funds	383,681	-	-	-
Prepaid items	11,359	2,562	-	-
Restricted cash and investments	-	-	186,637	-
	<b><u>\$ 1,540,557</u></b>	<b><u>\$ 316,980</u></b>	<b><u>\$ 1,681,882</u></b>	<b><u>\$ 347,693</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	\$ 33,067	\$ 2,029	\$ -	\$ 752
Deposits	31,158	-	-	-
Due to other funds	45,832	-	-	-
Deferred revenues	881,645	215,560	1,466,796	174,035
Advances from other funds	-	-	-	-
Total Liabilities	<u>991,702</u>	<u>217,589</u>	<u>1,466,796</u>	<u>174,787</u>
Fund Balances				
Nonspendable	395,040	2,562	-	-
Restricted	-	96,829	215,086	172,906
Committed	53,557	-	-	-
Unassigned (deficit)	100,258	-	-	-
Total Fund Balances	<u>548,855</u>	<u>99,391</u>	<u>215,086</u>	<u>172,906</u>
	<b><u>\$ 1,540,557</u></b>	<b><u>\$ 316,980</u></b>	<b><u>\$ 1,681,882</u></b>	<b><u>\$ 347,693</u></b>

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 6,134	\$ 171,719
360,419	1,951,756
-	985,000
751	322,039
45,832	285,495
-	383,681
214	14,135
<u>-</u>	<u>186,637</u>
<u>\$ 413,350</u>	<u>\$ 4,300,462</u>

\$ 1,769	\$ 37,617
-	31,158
181,246	227,078
360,419	3,098,455
<u>330,391</u>	<u>330,391</u>
<u>873,825</u>	<u>3,724,699</u>

214	397,816
-	484,821
51,733	105,290
<u>(512,422)</u>	<u>(412,164)</u>
<u>(460,475)</u>	<u>575,763</u>

<u>\$ 413,350</u>	<u>\$ 4,300,462</u>
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## VILLAGE OF BELLEVILLE

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2012

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Total Fund Balances - Governmental Funds	\$ 575,763
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 IV. D.	8,678,436
Special assessments are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	985,000
Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	170,035
Special charges included in property taxes receivable are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	105,000
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A.	<u>(7,404,742)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 3,109,492</u></u></b>

See accompanying notes to financial statements.

## VILLAGE OF BELLEVILLE

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

	General	Library	Debt Service Fund	Lake Restoration
<b>REVENUES</b>				
Taxes	\$ 897,910	\$ 215,560	\$ 334,763	\$ -
Intergovernmental	341,782	77,402	114,325	115,030
Licenses and permits	16,368	-	-	-
Fines, forfeitures and penalties	19,680	-	-	-
Public charges for services	3,547	9,449	-	-
Investment income	3,299	-	-	-
Miscellaneous	45,808	2,878	-	210,381
Total Revenues	1,328,394	305,289	449,088	325,411
<b>EXPENDITURES</b>				
Current				
General government	396,146	947	-	-
Public safety	531,142	-	-	-
Public works	313,161	-	-	-
Leisure activities	184,995	272,921	-	-
Conservation and development	560	-	-	197,632
Public service enterprises	-	-	-	-
Capital Outlay	249	-	-	306,357
Debt Service				
Principal	-	-	1,879,177	-
Interest and fiscal charges	-	-	444,320	-
Total Expenditures	1,426,253	273,868	2,323,497	503,989
Excess (deficiency) of revenues over expenditures	(97,859)	31,421	(1,874,409)	(178,578)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issued	-	-	1,710,000	-
Transfers in	224,449	-	135,020	122,609
Transfers out	(175,804)	-	-	-
Total Other Financing Sources (Uses)	48,645	-	1,845,020	122,609
<b>Net Change in Fund Balances</b>	(49,214)	31,421	(29,389)	(55,969)
FUND BALANCES (DEFICIT) - Beginning of Year	598,069	67,970	244,475	228,875
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 548,855	\$ 99,391	\$ 215,086	\$ 172,906

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 91,394	\$ 1,539,627
54,967	703,506
-	16,368
-	19,680
261,040	274,036
249	3,548
<u>371</u>	<u>259,438</u>
<u>408,021</u>	<u>2,816,203</u>
-	397,093
3,000	534,142
178,608	491,769
-	457,916
-	198,192
13,645	13,645
219,986	526,592
-	1,879,177
<u>350</u>	<u>444,670</u>
<u>415,589</u>	<u>4,943,196</u>
<u>(7,568)</u>	<u>(2,126,993)</u>
-	1,710,000
6,684	488,762
<u>(257,629)</u>	<u>(433,433)</u>
<u>(250,945)</u>	<u>1,765,329</u>
(258,513)	(361,664)
<u>(201,962)</u>	<u>937,427</u>
<u>\$ (460,475)</u>	<u>\$ 575,763</u>

See accompanying notes to financial statements.

## VILLAGE OF BELLEVILLE

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2012

Net change in fund balances - total governmental funds \$ (361,664)

Amounts reported for governmental activities in the statement of net position 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 and reported as depreciation expense 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	526,592
Some items reported as capital outlay are transferred to the business-type activities	(39,340)
Some items reported as capital outlay are not capitalized in the government-wide statements	(176,885)
Depreciation is reported in the government-wide financial statements	(284,507)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Developer charges	(13,965)
Pledges receivable	(98,145)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(1,710,000)
Principal repaid	1,879,177

Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net position, these are deferred and reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Debt discount and issuance costs	41,800
Amortization	(8,088)

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	12,638
Accrued interest on debt	69,806

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (162,581)</u></b>
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# VILLAGE OF BELLEVILLE

STATEMENT OF NET POSITION  
PROPRIETARY FUND - WATER AND SEWER UTILITY  
As of December 31, 2012  
(With Comparative Totals for December 31, 2011)

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	Business-type Activities - Enterprise Fund	
	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current Assets		
Cash and investments	\$ 674,787	\$ 879,220
Restricted cash and investments	26,300	28,400
Accounts receivable	120,568	110,584
Inventories and prepayments	11,359	11,196
Unamortized debt issuance expenses	<u>20,711</u>	<u>25,378</u>
Total Current Assets	<u>853,725</u>	<u>1,054,778</u>
Noncurrent Assets		
Restricted Assets		
Equipment replacement	257,164	161,632
Bond redemption	311,038	302,867
Capital Assets		
Capital assets not being depreciated	178,663	178,663
Capital assets net of accumulated depreciation	<u>15,132,899</u>	<u>15,604,085</u>
Total Noncurrent Assets	<u>15,879,764</u>	<u>16,247,247</u>
Total Assets	<u>16,733,489</u>	<u>17,302,025</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Fund	
	2012	2011
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$ 13,896	\$ 7,645
Due to other funds	58,417	49,297
Accrued interest	4,551	5,097
Current portion of general obligation debt	85,682	76,629
Current portion of other long-term debt	468,658	456,401
Liabilities Payable from Restricted Assets		
Accrued interest payable	<u>26,300</u>	<u>28,400</u>
Total Current Liabilities	<u>657,504</u>	<u>623,469</u>
Noncurrent Liabilities		
Long-Term Debt		
General obligation debt payable	563,940	649,622
Revenue bonds payable	<u>5,731,149</u>	<u>6,199,807</u>
Total Noncurrent Liabilities	<u>6,295,089</u>	<u>6,849,429</u>
Total Liabilities	<u>6,952,593</u>	<u>7,472,898</u>
<b>NET POSITION</b>		
Net investments in capital assets	8,482,844	8,425,667
Restricted for		
Equipment replacement	257,164	161,632
Bond redemption	311,038	302,867
Unrestricted	<u>729,850</u>	<u>938,961</u>
<b>TOTAL NET POSITION</b>	<u>\$ 9,780,896</u>	<u>\$ 9,829,127</u>

See accompanying notes to financial statements.

## VILLAGE OF BELLEVILLE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUND - WATER AND SEWER UTILITY  
 For the Year Ended December 31, 2012  
 (With Comparative Totals for the Year Ended December 31, 2011)

	Business-type Activities - Enterprise Fund	
	2012	2011
<b>OPERATING REVENUES</b>		
Water service	\$ 326,419	\$ 312,953
Sewage service	796,750	768,846
Total Operating Revenues	1,123,169	1,081,799
<b>OPERATING EXPENSES</b>		
Water		
General administrative, operation and maintenance	111,632	131,347
Depreciation expense	102,866	99,927
Total Water	214,498	231,274
Sewer		
General administrative, operation and maintenance	292,065	308,437
Depreciation expense	418,659	417,376
Total Sewer	710,724	725,813
Total Operating Expenses	925,222	957,087
<b>OPERATING INCOME</b>		
Water	111,921	81,679
Sewer	86,026	43,033
Total Operating Income	197,947	124,712
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	3,457	3,626
Interest expense	(195,082)	(210,336)
Total Nonoperating Revenues (Expenses)	(191,625)	(206,710)
Income (Loss) Before Contributions and Transfers	6,322	(81,998)
<b>CONTRIBUTIONS AND TRANSFERS</b>		
Contributions in aid of construction	776	572,181
Transfers in	169,120	215,262
Transfers out	(224,449)	(270,350)
Total Contributions and Transfers	(54,553)	517,093
<b>Change in Net Position</b>	(48,231)	435,095
NET POSITION - Beginning of Year	9,829,127	9,394,032
<b>NET POSITION - END OF YEAR</b>	<b>\$ 9,780,896</b>	<b>\$ 9,829,127</b>

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND - WATER AND SEWER UTILITY  
 For the Year Ended December 31, 2012  
 (With Comparative Totals for the Year Ended December 31, 2011)

	Business-type Activities - Enterprise Fund	
	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 1,122,784	\$ 1,094,544
Paid to suppliers for goods and services	(294,059)	(322,017)
Paid to employees for services	(103,550)	(130,435)
Net Cash Flows From Operating Activities	725,175	642,092
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	3,457	3,626
Net Cash Flows From Investing Activities	3,457	3,626
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Paid to municipality for tax equivalent	(46,209)	(53,772)
Net Cash Flows From Noncapital Financing Activities	(46,209)	(53,772)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Debt retired	(533,030)	(513,357)
Interest paid	(193,061)	(208,166)
Connection fees received	776	4,854
Acquisition and construction of capital assets	(59,938)	(23,720)
Net Cash Flows From Capital and Related Financing Activities	(785,253)	(740,389)
<b>Net Change in Cash and Cash Equivalents</b>	(102,830)	(148,443)
CASH AND CASH EQUIVALENTS - Beginning of Year	1,372,119	1,520,562
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,269,289</b>	<b>\$ 1,372,119</b>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Fund	
	2012	2011
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 197,947	\$ 124,712
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities		
Depreciation	521,525	517,303
Depreciation charged to other funds	9,599	9,185
Changes in assets and liabilities		
Accounts receivable	(9,984)	3,560
Prepayments	(163)	143
Accounts payable and other liabilities	6,251	(12,811)
	<u>6,251</u>	<u>(12,811)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 725,175</u>	<u>\$ 642,092</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>		
Cash and investments - statement of net position	\$ 674,787	\$ 879,220
Restricted cash and investments - statement of net position	<u>594,502</u>	<u>492,899</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 1,269,289</u>	<u>\$ 1,372,119</u>

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

In 2011 \$567,327 of capital asset additions were contributed by developers and the municipality.

In 2012 and 2011, \$169,120 and \$215,262, respectively of surplus funds were transferred to the village and back to the utility to use for debt service.

**VILLAGE OF BELLEVILLE**

STATEMENT OF NET POSITION  
 PROPRIETARY FUND - STORMWATER UTILITY  
 As of December 31, 2012  
 (With Comparative Totals for December 31, 2011)

	Business-type Activities - Enterprise Funds	
	2012	2011
<b>ASSETS</b>		
Current Assets		
Accounts receivable	\$ 10,571	\$ 9,512
Inventories and prepayments	337	205
Total Current Assets	10,908	9,717
Noncurrent Assets		
Capital Assets		
Capital assets net of accumulated depreciation	2,271,798	2,139,735
Total Assets	2,282,706	2,149,452
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	4,560	558
Total Current Liabilities	4,560	558
Noncurrent Liabilities		
Advances from other funds	53,290	2,650
Total Noncurrent Liabilities	53,290	2,650
Total Liabilities	57,850	3,208
<b>NET POSITION</b>		
Net investment in capital assets	2,271,798	2,139,735
Unrestricted (deficit)	(46,942)	6,509
<b>TOTAL NET POSITION</b>	<b>\$ 2,224,856</b>	<b>\$ 2,146,244</b>

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUND - STORMWATER UTILITY

For the Year Ended December 31, 2012

(With Comparative Totals for the Year Ended December 31, 2011)

	Business-type Activities - Enterprise Funds	
	2012	2011
<b>OPERATING REVENUES</b>		
Stormwater service	\$ 105,327	\$ 17,281
<b>OPERATING EXPENSES</b>		
Stormwater		
General administrative, operation and maintenance	22,273	10,772
Depreciation expense	43,804	41,329
Total Operating Expenses	66,077	52,101
<b>OPERATING INCOME (LOSS)</b>	39,250	(34,820)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	22	-
Income (Loss) Before Contributions and Transfers	39,272	(34,820)
<b>CONTRIBUTIONS AND TRANSFERS</b>		
Contributions in aid of construction	39,340	214,426
Transfers in	-	1,966,638
Total Contributions and Transfers	39,340	2,181,064
<b>Change in Net Position</b>	78,612	2,146,244
NET POSITION - Beginning of Year	2,146,244	-
<b>NET POSITION - END OF YEAR</b>	\$ 2,224,856	\$ 2,146,244

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

## STATEMENT OF CASH FLOWS PROPRIETARY FUND - STORMWATER UTILITY For the Year Ended December 31, 2012

(With Comparative Totals for the Year Ended December 31, 2011)

	Business-type Activities - Enterprise Funds	
	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 104,268	\$ 7,769
Paid to suppliers for goods and services	1,042	(1,130)
Paid to employees for services	(19,445)	(6,639)
Net Cash Flows From Operating Activities	85,865	-
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Interfund advance received from municipality	50,640	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	22	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(136,527)	-
<b>Net Change in Cash and Cash Equivalents</b>	-	-
CASH AND CASH EQUIVALENTS - Beginning of Year	-	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ -	\$ -
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ 39,250	\$ (34,820)
Adjustments to Reconcile Operating Loss to Net Cash Flows		
From Operating Activities		
Depreciation	43,804	41,329
Changes in assets and liabilities		
Accounts receivable	(1,059)	(9,512)
Prepayments	(132)	(205)
Accounts payable	4,002	558
Advances from other funds	-	2,650
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ 85,865	\$ -

### NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

In 2012, \$39,340 of capital asset additions were contributed by the municipality.

In 2011, \$2,181,064 of capital asset additions were contributed or transferred by developers and the municipality.

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

## STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of December 31, 2012

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,948,559
Tax roll receivable	<u>1,037,227</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,985,786</u></b>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 2,985,786</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 2,985,786</u></b>

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

## STATEMENT OF NET POSITION COMPONENT UNIT As of December 31, 2012

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	Community Development Authority
<b>ASSETS</b>	
Cash and investments	<u>\$ 375,884</u>
<b>LIABILITIES</b>	
Total Liabilities	<u>-</u>
<b>NET POSITION</b>	
Restricted	<u>375,884</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 375,884</u></u>

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION COMPONENT UNIT

For the Year Ended December 31, 2012

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	<u>Community Development Authority</u>
<b>OPERATING EXPENSES</b>	
General government	\$ 1,910
Total Operating Expenses	<u>1,910</u>
 Operating Income (Loss)	 <u>(1,910)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	<u>1,712</u>
Total Nonoperating Revenues (Expenses)	<u>1,712</u>
 Income (Loss) Before Contributions and Transfers	 <u>(198)</u>
 <b>Change in net position</b>	  (198)
 NET POSITION - Beginning of Year	 <u>376,082</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 375,884</u>

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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The accounting policies of the Village of Belleville, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

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

This report includes all of the funds of the Village of Belleville. The reporting entity for the village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity 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 is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

#### ***Discretely Presented Component Unit***

##### *Belleville Community Development Authority*

The government-wide financial statements include the Belleville Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the village board. Wisconsin Statutes provide for circumstances whereby the village can impose its will on the CDA, and also create a potential financial benefit to or burden on the village. See Note IV.I. As a component unit, the CDA'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, 2012. The CDA does not issue separate financial statements.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

---

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

In June 2011, the GASB issued statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

The village made the decision to implement this standard effective January 1, 2012.

#### ***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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

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

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

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

---

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

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

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 village 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 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 village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and 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.

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Library special revenue fund - accounts for resources legally restricted to supporting expenditures for the library.
- Debt service fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Lake restoration capital projects fund - accounts for proceeds from long-term borrowing and other resources restricted for lake restoration projects.

The village reports the following major enterprise funds:

- Water and Sewer Utility fund - accounts for operations of the water and sewer systems
- Stormwater Utility fund - accounts for operations of the stormwater system

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

---

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

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

The village reports the following nonmajor governmental funds:

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

Waste Management  
Cemetery

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Incremental District (TID) No. 3  
Tax Incremental District (TID) No. 4

Tax Incremental District (TID) No. 5  
Other Capital Projects

In addition, the village reports the following fund types:

Agency funds are used to account for and report assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection  
Fire and EMS District

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

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

---

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

##### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village 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 revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

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 deferred revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

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.

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

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

---

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utility and stormwater utility 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

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

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

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

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

# VILLAGE OF BELLEVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

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

- 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.

The village has adopted an investment policy. That policy follows the state statute for allowable investments, and does not address the risks disclosed in Note IV A.

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

See Note IV. A. for further information.

#### **2. Receivables**

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

Property tax calendar - 2012 tax roll:

Lien date and levy date	December 2012
Tax bills mailed	December 2012
Payment in full, or	January 31, 2013
First installment due	January 31, 2013
Second installment due	July 31, 2013
Personal property taxes in full	January 31, 2013
Tax sale - 2012 delinquent real estate taxes	October 2015

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 the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

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

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 governmental-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.

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

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or 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 both government-wide and fund financial statements.

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

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

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

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

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### **5. Capital Assets (cont.)**

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

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

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

Buildings	25-40	Years
Land Improvements	20-30	Years
Machinery and Equipment	5-20	Years
Utility Systems	7-100	Years
Infrastructure	20-50	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.

##### **6. Other Assets**

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

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

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

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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#### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

##### **7. *Compensated Absences*** (cont.)

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, and are payable with expendable resources. All vacation and compensatory balances at December 31, 2012 are considered current, because the village considers all carryover balances to be used prior to the use of the subsequent year's accruals. Sick leave is considered non-current. Vested vacation, sick and compensatory time is not material to the enterprise funds.

Payments for vacation, compensatory time and sick leave will be made at rates in effect when benefits are used. Accumulated vacation, sick and compensatory time liabilities at December 31, 2012 are determined on the basis of the current year's salary rates.

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

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are 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.

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$256,277, made up of one issue.

##### **9. *Claims and Judgments***

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 are only reported in governmental funds 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. Refer to Note V. C. on commitments and contingencies.

# VILLAGE OF BELLEVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

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

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

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

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 5,456,744	\$ 10,754,642	\$ (4,023,700)	\$ 12,187,686
Unrestricted	(3,788,292)	682,908	4,023,700	918,316

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

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

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*, the village classifies governmental fund balance 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.

# VILLAGE OF BELLEVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

---

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

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

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

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

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

The village has a formal minimum fund balance policy. That policy, approved prior to implementation of GASB 54, is to maintain minimum undesignated fund balance of 17% of the general fund expenditure budget. There was unassigned fund balance in the general fund at year end of \$100,258.

See Note IV. H. for further information.

#### ***11. Prior Period Information***

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

# VILLAGE OF BELLEVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

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. The details of this reconciliation include the following items.

Long-term liabilities applicable to the village's governmental activities 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.

Bonds and notes payable	\$	7,450,548
Compensated absences		13,154
Accrued interest		66,634
Unamortized debt discount and issue costs		<u>(125,594)</u>
Combined Adjustment for Long-Term Liabilities	\$	<u><u>7,404,742</u></u>

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## NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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### *A. BUDGETARY INFORMATION*

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The village 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.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$53,557 in the General Fund and \$10,000 in the Other Capital Projects Fund. Budgets are adopted at the department level of expenditure.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund	\$ 1,391,276	\$ 1,432,936	\$ 41,660
Debt Service Fund	727,752	2,323,498	1,595,746
Tax Incremental District No. 3	163,105	181,774	18,669
Other Capital Projects	166,720	293,096	126,376
Tax Incremental District No. 4	150	5,912	5,762
Tax Incremental District No. 5	150	182	32

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

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

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

As of December 31, 2012, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Waste Management	\$ 77,186	Operating expenditures exceeded revenues
Tax Incremental District No. 3	222,947	Operating expenditures exceeded revenues
Tax Incremental District No. 4	14,861	Operating expenditures exceeded revenues
Tax Incremental District No. 5	16,127	Operating expenditures exceeded revenues
Other Capital Projects	181,246	Operating expenditures exceeded revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

The deficits in the Waste Management and Other Capital Projects funds are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

### **NOTE IV - DETAILED NOTES ON ALL FUNDS**

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

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Demand deposits	\$ 3,884,043	\$ 3,977,671	Custodial credit risk
Certificates of deposit	67,970	67,970	Custodial credit risk
Petty cash	75	-	N/A
 Total Deposits and Investments	 \$ 3,952,088	 \$ 4,045,641	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 846,506		
Restricted cash and investments	781,139		
Per statement of net position - component unit	375,884		
Per statement of net position - fiduciary funds			
Agency Funds	1,948,559		
 Total Deposits and Investments	 \$ 3,952,088		

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), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest-bearing transaction accounts through December 31, 2012. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit accounts (interest-bearing and noninterest-bearing) are insured for a total of \$250,000 beginning January 1, 2013. 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 deposit accounts.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The village maintains collateral agreements with its banks. At December 31, 2012, the banks had pledged various government securities in the amount of \$3,920,999 to secure the village's deposits.

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

##### **Deposits**

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

The village does not have any deposits exposed to custodial credit risk.

##### **Investments**

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

The village does not have any investments exposed to custodial credit risk.

See Note I.D.1. for further information on deposit and investment policies.

#### **B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year except the special assessment receivables of \$985,000 and \$122,750 of the pledges receivable.

**VILLAGE OF BELLEVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

**B. RECEIVABLES (cont.)**

Governmental funds report *deferred 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 *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ 105,000	\$ 1,838,420	\$ 1,943,420
Special assessments not yet due	985,000	-	985,000
Pledges	170,035	-	170,035
Total Deferred/Unearned Revenue for Governmental Funds	\$ 1,260,035	\$ 1,838,420	\$ 3,098,455

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

***Long-Term Debt Accounts***

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

***Equipment Replacement Account***

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

Following is a list of restricted assets at December 31, 2012:

	<u>Restricted Assets</u>	<u>Liabilities Payable from Restricted Assets</u>	<u>Restricted Net Position</u>
Bond redemption account	\$ 337,338	\$ 26,300	\$ 311,038
Equipment replacement account	257,164	-	257,164
Total	\$ 594,502	\$ 26,300	\$ 568,202

In addition, the governmental activities have \$186,637 in restricted assets for a debt service reserve account.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 184,270	\$ 43,350	\$ -	\$ 227,620
Infrastructure land and improvements	1,849,236	-	-	1,849,236
Total Capital Assets Not Being Depreciated	2,033,506	43,350	-	2,076,856
Capital assets being depreciated				
Buildings and improvements	3,165,512	-	-	3,165,512
Equipment	687,799	-	23,354	664,445
Streets	4,831,052	-	-	4,831,052
Sidewalks	537,591	-	-	537,591
Bridges	-	267,017	-	267,017
Total Capital Assets Being Depreciated	9,221,954	267,017	23,354	9,465,617
Total Capital Assets	11,255,460	310,367	23,354	11,542,473
Less: Accumulated depreciation for				
Buildings and improvements	(480,082)	(120,851)	-	(600,933)
Equipment	(374,065)	(53,198)	23,354	(403,909)
Streets	(1,502,146)	(94,366)	-	(1,596,512)
Sidewalks	(246,591)	(10,752)	-	(257,343)
Bridges	-	(5,340)	-	(5,340)
Total Accumulated Depreciation	(2,602,884)	(284,507)	23,354	(2,864,037)
Net Capital Assets Being Depreciated	6,619,070	(17,490)	-	6,601,580
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 8,652,576	\$ 25,860	\$ -	\$ 8,678,436

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 8,388
Public safety	15,429
Public works, which includes the depreciation of infrastructure	146,482
Leisure activities	113,004
Public service enterprises	1,204
Total Governmental Activities Depreciation Expense	\$ 284,507

# VILLAGE OF BELLEVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

### D. CAPITAL ASSETS (cont.)

#### Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 14,023	\$ -	\$ -	\$ 14,023
Land held for future use	30,000	-	-	30,000
Construction in progress	96,635	-	-	96,635
Total Capital Assets Not Being Depreciated	140,658	-	-	140,658
Capital assets being depreciated				
Source of supply	8,057	-	-	8,057
Pumping	99,123	-	-	99,123
Water treatment	2,924	-	-	2,924
Transmission and distribution	5,136,270	46,977	3,144	5,180,103
General	38,174	-	-	38,174
Total Capital Assets Being Depreciated	5,284,548	46,977	3,144	5,328,381
Total Capital Assets	5,425,206	46,977	3,144	5,469,039
Less: Accumulated depreciation for				
General	(706,975)	(112,465)	3,144	(816,296)
Total Accumulated Depreciation	(706,975)	(112,465)	3,144	(816,296)
Net Capital Assets Being Depreciated	4,577,573	(65,488)	-	4,512,085
Net Water Capital Assets	\$ 4,718,231	\$ (65,488)	\$ -	\$ 4,652,743

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 30,150	\$ -	\$ -	\$ 30,150
Construction in progress	<u>7,855</u>	-	-	<u>7,855</u>
Total Capital Assets Not Being Depreciated	<u>38,005</u>	-	-	<u>38,005</u>
Capital assets being depreciated				
Collection system	4,065,139	12,961	1,008	4,077,092
Collection system pumping	460,332	-	-	460,332
Treatment and disposal	8,746,088	-	-	8,746,088
General	<u>256,921</u>	-	-	<u>256,921</u>
Total Capital Assets Being Depreciated	<u>13,528,480</u>	<u>12,961</u>	<u>1,008</u>	<u>13,540,433</u>
Total Capital Assets	<u>13,566,485</u>	<u>12,961</u>	<u>1,008</u>	<u>13,578,438</u>
Less: Accumulated depreciation for				
General	<u>(2,501,968)</u>	<u>(418,659)</u>	<u>1,008</u>	<u>(2,919,619)</u>
Total Accumulated Depreciation	<u>(2,501,968)</u>	<u>(418,659)</u>	<u>1,008</u>	<u>(2,919,619)</u>
Net Capital Assets Being Depreciated	<u>11,026,512</u>	<u>(405,698)</u>	-	<u>10,620,814</u>
Net Sewer Capital Assets	<u>\$ 11,064,517</u>	<u>\$ (405,698)</u>	<u>\$ -</u>	<u>\$ 10,658,819</u>

**VILLAGE OF BELLEVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

**Business-type Activities (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital assets being depreciated				
General	\$ 2,479,767	\$ 175,867	\$ 27,391	\$ 2,628,243
Total Capital Assets Being Depreciated	2,479,767	175,867	27,391	2,628,243
Less: Accumulated depreciation for				
General	(340,032)	(43,804)	27,391	(356,445)
Total Accumulated Depreciation	(340,032)	(43,804)	27,391	(356,445)
Net Capital Assets Being Depreciated	2,139,735	132,063	-	2,271,798
Net Stormwater Capital Assets	\$ 2,139,735	\$ 132,063	\$ -	\$ 2,271,798
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 17,922,483	\$ (339,123)	\$ -	\$ 17,583,360

Depreciation expense was charged to functions as follows:

<b>Business-type Activities</b>		
Water		\$ 102,866
Sewer		418,659
Stormwater		43,804
Total Business-type Activities Depreciation Expense		\$ 565,329

Expense is different from additions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets.

**VILLAGE OF BELLEVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

***Interfund Receivables/Payables***

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Water and sewer utility	\$ 58,417
General fund	Other capital projects	181,246
Cemetery	General fund	<u>45,832</u>
Total - Fund Financial Statements		285,495
Less: Fund eliminations		(227,078)
Add: Interfund advances		<u>53,290</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 111,707</u></u>

All amounts are due within one year.

The principal purpose of these interfunds is to account for amounts paid by the general fund on behalf of the water and sewer utility and to accrue other items owed to the general fund. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

***Advances***

The general fund is advancing funds to the Waste Management, Tax Incremental District No. 3, Tax Incremental District No. 4, Tax Incremental District No. 5, and the Stormwater Utility. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources. No repayment schedules have been established.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### **Advances (cont.)**

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	Waste management	\$ 76,456	\$ 76,456
General fund	Tax Incremental District No. 3	222,947	222,947
General fund	Tax Incremental District No. 4	14,861	14,861
General fund	Tax Incremental District No. 5	16,127	16,127
General fund	Stormwater utility	53,290	53,290
Total - Fund Financial Statements		383,681	
Less: Fund eliminations		(330,391)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ 53,290	

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

##### **Transfers**

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Water and sewer utility Tax Incremental District No. 3	\$ 55,329	Payment in lieu of taxes
Debt service fund		135,020	TID share of debt service Transfer borrowed funds for lake projects
Lake restoration	Other capital projects	122,609	
General fund	Water and sewer utility	169,120	Transfer of surplus funds
Water and sewer utility	General fund	169,120	Transfer of surplus funds
Other capital projects	General fund	6,684	Transfer of fire dues
Total - Fund Financial Statements		657,882	
Less: Fund eliminations		(713,211)	
Add: Transfer of stormwater assets		39,340	
Total Transfers - Government-Wide Statement of Activities		\$ (15,989)	

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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

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

##### *Transfers (cont.)*

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

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

#### *F. LONG-TERM OBLIGATIONS*

Long-term obligations activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 6,529,725	\$ 1,710,000	\$ 1,879,177	\$ 6,360,548	\$ 299,318
Special assessment b-bonds	1,090,000	-	-	1,090,000	105,000
Sub-totals	7,619,725	1,710,000	1,879,177	7,450,548	404,318
Other Liabilities					
Vested compensated absences	25,792	13,154	25,792	13,154	13,154
Total Governmental Activities Long-Term Liabilities	\$ 7,645,517	\$ 1,723,154	\$ 1,904,969	\$ 7,463,702	\$ 417,472
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 726,251	\$ -	\$ 76,629	\$ 649,622	\$ 85,682
Revenue bonds	6,656,208	-	456,401	6,199,807	468,658
Total Business-type Activities Long-Term Liabilities	\$ 7,382,459	\$ -	\$ 533,030	\$ 6,849,429	\$ 554,340

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2012, was \$8,926,890. Total general obligation debt outstanding at year end was \$7,010,170.

**VILLAGE OF BELLEVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the village. 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.

**Governmental Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2012</u>
Promissory notes	10/15/04	10/15/14	2.75 - 4.50%	\$ 275,170	\$ 100,170
Promissory notes	10/01/07	04/01/17	3.75 - 4.00%	755,941	235,378
Promissory notes	11/17/08	11/01/18	3.20 - 4.40%	570,000	480,000
Community development bonds	11/04/09	10/1/29	4.50 - 6.50%	2,365,000	2,365,000
Public improvement bonds	10/26/10	10/1/30	2.25 - 5.50%	1,495,000	1,470,000
Refunding bonds	07/11/12	04/01/29	0.90 - 3.70%	1,710,000	<u>1,710,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 6,360,548</u>

**Business-type Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2012</u>
Promissory notes	4/1/07	4/1/17	3.75 - 4.00%	\$ 79,059	\$ 24,622
Promissory notes	11/17/08	11/1/18	3.20 - 4.40%	855,000	<u>625,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 649,622</u>

**VILLAGE OF BELLEVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2013	\$ 299,318	\$ 370,559	\$ 85,682	\$ 26,533
2014	309,962	350,063	95,208	23,392
2015	324,792	337,167	105,209	19,717
2016	335,265	323,605	114,735	15,546
2017	376,211	307,053	123,788	10,736
2018-2022	1,910,000	1,235,573	125,000	5,500
2023-2027	1,900,000	673,216	-	-
2028-2030	905,000	96,423	-	-
Totals	<u>\$ 6,360,548</u>	<u>\$ 3,693,659</u>	<u>\$ 649,622</u>	<u>\$ 101,424</u>

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the sewer and water utilities.

The sewer utility has pledged future sewer revenues, net of specified operating expenses, to repay \$5,874,807 in revenue bonds issued in 1996 and 2007. Proceeds from the bonds provided financing for the capital projects. The bonds are payable solely from sewer revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 91% of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,874,952. Principal and interest paid for the current year and total customer net revenues were \$612,089 and \$673,298, respectively.

Revenue debt payable at December 31, 2012, consists of the following:

**Business-type Activities Revenue Debt**

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2012
<u>Water and Sewer Utility</u>					
Revenue bond	8/28/96	5/1/16	3.133%	\$ 2,398,818	\$ 631,873
Revenue bond	2/28/07	5/1/26	2.480%	6,635,068	5,242,934
Revenue BAN	10/26/10	5/1/15	2.50%	325,000	<u>325,000</u>
Total Business-type Activities Revenue Debt					<u>\$ 6,199,807</u>

**VILLAGE OF BELLEVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

**Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2013	\$ 468,658	\$ 143,264
2014	481,250	130,501
2015	819,184	117,391
2016	507,470	103,924
2017	350,586	92,762
2018-2022	1,887,459	327,613
2023-2026	<u>1,685,200</u>	<u>84,692</u>
Totals	<u>\$ 6,199,807</u>	<u>\$ 1,000,147</u>

**Special Assessment B-Bonds**

B-Bonds are payable only from special assessments levied on affected properties.

Special assessment B-Bonds at December 31, 2012, consists of the following:

<b>Governmental Activities</b>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2012
Special Assessment B-Bonds					
Special assessment B bonds	10/26/10	11/1/22	2.60 - 4.00%	\$ 440,000	\$ 440,000
Special assessment B bonds	10/26/11	11/1/22	1.50-4.40%	650,000	<u>650,000</u>
Total Governmental Activities Special Assessment B-Bonds					<u>\$ 1,090,000</u>

# VILLAGE OF BELLEVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

#### *Special Assessment B-Bonds* (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities Special Assessment B-Bonds	
	Principal	Interest
2013	\$ 105,000	\$ 35,905
2014	105,000	33,890
2015	110,000	31,550
2016	110,000	28,575
2017	110,000	25,275
2018-2022	<u>550,000</u>	<u>66,630</u>
Totals	<u>\$ 1,090,000</u>	<u>\$ 221,825</u>

#### *Other Debt Information*

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability, other post employment benefits obligation, and net pension obligation attributable to governmental activities will be liquidated primarily by the general fund fund.

A statutory mortgage lien upon the sewer utility's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The sewer utility'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.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

#### *Current Refunding*

On July 11, 2012, the village issued \$1,710,000 in general obligation bonds with an average interest rate of 2.72% to current refund \$1,685,806 of outstanding loans with an average interest rate of 5.50%. The net proceeds of \$1,668,200 (after payment of \$41,800 in underwriting fees, insurance and other issuance costs) were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$2,188,059 from 2013 through 2029. The cash flow requirements on the 2012 refunding bonds are \$2,121,332 from 2013 through 2029. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$57,094.

**VILLAGE OF BELLEVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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**G. LEASE DISCLOSURES**

The village has no material leases as lessee or lessor.

**H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2012, includes the following:

**Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 227,620
Infrastructure land and improvements	1,849,236
Other capital assets, net of accumulated depreciation	6,601,580
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(3,221,692)</u>
Total Net Investment in Capital Assets	<u>\$ 5,456,744</u>

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2012, include the following:

**Nonspendable**

Major Funds	
General Fund	
Advances to other funds	\$ 383,681
Prepaid items	<u>11,359</u>
Total	<u>\$ 395,040</u>
Special Revenue Fund	
Library - prepaid items	<u>\$ 2,562</u>
Nonmajor Funds	
Special Revenue Funds	
Waste management - prepaid items	\$ 55
Cemetery - prepaid items	<u>159</u>
Total	<u>\$ 214</u>

VILLAGE OF BELLEVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

**Governmental Funds (cont.)**

**Restricted**

Major Funds

Library Special Revenue Fund

Library activities \$ 96,829

Debt Service Fund

Debt service activities 215,086

Lake Restoration Capital Projects Fund

Lake restoration activities 172,906

Total \$ 484,821

**Committed**

Major Fund

General Fund

Budget carryovers \$ 53,557

Nonmajor Fund

Special Revenue Fund

Cemetery \$ 51,733

**Unassigned**

Major Funds

General fund \$ 100,258

Nonmajor Funds

Special Revenue Fund

Waste management (deficit) \$ (77,241)

Capital Projects Funds

Tax Incremental District No. 3 (deficit) \$ (222,947)

Tax Incremental District No. 4 (deficit) (14,861)

Tax Incremental District No. 5 (deficit) (16,127)

Other Capital Projects (deficit) (181,246)

Total \$ (435,181)

# VILLAGE OF BELLEVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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

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

#### *Business-type Activities*

Net Investment in Capital Assets	
Capital assets not being depreciated	\$ 178,663
Capital assets being depreciated	17,404,697
Less: Capital related long-term debt outstanding, net of issuance costs and unspent proceeds	<u>(6,828,718)</u>
Total Net Investment in Capital Assets	<u>10,754,642</u>
Restricted	
Equipment replacement	257,164
Bond redemption	<u>311,038</u>
Total Restricted	<u>568,202</u>
Unrestricted	<u>682,908</u>
Total Business-type Activities Net Position	<u>\$ 12,005,752</u>

### I. COMPONENT UNITS

#### **BELLEVILLE COMMUNITY DEVELOPMENT AUTHORITY**

This report contains the Belleville Community Development Authority (CDA), which is included as a component unit. 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.

a. Basis of Accounting/Measurement Focus

The CDA follows the modified accrual basis of accounting and the flow of financial resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was \$375,884 and is part of the village's commingled cash. See Note IV. A.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE V - OTHER INFORMATION

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#### *A. EMPLOYEES' RETIREMENT SYSTEM*

All eligible village employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Prior to June 29, 2011, covered employees in the General category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to the fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was change to one-half of the actuarially determined contribution rate for General category employees, and Executives and Elected Officials. Required contributions for protective contributions are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for December 31, 2012 are:

	<u>Employee</u>	<u>Employer</u>
General	5.8%	5.9%
Executives and Elected Officials	7.1%	7.1%
Protective with Social Security	5.9%	9.0%
Protective without Social Security	5.9%	11.3%

The payroll for village employees covered by the WRS for the year ended December 31, 2012 was \$756,123; the employer's total payroll was \$804,797. The total required contribution for the year ended December 31, 2012 was \$101,373 or 13.4% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2011 and 2010 were \$105,174 and \$95,177, respectively, equal to the required contributions for each year.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### **NOTE V - OTHER INFORMATION** (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2012 there was no pension related debt for the village.

#### **B. RISK MANAGEMENT**

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. 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.

#### **C. COMMITMENTS AND CONTINGENCIES**

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

The village 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.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### **NOTE V - OTHER INFORMATION (cont.)**

#### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

Funding for the operating budget of the village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the village.

The village has active construction projects as of December 31, 2012. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

#### **D. JOINT VENTURES**

The Village of Belleville and the Towns of Montrose, Exeter, Oregon, Brooklyn, and Primrose jointly operate the fire and emergency medical association. The 2012 budget was allocated as follows:

	Fire		EMS	
	Percent Based on Equalized Value	2012 Budget	Percent Based on Per Capita	2012 Budget
Village of Belleville	38.7 %	\$ 49,228	43.0 %	\$ 19,768
Town of Montrose	24.9	31,658	19.4	8,973
Town of Exeter	33.8	42,949	33.5	15,411
Town of Oregon	1.6	2,083	1.1	530
Town of Primrose	-	-	2.1	969
Town of Brooklyn	1.0	1,262	0.9	373
Total	100.0 %	\$ 127,180	100.0 %	\$ 46,024

The governing body is made up of citizens from each community. Local representatives are appointed by the village board. The governing body has authority to adopt its own budget and control the financial affairs of the association. The village believes that the district will continue to provide services in the future at similar rates. The fire and emergency medical association do not issue financial statements.

The transactions of the district are not reflected in these financial statements.

The village accounts for its share of the operations in the general fund. The village has an equity interest in the organization equal to its percentage share of participation. The equity interest has not been reported in these financial statements.

# VILLAGE OF BELLEVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### **NOTE V - OTHER INFORMATION (cont.)**

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#### ***E. SUBSEQUENT EVENTS***

On March 4, 2013 the village issued general obligation promissory notes in the amount of \$190,000 with an interest rate of 1.95%. This amount will be used to fund capital projects.

#### ***F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 65, *Items Previously Reported as Assets and Liabilities*; Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*; Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*; and Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. Application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## VILLAGE OF BELLEVILLE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 895,474	\$ 895,474	\$ 897,910	\$ 2,436
Intergovernmental	287,483	287,483	341,782	54,299
Licenses and permits	15,750	15,750	16,368	618
Fines, forfeitures and penalties	27,000	27,000	19,680	(7,320)
Public charges for services	3,250	3,250	3,547	297
Investment income	3,500	3,500	3,299	(201)
Miscellaneous	45,092	45,092	45,808	716
Total Revenues	<u>1,277,549</u>	<u>1,277,549</u>	<u>1,328,394</u>	<u>50,845</u>
<b>EXPENDITURES</b>				
Current				
General government	345,181	369,943	396,146	(26,203)
Public safety	590,573	591,913	531,142	60,771
Public works	289,356	294,507	313,161	(18,654)
Leisure activities	125,989	131,463	184,995	(53,532)
Conservation and development	1,800	1,800	560	1,240
Capital Outlay	1,150	1,150	249	901
Debt Service	500	500	-	500
Total Expenditures	<u>1,354,549</u>	<u>1,391,276</u>	<u>1,426,253</u>	<u>(34,977)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,000)</u>	<u>(113,727)</u>	<u>(97,859)</u>	<u>15,868</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	52,000	52,000	55,329	3,329
Transfers out	-	-	(6,684)	(6,684)
Total Other Financing Sources	<u>52,000</u>	<u>52,000</u>	<u>48,645</u>	<u>(3,355)</u>
<b>Net Change in Fund Balance</b>	(25,000)	(61,727)	(49,214)	12,513
FUND BALANCE - Beginning of Year	<u>598,069</u>	<u>598,069</u>	<u>598,069</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 573,069</u>	<u>\$ 536,342</u>	<u>\$ 548,855</u>	<u>\$ 12,513</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF BELLEVILLE

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 215,560	\$ 215,560	\$ 215,560	\$ -
Intergovernmental	77,006	77,006	77,402	396
Public charges for services	6,665	7,606	9,449	1,843
Miscellaneous	1,883	2,149	2,878	729
<b>Total Revenues</b>	<u>301,114</u>	<u>302,321</u>	<u>305,289</u>	<u>2,968</u>
<b>EXPENDITURES</b>				
General government	707	707	947	(240)
Leisure activities	<u>302,691</u>	<u>319,998</u>	<u>272,921</u>	<u>47,077</u>
<b>Total Expenditures</b>	<u>303,398</u>	<u>320,705</u>	<u>273,868</u>	<u>46,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,284)</u>	<u>(18,384)</u>	<u>31,421</u>	<u>49,805</u>
<b>Net Change in Fund Balance</b>	(2,284)	(18,384)	31,421	49,805
FUND BALANCE - Beginning of Year	<u>67,970</u>	<u>67,970</u>	<u>67,970</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 65,686</u>	<u>\$ 49,586</u>	<u>\$ 99,391</u>	<u>\$ 49,805</u>

See accountants' report and accompanying notes to required supplementary information.

# VILLAGE OF BELLEVILLE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2012

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
General government	\$ 369,943	\$ 396,146	\$ 26,203
Public works	294,507	313,161	18,654
Leisure activities	131,463	184,995	53,532
Transfers out	-	6,684	6,684
<u>Library Fund</u>			
General government	707	947	240

**SUPPLEMENTARY INFORMATION**

## VILLAGE OF BELLEVILLE

### DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>TAXES</b>				
General property taxes	\$ 894,574	\$ 894,574	\$ 894,574	\$ -
Occupational taxes	400	400	638	238
Other taxes	-	-	1,960	1,960
Interest and penalties on taxes	500	500	738	238
Total Taxes	<u>895,474</u>	<u>895,474</u>	<u>897,910</u>	<u>2,436</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State aid - road allotment	95,812	95,812	95,812	-
State aid - EMS aids program	4,850	4,850	4,662	(188)
State aid - computer aid	7,000	7,000	6,143	(857)
State aid - fire insurance tax	6,065	6,065	6,684	619
State aid - police training	-	-	1,600	1,600
State shared revenues	173,756	173,756	173,748	(8)
Other state payments	-	-	53,133	53,133
Total Intergovernmental Revenues	<u>287,483</u>	<u>287,483</u>	<u>341,782</u>	<u>54,299</u>
<b>LICENSES AND PERMITS</b>				
Liquor and malt beverage licenses	3,235	3,235	3,225	(10)
Cigarette and operator licenses	2,000	1,820	906	(914)
Dog and cat licenses	375	395	492	97
Building permits	10,100	10,100	11,515	1,415
Other regulatory permits and fees	200	200	230	30
Total Licenses and Permits	<u>15,910</u>	<u>15,750</u>	<u>16,368</u>	<u>618</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court penalties and costs	<u>27,000</u>	<u>27,000</u>	<u>19,680</u>	<u>(7,320)</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
Recreational park fees	150	150	-	(150)
Public service fees	<u>3,100</u>	<u>3,100</u>	<u>3,547</u>	<u>447</u>
Total Public Charges for Services	<u>3,250</u>	<u>3,250</u>	<u>3,547</u>	<u>297</u>
<b>INVESTMENT INCOME</b>				
Investment income	<u>3,500</u>	<u>3,500</u>	<u>3,299</u>	<u>(201)</u>

## VILLAGE OF BELLEVILLE

### DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>MISCELLANEOUS REVENUES</b>				
Donations	\$ -	\$ -	\$ 1,000	\$ 1,000
Rent - equipment	15,125	15,125	15,160	35
Sale of property	2,000	2,000	4,460	2,460
Copies	150	150	103	(47)
Cable TV franchise fee	14,672	14,672	15,006	334
Other fees	760	760	935	175
Rent - village buildings	7,085	7,085	7,090	5
Other miscellaneous	2,300	2,300	2,054	(246)
Insurance dividends	3,000	3,000	-	(3,000)
Total Miscellaneous Revenues	<u>45,092</u>	<u>45,092</u>	<u>45,808</u>	<u>716</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>52,000</u>	<u>52,000</u>	<u>55,329</u>	<u>3,329</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 1,329,709</u>	<u>\$ 1,329,549</u>	<u>\$ 1,383,723</u>	<u>\$ 54,174</u>

## VILLAGE OF BELLEVILLE

### DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Village board	\$ 24,672	\$ 24,672	\$ 23,975	\$ 697
Commissions and committees	20,653	20,653	22,767	(2,114)
Municipal court	16,722	16,722	19,890	(3,168)
Clerk	151,104	151,104	165,358	(14,254)
Elections	6,400	6,400	7,080	(680)
Treasurer	1,134	1,134	1,390	(256)
Personnel	310	310	854	(544)
Attorney	14,250	14,250	32,630	(18,380)
Court attorney	13,000	13,000	7,570	5,430
Assessment of property	12,750	12,750	13,399	(649)
Independent auditing	17,550	17,550	16,773	777
Municipal buildings	19,169	43,931	40,092	3,839
Highway related buildings	6,770	6,770	6,071	699
Other buildings	17,085	17,085	14,972	2,113
Other general government	3,711	3,711	3,354	357
Property and liability insurance	12,711	12,711	12,638	73
Highway insurance	6,912	6,912	6,673	239
Workmen's compensation	278	278	660	(382)
Total General Government	<u>345,181</u>	<u>369,943</u>	<u>396,146</u>	<u>(26,203)</u>
<b>PUBLIC SAFETY</b>				
Police	498,154	499,494	442,589	56,905
Fire suppression	50,236	50,236	50,881	(645)
Fire insurance	6,065	6,065	-	6,065
Building inspection	11,500	11,500	13,241	(1,741)
Ambulance	24,618	24,618	24,430	188
Total Public Safety	<u>590,573</u>	<u>591,913</u>	<u>531,141</u>	<u>60,772</u>
<b>PUBLIC WORKS</b>				
Machinery and equipment	37,663	28,163	30,062	(1,899)
Garages and sheds	6,870	5,520	3,611	1,909
Administration and engineering	170,739	194,690	221,721	(27,031)
Street maintenance	30,127	22,177	21,537	640
Snow and ice control	12,750	12,750	4,478	8,272
Street lighting	28,076	28,076	30,992	(2,916)
Street signs	3,131	3,131	760	2,371
Total Public Works	<u>289,356</u>	<u>294,507</u>	<u>313,161</u>	<u>(18,654)</u>
<b>LEISURE ACTIVITIES</b>				
Senior citizens	36,326	36,326	36,326	-
Library	6,800	12,274	49,052	(36,778)
Summer and winter recreation	1,106	1,106	695	411
Parks	81,757	81,757	98,922	(17,165)
Total Leisure Activities	<u>125,989</u>	<u>131,463</u>	<u>184,995</u>	<u>(53,532)</u>

## VILLAGE OF BELLEVILLE

### SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>CONSERVATION AND DEVELOPMENT</b>				
Zoning	\$ 1,800	\$ 1,800	\$ 560	\$ 1,240
<b>CAPITAL OUTLAY</b>				
Capital outlay	1,150	1,150	249	901
<b>DEBT SERVICE</b>				
Interest and fiscal charges	500	500	-	500
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	6,684	(6,684)
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 1,354,549</u>	<u>\$ 1,391,276</u>	<u>\$ 1,432,936</u>	<u>\$ (41,660)</u>

# VILLAGE OF BELLEVILLE

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2012

	Special Revenue Funds		Capital Projects Fund	
	Waste Management	Cemetery	Tax Incremental District No. 3	Tax Incremental District No. 4
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 6,134	\$ -	\$ -
Taxes receivable	161,951	-	108,468	-
Accounts receivable	176	575	-	-
Due from other funds	-	45,832	-	-
Prepaid items	55	159	-	-
<b>TOTAL ASSETS</b>	<b>\$ 162,182</b>	<b>\$ 52,700</b>	<b>\$ 108,468</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 961	\$ 808	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenues	161,951	-	108,468	-
Advances from other funds	76,456	-	222,947	14,861
Total Liabilities	239,368	808	331,415	14,861
Fund Balances				
Nonspendable	55	159	-	-
Committed	-	51,733	-	-
Unassigned (deficit)	(77,241)	-	(222,947)	(14,861)
Total Fund Balances (Deficit)	(77,186)	51,892	(222,947)	(14,861)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 162,182</b>	<b>\$ 52,700</b>	<b>\$ 108,468</b>	<b>\$ -</b>

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<u>Capital Projects Fund</u>		
<u>Tax Incremental District No. 5</u>	<u>Other Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 6,134
-	90,000	360,419
-	-	751
-	-	45,832
-	-	<u>214</u>
<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 413,350</u>
\$ -	\$ -	\$ 1,769
-	181,246	181,246
-	90,000	360,419
<u>16,127</u>	-	<u>330,391</u>
<u>16,127</u>	<u>271,246</u>	<u>873,825</u>
-	-	214
-	-	51,733
<u>(16,127)</u>	<u>(181,246)</u>	<u>(512,422)</u>
<u>(16,127)</u>	<u>(181,246)</u>	<u>(460,475)</u>
<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 413,350</u>

## VILLAGE OF BELLEVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012

	Special Revenue Funds		Capital Projects Fund	
	Waste Management	Cemetery	Tax Incremental District No. 3	Tax Incremental District No. 4
<b>REVENUES</b>				
Taxes	\$ 3,468	\$ -	\$ 11,323	\$ -
Intergovernmental	11,962	-	-	69
Public charges for services	161,806	7,574	91,660	-
Investment income	-	180	-	-
Miscellaneous	371	-	-	-
Total Revenues	177,607	7,754	102,983	69
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	-	-
Public works	178,608	-	-	-
Public service enterprises	-	13,645	-	-
Capital Outlay	-	-	46,460	5,890
Debt Service				
Interest and fiscal charges	-	-	295	23
Total Expenditures	178,608	13,645	46,755	5,913
Excess (deficiency) of revenues over expenditures	(1,001)	(5,891)	56,228	(5,844)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(135,020)	-
Total Other Financing Sources (Uses)	-	-	(135,020)	-
<b>Net Change in Fund Balances</b>	(1,001)	(5,891)	(78,792)	(5,844)
FUND BALANCES (DEFICIT) - Beginning of Year	(76,185)	57,783	(144,155)	(9,017)
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ (77,186)	\$ 51,892	\$ (222,947)	\$ (14,861)

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<u>Capital Projects Fund</u>		
<u>Tax Incremental District No. 5</u>	<u>Other Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 76,603	\$ 91,394
521	42,415	54,967
-	-	261,040
-	70	250
-	-	371
<u>521</u>	<u>119,088</u>	<u>408,022</u>
-	3,000	3,000
-	-	178,608
-	-	13,645
150	167,487	219,987
<u>32</u>	<u>-</u>	<u>350</u>
<u>182</u>	<u>170,487</u>	<u>415,590</u>
<u>339</u>	<u>(51,399)</u>	<u>(7,568)</u>
-	6,684	6,684
-	<u>(122,609)</u>	<u>(257,629)</u>
-	<u>(115,925)</u>	<u>(250,945)</u>
339	(167,324)	(258,513)
<u>(16,466)</u>	<u>(13,922)</u>	<u>(201,962)</u>
<u>\$ (16,127)</u>	<u>\$ (181,246)</u>	<u>\$ (460,475)</u>

# VILLAGE OF BELLEVILLE

## COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of December 31, 2012

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	<u>Tax Collection</u>	<u>Fire &amp; EMS Association</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,713,053	\$ 235,506	\$ 1,948,559
Tax roll receivable	<u>1,037,227</u>	<u>-</u>	<u>1,037,227</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,750,280</u>	<u>\$ 235,506</u>	<u>\$ 2,985,786</u>
<b>LIABILITIES</b>			
Due to other governments	<u>\$ 2,750,280</u>	<u>\$ 235,506</u>	<u>\$ 2,985,786</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 2,750,280</u>	<u>\$ 235,506</u>	<u>\$ 2,985,786</u>