

# **VILLAGE OF BELLEVILLE**

Belleville, Wisconsin

## **FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2013

# VILLAGE OF BELLEVILLE

## TABLE OF CONTENTS As of and for the Year Ended December 31, 2013

---

	<u>Page(s)</u>
Independent Auditors' Report	i - iii
Management's Discussion and Analysis	iv - xvii
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2 - 3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4 - 5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7 - 8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Fund - Water and Sewer Utility	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - Water and Sewer Utility	11
Statement of Cash Flows - Proprietary Fund - Water and Sewer Utility	12 - 13
Statement of Net Position - Proprietary Fund - Stormwater Utility	14
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund - Stormwater Utility	15
Statement of Cash Flows - Proprietary Fund - Stormwater Utility	16
Statement of Assets and Liabilities - Agency Funds	17
Index to Notes to Financial Statements	18
Notes to Financial Statements	19 - 50
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	51
Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Library Fund	52
Notes to Required Supplementary Information	53

# VILLAGE OF BELLEVILLE

## TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2013

---

### Supplementary Information

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund	54 - 55
Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund	56 - 57
Combining Balance Sheet - Nonmajor Governmental Funds	58 - 59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	60 - 61
Combining Statement of Assets and Liabilities - Agency Funds	62

**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, 2013, 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 of Belleville'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 of Belleville'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.

To the Village Board  
Village of Belleville

***Basis for Qualified Opinion***

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" 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, 2013, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

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

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.)

*Supplementary Information*

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.

*Prior Year Comparative Information*

We have previously audited the Village of Belleville's 2012 financial statements, and we expressed a qualified opinion on the governmental activities and unmodified audit opinions on the business-type activities, the discretely presented component unit, each major fund, and the aggregated remaining fund information in our report dated March 13, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Baker Tilly Vichow Krause, LLP*

Madison, Wisconsin  
March 14, 2014

# 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, 2013. 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 increased .68%, between fiscal years 2012 and 2013 to \$15,217,346. The 2013 governmental net position increased 4.3% primarily because of the positive operating results of the governmental funds, in particular in the general fund and library account. The business-type activities decreased from the previous year by .27%.
- ❖ The village's 2013 revenues total \$3,899,688, expenses total \$3,797,586, and net transfers total \$0 resulting in an increase in net position of .68%.
- ❖ The village had capital assets of \$8,548,995 in the governmental activities and \$17,034,055 in the business-type activities for a total of \$25,583,050 at the end of 2013. 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 27% of the business-type capital assets; the sewer utility having 60%; and the 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, 2013 was \$9,192,520. Total general obligation debt outstanding at year end was \$6,885,170, which represents approximately 75% of the allowable debt limit. The remaining allowable debt is \$2,307,350.
- ❖ The governmental funds reported a combined fund balance of \$946,263, which was \$370,500 more than the previous year. The increase is due in part to a borrowing issue of \$190,000 for capital fund projects. The combined governmental funds ending fund balance includes \$969,731 in nonspendable and restricted funds, which includes \$226,093 restricted for debt service and \$202,964 restricted for the lake fund. The decline is primarily attributable to deficit fund balances in nonmajor funds: waste management (\$40,508) and TIF No. 3 (\$272,023).
- ❖ The general fund actual revenues and other financing sources exceeded budgeted revenues by \$11,462, or 0.9% of the amended budget. Actual general fund expenditures, not including transfers, were \$20,304 less than the amended budget. In January 2014, the village board approved fund carryovers from 2013 to 2014 in the amount of \$66,646, primarily for police uniforms and training, HVAC replacement at the Belleville Public Library, tree work, park shelter roof repair, and toward Community Park new restroom construction.

- ❖ Water utility charges for services increased from \$326,419 in 2012 to \$334,817 in 2013. The sewer utility charges for services increased from \$796,750 in 2012 to \$827,195 in 2013. Water rates have remained the same since October 2010. Rates for sewer increased 6% between 2010 and 2013. Stormwater charges for services received decreased slightly in the amount of \$105,327 in 2012 to \$103,809 in 2013.
- ❖ Total operating expenses of the water and sewer utility increased from \$925,222 in 2012 to \$981,323 in 2013, due primarily to depreciation on recent plant additions. Total non-operating expenses net of non-operating revenues increased by \$1,891, primarily due to a decrease in interest expense. Capital contributions increased from \$776 in 2012 to \$2,889 in 2013, which were due to sewer connection fees from new construction. Together, these changes resulted in a decrease in net position of \$41,512, or .4%.
- ❖ Stormwater Utility operating expenses totaled \$69,064. The net position of the stormwater utility increased by \$8,830, a smaller amount than 2012 because of a transfer of \$25,850 to debt service as a contribution toward debt created by past stormwater construction projects.

## **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, 2013:

GASB 65:    Items Previously Reported as Assets and Liabilities

This statement establishes accounting and financial reporting standards that reclassify certain items that were previously reported as assets and liabilities and recognizes certain items that were previously reported as assets and liabilities.

#### 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 position. 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 10-16 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 17 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 19-50 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 51-52 of this report.)

## FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position: The Village of Belleville's combined net position increased by .68%, between fiscal years 2012 and 2013 to \$15,217,346. The 2013 governmental net position increased 4.33% primarily because of the positive operating results of the governmental funds, in particularly in the general fund and library account. The business-type activities decreased slightly from the prior year, by .27%.

Village of Belleville's 2013 Net Position						
	Governmental Activities		Business-Type Activities		Total Activities	
	2013	2012	2013	2012	2013	2012
	Current and Other Assets	3,915,137	3,868,587	1,277,750	1,321,128	5,192,887
Capital Assets	<u>8,548,995</u>	<u>8,678,436</u>	<u>17,034,056</u>	<u>17,583,360</u>	<u>25,583,051</u>	<u>26,261,796</u>
<b>Total Assets</b>	12,464,132	12,547,023	18,311,806	18,904,488	30,775,938	31,451,511
Long-Term Liabilities (Debt)	7,317,597	7,463,702	6,295,088	6,849,429	13,612,685	14,313,131
Other Liabilities	<u>123,569</u>	<u>1,973,829</u>	<u>43,648</u>	<u>49,307</u>	<u>167,217</u>	<u>2,023,136</u>
<b>Total Liabilities</b>	7,441,166	9,437,531	6,338,736	6,898,736	13,779,902	16,336,267
Net Position						
Net investment						
in capital assets	5,346,659	5,456,744	10,738,968	10,754,642	12,138,427*	12,187,686*
Restricted	1,663,347	1,441,040	626,597	568,202	2,289,944	2,009,242
Unrestricted (deficit)	<u>(3,765,730)</u>	<u>(3,788,292)</u>	<u>607,505</u>	<u>682,908</u>	<u>788,975*</u>	<u>918,316*</u>
<b>Total Net Position</b>	<b>3,244,276</b>	<b>3,109,492</b>	<b>11,973,070</b>	<b>12,005,752</b>	<b>15,217,346</b>	<b>15,115,244</b>
Net Position 1/1/2013	<u>3,109,492</u>	<u>3,272,073</u>	<u>12,005,752</u>	<u>11,975,371</u>	<u>15,115,244</u>	<u>15,247,444</u>
<b>CHANGE IN NET POSITION</b>	<b>134,784</b>	<b>(162,581)</b>	<b>(32,682)</b>	<b>30,381</b>	<b>102,102</b>	<b>(132,200)</b>
<b>PERCENTAGE CHANGE IN NET POSITION</b>	<b>4.33%</b>	<b>-4.97%</b>	<b>-0.27%</b>	<b>0.25%</b>	<b>0.68%</b>	<b>-0.87%</b>

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

# Change in Village of Belleville's 2013 Net Position

The village's 2013 revenues total \$3,899,688 and expenses total \$3,797,586, resulting in an increase in net position of \$102,102 or .68%.

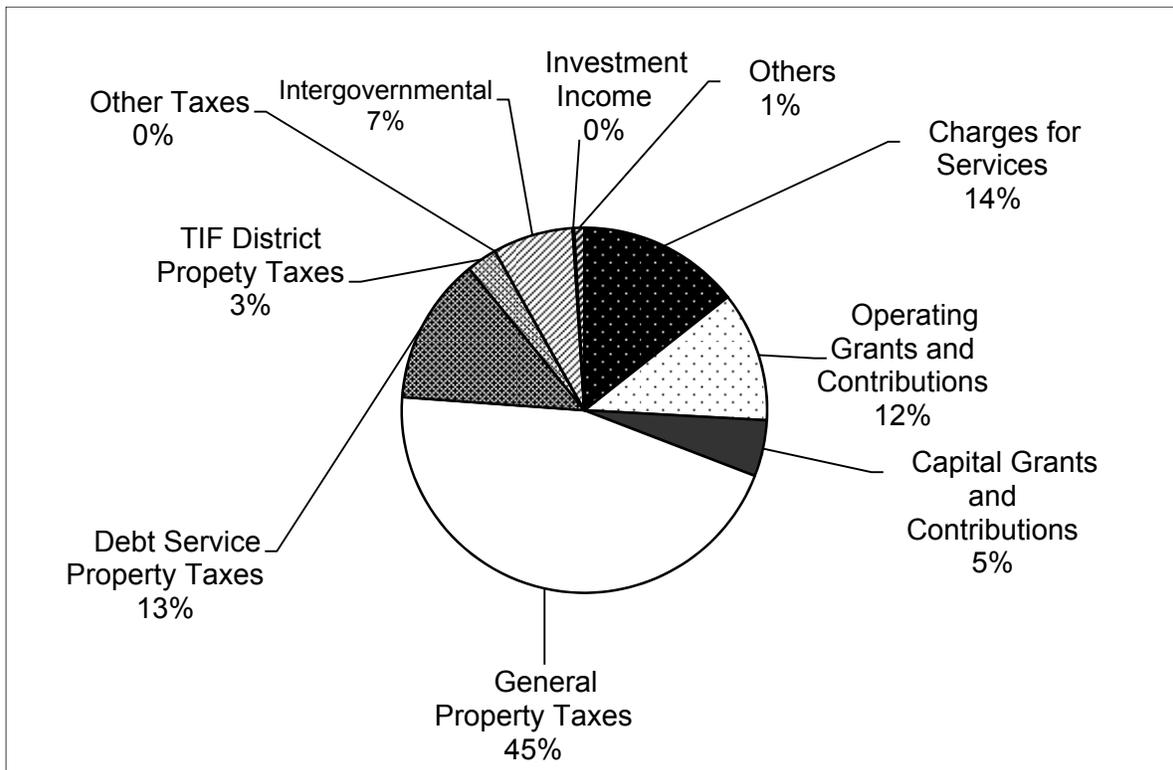
	Governmental Activities		Business-Type Activities		Total Activities	
	2013	2012	2013	2012	2013	2012
<b>REVENUES</b>						
<b>Program Revenues</b>						
Charges for Services	377,225	314,534	1,265,821	1,228,496	1,643,046	1,543,030
Operating Grants and Contributions	303,039	362,250			303,039	362,250
Capital Grants and Contributions	130,735	279,716	2,889	776	133,624	1,945,212
<b>General Revenues</b>						
General Property Taxes	1,190,736	1,190,205			1,190,736	1,190,205
Debt Service Property Taxes	340,891	334,763			340,891	334,763
TIF District Property Taxes	71,342	11,323			11,323	11,323
Other Taxes	539	2,598			539	2,598
Intergovernmental	186,732	180,481			186,732	180,481
Investment Income	3,589	4,219	2,425	3,479	6,014	7,698
Others	23,725	24,003			23,725	24,003
<b>Total Revenues</b>	<b>2,628,553</b>	<b>2,704,092</b>	<b>1,271,135</b>	<b>1,232,751</b>	<b>3,899,688</b>	<b>3,936,843</b>
<b>EXPENSES</b>						
General Government	372,170	409,385			372,170	409,385
Public Safety	513,301	580,539			513,301	580,539
Public Works	545,015	699,491			545,015	699,491
Leisure Activities	539,969	633,738			539,969	633,738
Conservation and Development	129,232	203,509			129,232	203,509
Public Service Enterprises	15,474	14,849			15,474	14,849
Interest and Fiscal Charges	436,031	341,151			436,031	341,151
Water			306,050	250,252	306,050	250,252
Sewer			871,215	870,052	871,215	870,052
Stormwater			69,129	66,077	69,129	66,077
<b>Total Expenses</b>	<b>2,551,192</b>	<b>2,882,662</b>	<b>1,246,394</b>	<b>1,186,381</b>	<b>3,797,586</b>	<b>4,069,043</b>
Increase in Net Position Before Transfer	77,361	-178,570	24,741	46,370	102,102	-132,200
Transfers	<u>57,423</u>	<u>15,989</u>	<u>-57,423</u>	<u>-15,989</u>	<u>0</u>	<u>0</u>
Change in Net Position	134,784	-162,581	-32,682	30,381	102,102	-132,200
<b>ENDING NET POSITION</b>	<b>3,244,276</b>	<b>3,109,492</b>	<b>11,973,070</b>	<b>12,005,752</b>	<b>15,217,346</b>	<b>15,115,244</b>

***Governmental Activities:***

**Revenues** for the village's governmental activities total \$2,628,553, with the property taxes being the largest revenue source for governmental activities, accounting for 61% of total revenues. This is an increase of 4% from the previous year.

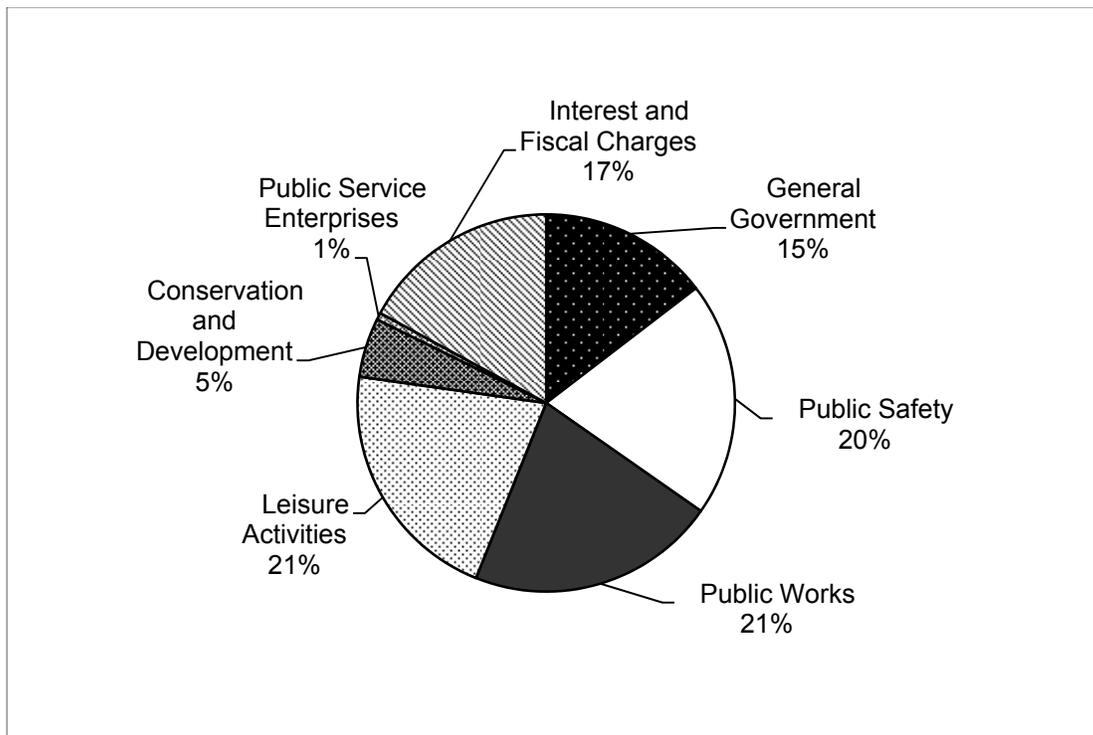
Taxes have been broken out into four categories: debt service property taxes (13%), general property taxes (45%), TIF district property taxes and other taxes which are 3% of total revenues. The tax collected for debt service property taxes, which is 13% of total revenues, were collected to pay for the principal and interest due in 2013. Charges for services contribute 14% total revenues, along with operating grants contributing 12% of the total revenues, and capital grants and contributions contributing 5% of the total revenues.

Governmental Activity Revenues for 2013



**Expenditures** for the village's governmental activities total \$2,551,192. Public safety and general government activities each account for 20% and 15%, respectively. Public safety includes police, fire, EMS, and building inspections. Public works services account for approximately 21% of total expenditures for 2013; this is a slight decrease from the previous year's allocations but more public works staff time was allocated to other public works services.

### Governmental Activity Expense for 2013



### 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 \$8,548,995 in the governmental activities and \$17,034,055 in the business-type activities for a total of \$25,583,050 at the end of 2013. 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 27% of the business-type capital assets; the sewer utility having 60%; and stormwater having 13% of the business-type capital assets.

<b><u>Business-Type Activities</u></b>		
<b>Water</b>	<b>2013</b>	<b>2012</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	5,182,337	5,180,103
General	38,174	38,174
Less: Accumulated Depreciation	(929,358)	(816,296)
<b>Net Assets Water Utility Plant</b>	<b>4,541,915</b>	<b>4,652,743</b>
<b>Sewer</b>		
Land and Land Rights	30,150	30,150
Construction Work in Process	7,855	7,855
Collection System	4,077,092	4,077,092
Collection System Pumping	460,332	460,332
Treatment and Disposal	8,746,088	8,746,088
General	256,921	256,921
Less: Accumulated Depreciation	(3,338,338)	(2,919,619)
<b>Net Assets Sewer Utility Plant</b>	<b>10,240,100</b>	<b>10,658,819</b>
<b>Stormwater</b>		
Total Capital Assets Depreciated	2,652,465	2,628,243
Less: Accumulated Depreciation	(400,425)	(356,445)
<b>Net Stormwater Plant</b>	<b>2,252,040</b>	<b>2,271,798</b>
<b>TOTAL UTILITY CAPITAL ASSETS</b>	<b>17,034,055</b>	<b>17,583,360</b>

<b><u>Governmental Activities</u></b>				
	2013	Accumulated Depreciation	2013	Net 2012
Land	365,843		365,843	227,620
Infrastructure Land	1,849,236		1,849,236	1,849,236
Construction in Progress	0		0	0
Buildings and Improvements	3,165,512	(722,285)	2,443,227	2,564,579
Equipment	663,774	(439,092)	224,682	260,536
Streets	4,831,052	(1,690,878)	3,140,174	3,234,540
Sidewalks	537,591	(268,095)	269,496	280,248
Bridges	267,017	(10,680)	256,337	261,677
<b>Capital Assets, Net of Depreciation</b>	<b>11,680,025</b>	<b>(3,131,030)</b>	<b>8,548,995</b>	<b>8,678,436</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, 2013 was \$9,192,520. Total general obligation debt outstanding at year end was \$6,885,170, which represents approximately 75% of the allowable debt limit. This is a 4% increase in allowable debt limit from last year, as equalized values on which the limit is based affects the ratio have been relatively flat. The remaining allowable debt is \$2,307,350.

### Comparison of Outstanding Debt by Activity

	Governmental Activities		Business-Type Activities		Total Activities	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds and Notes	\$6,321,230	\$6,360,548	\$563,940	\$649,622	\$6,885,170	\$7,010,170
Special Assess B-Bond	\$985,000	\$1,090,000			\$985,000	\$1,090,000
Bond Anticipation Notes	\$0	\$0			\$0	\$0
Revenue Bond			5,731,148	6,199,807	5,731,148	6,199,807
<b>Total Outstanding</b>	<b>\$7,306,230</b>	<b>\$7,450,548</b>	<b>\$6,295,088</b>	<b>\$6,849,429</b>	<b>\$13,601,318</b>	<b>\$14,299,977</b>

The total outstanding general obligation debt of \$6,885,170 responsibilities are as follows:

Village	\$ 6,321,230
Utility	\$ 563,940

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 \$137,109 made up of one issue for Belleville Land LLC.

## Current Portion of Outstanding Debt by Activity

			<b>Amounts Due</b>	
	<u>Governmental</u>	<u>Business-type</u>	<u>Within One Year</u>	
General Obligation Bonds and Notes	\$ 6,321,230	\$ 563,940	\$ 442,593	
Special Assess B-Bond	\$ 985,000		\$ 105,000	
Revenue Bond		\$ 5,731,148	\$ 481,250	
<b>Totals</b>	<b>\$ 7,306,230</b>	<b>\$ 6,295,088</b>	<b>\$ 1,028,843</b>	

## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As the village completes this year, its governmental funds reported a combined fund balance of \$946,263, which was \$370,500 more than the previous year.

The combined governmental funds ending fund balance of includes \$969,731 in nonspendable and restricted funds, which includes \$226,093 restricted for debt service and \$202,964 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 increased by \$49,885 to \$598,710. The general fund has an unassigned fund balance of \$140,779. The general fund unassigned fund's balance represents 11% of the actual general fund expenditures (which were \$1,276,646) in 2013. This is slightly under the recommended fund balance of 17%.

### Lake Restoration

The Lake Restoration Fund balance increased 17.4% in 2013, as more Lake Belle View Restoration donations were received in 2013. 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 \$202,964. 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 \$633,650 in cash contributions 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 received via Madison Community Foundation through December 31<sup>st</sup> were \$720,436.

## 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 \$(230,133). This is an increase from last year's fund balance deficit by \$230,342. Reasons for the decrease in fund balance deficit include a bank note loan for the capital projects fund in the amount of \$190,000, and under expenditures in the TIF #3, waste management, and capital projects funds.

## 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. Debt for the TIF #3 and lake construction fund was refinanced in 2013 for a total \$3.855 million issue to decrease the average coupon rate from 4.70% to 2.55%. This will result in an overall reduction in payments (economic gain) of \$258,697, lowering TIF #3 debt payments due.

The fund balance (deficit) at the end of 2013 for TIF #3 was (\$272,023), 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. This deficit is slightly higher than last year's because of escalating annual debt payments.

The base value of the district increased by \$3,566,600 through 2013, 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, which will begin in 2014 with excess increment being generated by construction in the Bell West portion of the district.

- **TIF #4** was created to encourage industrial/commercial development. The fund balance (deficit) at the end of 2013 was \$(15,123), 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. There was no new construction activity nor any base value increase to generate increment in the district during 2013.
- **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 2013 was \$(15,667), reflecting administration and district establishment costs. No projects as of yet have been approved for this district. There was no new construction activity nor any base value increase to generate increment in the district during 2013.

## Capital Projects

The other capital projects fund balance was \$65,716 in 2013. The Village Board has approved a promissory note of \$190,000 in 2013 to eliminate the deficit of (\$181,246) in the previous year. The deficit was primarily created by capital purchases of radios for the Fire Department, Old Library restoration, and Lake Belle View habitat restoration. Expenditures were \$56,962 less than revenues collected in 2013. Much of this was carried over to 2014 to help fund construction of a new Community Park restroom building in 2014.

## 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 under final budgeted expenditures by \$20,034, or 1.5% of the amended budget. Significant departmental expenditure changes were as follows:

- 1) **General government:** +\$16,203; Due to staffing time allocations and increased attorney expenditures for personnel and court-related issues.
- 2) **Public works/engineering:** \$19,347 under budget; Due to staff time allocations and engineering services.
- 3) **Police/public safety:** \$53,136 under expenditure budget; Due primarily to staff shortages and slow building activity.
- 4) **Leisure:** \$37,356 over budget; Due primarily to planning for construction of a new restroom building in Community Park. This will be reimbursed by donated funds.

Actual revenues received were \$11,462 more than the budgeted amount. This primarily results from grant revenues received from a DNR urban forestry grant reimbursement for prior years' work.

## **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 2014 budgeting year (2013 tax year). Due to the growth in and new construction during 2013, the village was able to increase its levy by 4.13%, but kept its actual levy increase to 2.25%. The village's mil rate for Dane County residents increased from \$8.20 in 2012 tax year to \$8.31. Green County residents' rate increased as well, from \$8.06 to \$8.23.

The levy for capital projects increased from \$90,000 in 2013 to \$92,950. Debt service payments required continued their upward trend to \$353,835 (net of refunding transactions), a 3.8% 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. The large debt payments and debt constraint of being at 75% of allowable limit, while the need for significant capital projects continues, will be a major challenge for the near future. These capital items include construction of a much-needed Community Park restroom facility, completion of Lake Belle View restoration, and sidewalk and street repair.

State shared revenues increased by 11.7%. Equalized value is \$183,309,100, which is up in both counties; 2.2% in Green County and 3.3% in Dane County. Net new construction increased only .75% 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, 2013

	Governmental Activities	Business-type Activities	Totals	Community Development Authority
<b>ASSETS</b>				
Cash and investments	\$ 477,236	\$ 563,627	\$ 1,040,863	\$ 328,841
Receivables (net)				
Taxes	1,954,665	-	1,954,665	-
Other	310,532	135,662	446,194	-
Special assessments	888,335	-	888,335	-
Internal balances	84,678	(84,678)	-	-
Inventories and prepaid items	13,054	12,342	25,396	-
Restricted cash and investments	186,637	650,797	837,434	-
Capital Assets				
Land	365,843	74,173	440,016	-
Land improvements	1,849,236	-	1,849,236	-
Construction in progress	-	118,185	118,185	-
Other capital assets, net of depreciation	<u>6,333,916</u>	<u>16,841,698</u>	<u>23,175,614</u>	-
Total Assets	<u>12,464,132</u>	<u>18,311,806</u>	<u>30,775,938</u>	<u>328,841</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	96,075	43,648	139,723	-
Deposits	27,494	-	27,494	-
Noncurrent Liabilities				
Due within one year	463,752	576,458	1,040,210	-
Due in more than one year	<u>6,853,845</u>	<u>5,718,630</u>	<u>12,572,475</u>	-
Total Liabilities	<u>7,441,166</u>	<u>6,338,736</u>	<u>13,779,902</u>	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	<u>1,778,690</u>	-	<u>1,778,690</u>	-
Total Deferred Inflows of Resources	<u>1,778,690</u>	-	<u>1,778,690</u>	-
<b>NET POSITION</b>				
Net investment in capital assets	5,346,659	10,738,968	12,138,427	-
Restricted for				
Library activities	148,629	-	148,629	-
Lake restoration	251,079	-	251,079	-
Cemetery activities	47,472	-	47,472	-
Debt service	1,216,167	-	1,216,167	-
Equipment replacement	-	307,164	307,164	-
Bond redemption	-	319,433	319,433	-
Community development	-	-	-	328,841
Unrestricted (deficit)	<u>(3,765,730)</u>	<u>607,505</u>	<u>788,975</u>	-
<b>TOTAL NET POSITION</b>	<u>\$ 3,244,276</u>	<u>\$ 11,973,070</u>	<u>\$ 15,217,346</u>	<u>\$ 328,841</u>

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

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

<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	\$ 372,170	\$ 8,715	\$ 6,300	\$ -
Public safety	513,301	29,588	7,392	-
Public works	545,015	278,427	125,505	-
Leisure activities	539,969	13,357	91,817	-
Conservation and development	129,232	37,587	22,166	130,735
Public service enterprise	15,474	9,551	-	-
Interest and fiscal charges	<u>436,031</u>	<u>-</u>	<u>49,859</u>	<u>-</u>
Total Governmental Activities	<u>2,551,192</u>	<u>377,225</u>	<u>303,039</u>	<u>130,735</u>
Business-type Activities				
Water	306,050	334,817	-	-
Sewer	871,215	827,195	-	2,889
Stormwater	<u>69,129</u>	<u>103,809</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>1,246,394</u>	<u>1,265,821</u>	<u>-</u>	<u>2,889</u>
Total Primary Government	<u>\$ 3,797,586</u>	<u>\$ 1,643,046</u>	<u>\$ 303,039</u>	<u>\$ 133,624</u>
Component Unit				
Community Development Authority	<u>\$ 48,681</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

**Change in net position**

NET POSITION - Beginning of Year

**NET POSITION - END OF YEAR**

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Community Development Authority
\$ (357,155)	\$ -	\$ (357,155)	\$ -
(476,321)	-	(476,321)	-
(141,083)	-	(141,083)	-
(434,795)	-	(434,795)	-
61,256	-	61,256	-
(5,923)	-	(5,923)	-
<u>(386,172)</u>	<u>-</u>	<u>(386,172)</u>	<u>-</u>
<u>(1,740,193)</u>	<u>-</u>	<u>(1,740,193)</u>	<u>-</u>
-	28,767	28,767	-
-	(41,131)	(41,131)	-
-	<u>34,680</u>	<u>34,680</u>	-
-	<u>22,316</u>	<u>22,316</u>	-
<u>(1,740,193)</u>	<u>22,316</u>	<u>(1,717,877)</u>	<u>-</u>
-	-	-	(48,681)
1,190,736	-	1,190,736	-
340,891	-	340,891	-
71,342	-	71,342	-
539	-	539	-
186,732	-	186,732	-
3,589	2,425	6,014	1,538
23,725	-	23,725	-
<u>57,423</u>	<u>(57,423)</u>	<u>-</u>	<u>-</u>
<u>1,874,977</u>	<u>(54,998)</u>	<u>1,819,979</u>	<u>1,538</u>
134,784	(32,682)	102,102	(47,143)
<u>3,109,492</u>	<u>12,005,752</u>	<u>15,115,244</u>	<u>375,884</u>
<u>\$ 3,244,276</u>	<u>\$ 11,973,070</u>	<u>\$ 15,217,346</u>	<u>\$ 328,741</u>

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2013

	General	Library	Debt Service Fund	Lake Restoration
<b>ASSETS</b>				
Cash and investments	\$ 165,556	\$ 165,058	\$ 39,456	\$ -
Receivables				
Taxes	886,676	215,560	492,725	25,000
Special assessments	-	-	880,000	-
Delinquent special assessments	8,846	-	-	-
Accounts	14,210	-	-	295,411
Due from other funds	100,116	-	-	-
Advances to other funds	371,573	-	-	-
Prepaid items	11,266	1,028	-	-
Restricted cash and investments	-	-	186,637	-
	<u>\$ 1,558,243</u>	<u>\$ 381,646</u>	<u>\$ 1,598,818</u>	<u>\$ 320,411</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 47,338	\$ 17,457	\$ -	\$ -
Deposits	27,494	-	-	-
Due to other funds	6,684	-	-	44,332
Advances from other funds	-	-	-	-
Total Liabilities	<u>81,516</u>	<u>17,457</u>	<u>-</u>	<u>44,332</u>
Deferred Inflows of Resources				
Unearned revenues	878,017	215,560	353,835	25,000
Unavailable revenues	-	-	1,018,890	48,115
Total Deferred Inflows of Resources	<u>878,017</u>	<u>215,560</u>	<u>1,372,725</u>	<u>73,115</u>
Fund Balances				
Nonspendable	391,285	1,028	-	-
Restricted	-	147,601	226,093	202,964
Committed	66,646	-	-	-
Unassigned (deficit)	140,779	-	-	-
Total Fund Balances	<u>598,710</u>	<u>148,629</u>	<u>226,093</u>	<u>202,964</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 1,558,243</u>	<u>\$ 381,646</u>	<u>\$ 1,598,818</u>	<u>\$ 320,411</u>

See accompanying notes to financial statements.

---

Nonmajor Governmental Funds	Totals
\$ 107,166	\$ 477,236
334,704	1,954,665
-	880,000
-	8,846
401	310,022
6,684	106,800
-	371,573
760	13,054
<u>-</u>	<u>186,637</u>
<u>\$ 449,715</u>	<u>\$ 4,308,833</u>

\$ 2,465	\$ 67,260
-	27,494
-	51,016
<u>342,679</u>	<u>342,679</u>
<u>345,144</u>	<u>488,449</u>

306,278	1,778,690
<u>28,426</u>	<u>1,095,431</u>
<u>334,704</u>	<u>2,874,121</u>

760	393,073
-	576,658
112,968	179,614
<u>(343,861)</u>	<u>(203,082)</u>
<u>(230,133)</u>	<u>946,263</u>

<u>\$ 449,715</u>	<u>\$ 4,308,833</u>
-------------------	---------------------

See accompanying notes to financial statements.

## VILLAGE OF BELLEVILLE

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2013

---

Total Fund Balances - Governmental Funds	\$ 946,263
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.	8,548,995
Special assessments are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	880,000
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	48,115
Special charges included in property taxes receivable are reported as unavailable revenues in the fund financial statements but are recognized as revenues when earned in the government-wide statements	167,316
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>(7,346,413)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 3,244,276</u></u></b>

## VILLAGE OF BELLEVILLE

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

For the Year Ended December 31, 2013

	General	Library	Debt Service Fund	Lake Restoration
<b>REVENUES</b>				
Taxes	\$ 881,560	\$ 215,560	\$ 340,891	\$ 4,000
Special assessments	-	-	140,905	-
Intergovernmental	324,180	91,718	49,859	-
Licenses and permits	15,515	-	-	-
Fines, forfeitures and penalties	20,996	-	-	-
Public charges for services	3,286	8,635	-	-
Investment income	2,883	144	-	20
Miscellaneous	46,508	7,496	-	111,915
Total Revenues	1,294,928	323,553	531,655	115,935
<b>EXPENDITURES</b>				
Current				
General government	354,356	640	-	-
Public safety	497,872	-	-	-
Public works	276,052	-	-	-
Leisure activities	147,946	273,675	-	-
Conservation and development	420	-	-	85,877
Public service enterprises	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	4,189,318	-
Interest and fiscal charges	-	-	347,802	-
Total Expenditures	1,276,646	274,315	4,537,120	85,877
Excess (deficiency) of revenues over expenditures	18,282	49,238	(4,005,465)	30,058
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issued	-	-	3,855,000	-
Transfers in	187,729	-	161,472	-
Transfers out	(156,156)	-	-	-
Total Other Financing Sources (Uses)	31,573	-	4,016,472	-
<b>Net Change in Fund Balances</b>	49,855	49,238	11,007	30,058
FUND BALANCES (DEFICIT) - Beginning of Year	548,855	99,391	215,086	172,906
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 598,710	\$ 148,629	\$ 226,093	\$ 202,964

See accompanying notes to financial statements.

---

Nonmajor Governmental Funds	Totals
\$ 161,890	\$ 1,603,901
-	140,905
14,266	480,023
-	15,515
-	20,996
209,058	220,979
149	3,196
<u>3,500</u>	<u>169,419</u>
<u>388,863</u>	<u>2,654,934</u>
-	354,996
-	497,872
138,223	414,275
-	421,621
19,450	105,747
14,270	14,270
40,501	40,501
-	4,189,318
<u>455</u>	<u>348,257</u>
<u>212,899</u>	<u>6,386,857</u>
<u>175,964</u>	<u>(3,731,923)</u>
190,000	4,045,000
-	349,201
<u>(135,622)</u>	<u>(291,778)</u>
<u>54,378</u>	<u>4,102,423</u>
230,342	370,500
<u>(460,475)</u>	<u>575,763</u>
<u>\$ (230,133)</u>	<u>\$ 946,263</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, 2013

---

Net change in fund balances - total governmental funds	\$	370,500
--	----	---------

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	40,501
Some items reported as capital outlay are not capitalized in the government-wide statements	(26,704)
Depreciation is reported in the government-wide financial statements	(281,461)

Contributed capital assets are reported as revenues in the government-wide financial statements.	138,223
--	---------

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	(42,684)
Pledges receivable	(121,920)

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	(4,045,000)
Principal repaid	4,189,318

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	1,787
Accrued interest on debt and other debt-related expenses	(87,776)

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>134,784</u></b>
--	-----------	-----------------------

# VILLAGE OF BELLEVILLE

STATEMENT OF NET POSITION  
 PROPRIETARY FUND - WATER AND SEWER UTILITY  
 As of December 31, 2013  
 (With Comparative Totals for December 31, 2012)

	Business-type Activities - Enterprise Funds	
	2013	2012
<b>ASSETS</b>		
Current Assets		
Cash and investments	\$ 563,627	\$ 674,787
Accounts receivable	125,485	120,568
Inventories and prepayments	11,978	11,359
Unamortized debt issuance expenses	-	20,711
Total Current Assets	701,090	827,425
Noncurrent Assets		
Restricted Assets		
Equipment replacement	307,164	257,164
Bond redemption	343,633	337,338
Capital Assets		
Capital assets not being depreciated	178,663	178,663
Capital assets net of accumulated depreciation	14,603,353	15,132,899
Total Noncurrent Assets	15,432,813	15,906,064
Total Assets	16,133,903	16,733,489
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	15,503	13,896
Due to other funds	55,784	58,417
Accrued interest	3,944	4,551
Current portion of general obligation debt	95,208	85,682
Current portion of other long-term debt	481,250	468,658
Liabilities Payable from Restricted Assets		
Accrued interest payable	24,200	26,300
Total Current Liabilities	675,889	657,504
Noncurrent Liabilities		
Long-Term Debt		
General obligation debt payable	468,732	563,940
Revenue bonds payable	5,249,898	5,731,149
Total Noncurrent Liabilities	5,718,630	6,295,089
Total Liabilities	6,394,519	6,952,593
<b>NET POSITION</b>		
Net investments in capital assets	8,486,928	8,482,844
Restricted for		
Equipment replacement	307,164	257,164
Bond redemption	319,433	311,038
Unrestricted	625,859	729,850
<b>TOTAL NET POSITION</b>	<b>\$ 9,739,384</b>	<b>\$ 9,780,896</b>

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, 2013  
 (With Comparative Totals for the Year Ended December 31, 2012)

	Business-type Activities - Enterprise Funds	
	2013	2012
<b>OPERATING REVENUES</b>		
Water service	\$ 334,817	\$ 326,419
Sewage service	827,195	796,750
Total Operating Revenues	1,162,012	1,123,169
<b>OPERATING EXPENSES</b>		
Water		
General administrative, operation and maintenance	146,173	111,632
Depreciation expense	103,304	102,866
Total Water	249,477	214,498
Sewer		
General administrative, operation and maintenance	313,127	292,065
Depreciation expense	418,719	418,659
Total Sewer	731,846	710,724
Total Operating Expenses	981,323	925,222
<b>OPERATING INCOME</b>		
Water	85,340	111,921
Sewer	95,349	86,026
Total Operating Income	180,689	197,947
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	2,425	3,457
Interest expense	(195,942)	(195,082)
Total Nonoperating Revenues (Expenses)	(193,517)	(191,625)
Income (Loss) Before Contributions and Transfers	(12,828)	6,322
<b>CONTRIBUTIONS AND TRANSFERS</b>		
Contributions in aid of construction	2,889	776
Transfers in	156,156	169,120
Transfers out	(187,729)	(224,449)
Total Contributions and Transfers	(28,684)	(54,553)
<b>Change in Net Position</b>	(41,512)	(48,231)
NET POSITION - Beginning of Year	9,780,896	9,829,127
<b>NET POSITION - END OF YEAR</b>	<b>\$ 9,739,384</b>	<b>\$ 9,780,896</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, 2013  
 (With Comparative Totals for the Year Ended December 31, 2012)

	Business-type Activities - Enterprise Funds	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 1,166,853	\$ 1,122,784
Paid to suppliers for goods and services	(305,044)	(294,059)
Paid to employees for services	(153,268)	(103,550)
Net Cash Flows From Operating Activities	708,541	725,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	2,425	3,457
Net Cash Flows From Investing Activities	2,425	3,457
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Paid to municipality for tax equivalent	(59,206)	(46,209)
Net Cash Flows From Noncapital Financing Activities	(59,206)	(46,209)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Debt retired	(554,341)	(533,030)
Interest paid	(177,938)	(193,061)
Transfers for debt service	25,000	-
Connection fees received	2,889	776
Acquisition and construction of capital assets	(2,235)	(59,938)
Net Cash Flows From Capital and Related Financing Activities	(706,625)	(785,253)
<b>Net Change in Cash and Cash Equivalents</b>	(54,865)	(102,830)
CASH AND CASH EQUIVALENTS - Beginning of Year	1,269,289	1,372,119
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,214,424	\$ 1,269,289

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds	
	<u>2013</u>	<u>2012</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 180,689	\$ 197,947
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities		
Depreciation	522,023	521,525
Depreciation charged to other funds	9,758	9,599
Changes in assets and liabilities		
Accounts receivable	(4,917)	(9,984)
Prepayments	(619)	(163)
Accounts payable and other liabilities	<u>1,607</u>	<u>6,251</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>\$ 708,541</u></b>	<b><u>\$ 725,175</u></b>
 <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUND - WATER AND SEWER UTILITY</b>		
Cash and investments	\$ 563,627	\$ 674,787
Restricted Cash and Investments		
Equipment replacement	307,164	257,164
Bond redemption	<u>343,633</u>	<u>337,338</u>
<b>CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 1,214,424</u></b>	<b><u>\$ 1,269,289</u></b>

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

In 2013 and 2012, \$131,156 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, 2013  
(With Comparative Totals for December 31, 2012)

	Business-type Activities - Enterprise Funds	
	2013	2012
<b>ASSETS</b>		
Current Assets		
Accounts receivable	\$ 10,176	\$ 10,571
Inventories and prepayments	364	337
Total Current Assets	<u>10,540</u>	<u>10,908</u>
Noncurrent Assets		
Capital Assets		
Capital assets not being depreciated	13,695	-
Capital assets net of accumulated depreciation	<u>2,238,345</u>	<u>2,271,798</u>
Total Assets	<u>2,262,580</u>	<u>2,282,706</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	-	4,560
Total Current Liabilities	<u>-</u>	<u>4,560</u>
Noncurrent Liabilities		
Advances from other funds	<u>28,894</u>	<u>53,290</u>
Total Noncurrent Liabilities	<u>28,894</u>	<u>53,290</u>
Total Liabilities	<u>28,894</u>	<u>57,850</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,252,040	2,271,798
Unrestricted (deficit)	<u>(18,354)</u>	<u>(46,942)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 2,233,686</u>	<u>\$ 2,224,856</u>

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, 2013

(With Comparative Totals for the Year Ended December 31, 2012)

	Business-type Activities - Enterprise Funds	
	2013	2012
<b>OPERATING REVENUES</b>		
Stormwater service	\$ 103,809	\$ 105,327
<b>OPERATING EXPENSES</b>		
General administrative, operation and maintenance	25,084	22,273
Depreciation expense	43,980	43,804
Total Operating Expenses	69,064	66,077
<b>OPERATING INCOME</b>	34,745	39,250
<b>NONOPERATING EXPENSES</b>		
Investment income (expense)	(65)	22
Income Before Contributions and Transfers	34,680	39,272
<b>CONTRIBUTIONS AND TRANSFERS</b>		
Contributions in aid of construction	-	39,340
Transfers out	(25,850)	-
Total Contributions and Transfers	(25,850)	39,340
<b>Change in Net Position</b>	8,830	78,612
NET POSITION - Beginning of Year	2,224,856	2,146,244
<b>NET POSITION - END OF YEAR</b>	\$ 2,233,686	\$ 2,224,856

See accompanying notes to financial statements.

# VILLAGE OF BELLEVILLE

## STATEMENT OF CASH FLOWS PROPRIETARY FUND - STORMWATER UTILITY For the Year Ended December 31, 2013

(With Comparative Totals for the Year Ended December 31, 2012)

	Business-type Activities - Enterprise Funds	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 104,204	\$ 104,268
Paid to suppliers for goods and services	(38,144)	1,042
Paid to employees for services	(17,377)	(19,445)
Net Cash Flows From Operating Activities	48,683	85,865
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Interfund advance received (paid)	(24,396)	50,640
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income (expense)	(65)	22
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(24,222)	(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 INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 34,745	\$ 39,250
Adjustments to Reconcile Operating Income to Net Cash Flows		
From Operating Activities		
Depreciation	43,980	43,804
Changes in assets and liabilities		
Accounts receivable	395	(1,059)
Prepayments	(27)	(132)
Accounts payable	(4,560)	4,002
Advances from other funds	(25,850)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ 48,683	\$ 85,865

### NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

None in 2013.

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
As of December 31, 2013

---

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 2,368,371
Tax roll receivable	<u>903,030</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,271,401</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 3,271,401</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 3,271,401</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, 2013

---

<b>NOTE</b>	<b>Page</b>
I Summary of Significant Accounting Policies	19
A. Reporting Entity	19
B. Government-Wide and Fund Financial Statements	20
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	22
D. Assets, Liabilities, and Net Position or Equity	24
1. Deposits and Investments	24
2. Receivables	25
3. Inventories and Prepaid Items	26
4. Restricted Assets	26
5. Capital Assets	26
6. Compensated Absences	27
7. Long-Term Obligations/Conduit Debt	27
8. Deferred Inflows of Resources	28
9. Equity Classifications	28
10. Prior Period Information	30
II Reconciliation of Government-Wide and Fund Financial Statements	30
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	30
III Stewardship, Compliance, and Accountability	31
A. Deficit Balances	31
B. Limitations on the Village's Tax Levy	31
IV Detailed Notes on All Funds	32
A. Deposits and Investments	32
B. Receivables	33
C. Restricted Assets	33
D. Capital Assets	34
E. Interfund Receivables/Payables, Advances and Transfers	39
F. Long-Term Obligations	41
G. Lease Disclosures	45
H. Net Position/Fund Balances	46
I. Component Unit	47
V Other Information	47
A. Employees' Retirement System	47
B. Risk Management	49
C. Commitments and Contingencies	49
D. Joint Ventures	49
E. Effect of New Accounting Standards on Current-Period Financial Statements	50

# VILLAGE OF BELLEVILLE

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

---

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

---

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

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

# VILLAGE OF BELLEVILLE

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

---

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

---

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

##### ***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, 2013. The CDA does not issue separate financial statements.

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

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

##### ***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.

# VILLAGE OF BELLEVILLE

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

---

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

---

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

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

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

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, 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 - accounts for operations of the stormwater system

# VILLAGE OF BELLEVILLE

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

---

### 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 - 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, 2013

---

### 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 unearned revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. 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.

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer 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.

# VILLAGE OF BELLEVILLE

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

---

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

---

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

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

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

#### ***D. ASSETS, 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.
- 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.

# VILLAGE OF BELLEVILLE

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

---

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

---

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

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

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 statement of assets and liabilities - agency funds.

Property tax calendar - 2013 tax roll:

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

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.

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.

# VILLAGE OF BELLEVILLE

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

---

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

---

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

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

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.

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.

# VILLAGE OF BELLEVILLE

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

---

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

---

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

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

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. 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. Compensated Absences**

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources. All vacation and compensatory balances at December 31, 2013 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, 2013 are determined on the basis of the current year's salary rates.

##### **7. 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.

# VILLAGE OF BELLEVILLE

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

---

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

---

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

##### ***7. Long-Term Obligations/Conduit Debt*** (cont.)

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 \$137,109, made up of one issue.

##### ***8. Deferred Inflows of Resources***

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

##### ***9. 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:

# VILLAGE OF BELLEVILLE

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

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

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

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

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 5,346,659	\$ 10,738,968	\$ (3,947,200)	\$ 12,138,427
Unrestricted	(3,765,730)	607,505	3,947,200	788,975

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 and displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by 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 Board. 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 Board 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.

**VILLAGE OF BELLEVILLE**

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

---

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

---

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

***9. Equity Classifications (cont.)***

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

Proprietary 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 \$140,779.

See Note IV. H. for further information.

***10. 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.

---

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

---

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

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	\$	7,306,230
Compensated absences		11,367
Accrued interest		<u>28,816</u>
Combined Adjustment for Long-Term Liabilities	\$	<u>7,346,413</u>

# VILLAGE OF BELLEVILLE

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

---

### NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

---

#### **A. DEFICIT BALANCES**

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

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

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Waste Management	\$ (40,508)	Operating expenditures exceeded revenues
Tax Incremental District No. 3	(272,023)	Operating expenditures exceeded revenues
Tax Incremental District No. 4	(15,123)	Operating expenditures exceeded revenues
Tax Incremental District No. 5	(15,667)	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 deficit in the Waste Management fund is anticipated to be funded with future tax revenues.

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

Wisconsin law 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. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

# VILLAGE OF BELLEVILLE

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

### 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	\$ 4,475,254	\$ 4,565,585	Custodial credit risk
Certificates of deposit	100,180	100,180	Custodial credit risk
Petty cash	75	-	N/A
 Total Deposits and Investments	 \$ 4,575,509	 \$ 4,665,765	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 1,040,863		
Restricted cash and investments	837,434		
Per statement of net position - component unit	328,841		
Per statement of assets and liabilities			
Agency Funds	2,368,371		
 Total Deposits and Investments	 \$ 4,575,509		

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

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

The village maintains collateral agreements with its banks. At December 31, 2013, the banks had pledged various government securities in the amount of \$4,084,245 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.

**VILLAGE OF BELLEVILLE**

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

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

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

***Custodial Credit Risk*** (cont.)

**Deposits** (cont.)

The village does not have any deposits 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 \$880,000 and \$35,000 of the pledges receivable.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 1,778,690	\$ 167,316
Special assessments not yet due	-	880,000
Pledges	<u>-</u>	<u>48,115</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 1,778,690</u>	 <u>\$ 1,095,431</u>

**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.

# VILLAGE OF BELLEVILLE

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

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

#### C. RESTRICTED ASSETS (cont.)

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

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 343,633	\$ 24,200	\$ 319,433
Equipment replacement account	307,164	-	307,164
Total	\$ 650,797	\$ 24,200	\$ 626,597

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

#### D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 227,620	\$ 138,223	\$ -	\$ 365,843
Infrastructure land and improvements	1,849,236	-	-	1,849,236
Total Capital Assets Not Being Depreciated	2,076,856	138,223	-	2,215,079
Capital assets being depreciated				
Buildings and improvements	3,165,512	-	-	3,165,512
Equipment	664,445	13,797	14,468	663,774
Streets	4,831,052	-	-	4,831,052
Sidewalks	537,591	-	-	537,591
Bridges	267,017	-	-	267,017
Total Capital Assets Being Depreciated	9,465,617	13,797	14,468	9,464,946
Total Capital Assets	11,542,473	152,020	14,468	11,680,025

# VILLAGE OF BELLEVILLE

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

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities (cont.)</b>				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (600,933)	\$ (121,352)	\$ -	\$ (722,285)
Equipment	(403,909)	(49,651)	14,468	(439,092)
Streets	(1,596,512)	(94,366)	-	(1,690,878)
Sidewalks	(257,343)	(10,752)	-	(268,095)
Bridges	(5,340)	(5,340)	-	(10,680)
Total Accumulated Depreciation	(2,864,037)	(281,461)	14,468	(3,131,030)
Net Capital Assets Being Depreciated	6,601,580	(267,664)	-	6,333,916
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 8,678,436	\$ (129,441)	\$ -	\$ 8,548,995

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 8,889
Public safety	15,429
Public works, which includes the depreciation of infrastructure	144,258
Leisure activities	111,681
Public service enterprises	1,204
Total Governmental Activities Depreciation Expense	\$ 281,461

**VILLAGE OF BELLEVILLE**

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

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

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

**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	5,180,103	2,234	-	5,182,337
General	38,174	-	-	38,174
Total Capital Assets Being Depreciated	5,328,381	2,234	-	5,330,615
Total Capital Assets	5,469,039	2,234	-	5,471,273
Less: Accumulated depreciation for				
General	(816,296)	(113,062)	-	(929,358)
Total Accumulated Depreciation	(816,296)	(113,062)	-	(929,358)
Net Capital Assets Being Depreciated	4,512,085	(110,828)	-	4,401,257
Net Water Capital Assets	\$ 4,652,743	\$ (110,828)	\$ -	\$ 4,541,915

**VILLAGE OF BELLEVILLE**

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

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

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

**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>-</u>	<u>-</u>	<u>7,855</u>
Total Capital Assets Not Being Depreciated	<u>38,005</u>	<u>-</u>	<u>-</u>	<u>38,005</u>
Capital assets being depreciated				
Collection system	4,077,092	-	-	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>-</u>	<u>-</u>	<u>256,921</u>
Total Capital Assets Being Depreciated	<u>13,540,433</u>	<u>-</u>	<u>-</u>	<u>13,540,433</u>
Total Capital Assets	<u>13,578,438</u>	<u>-</u>	<u>-</u>	<u>13,578,438</u>
Less: Accumulated depreciation for				
General	<u>(2,919,619)</u>	<u>(418,719)</u>	<u>-</u>	<u>(3,338,338)</u>
Total Accumulated Depreciation	<u>(2,919,619)</u>	<u>(418,719)</u>	<u>-</u>	<u>(3,338,338)</u>
Net Capital Assets Being Depreciated	<u>10,620,814</u>	<u>(418,719)</u>	<u>-</u>	<u>10,202,095</u>
Net Sewer Capital Assets	<u>\$ 10,658,819</u>	<u>\$ (418,719)</u>	<u>\$ -</u>	<u>\$ 10,240,100</u>

**VILLAGE OF BELLEVILLE**

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

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

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 13,695	\$ -	\$ 13,695
Total Capital Assets Not Being Depreciated	-	13,695	-	13,695
Capital assets being depreciated				
General	2,628,243	10,527	-	2,638,770
Total Capital Assets Being Depreciated	2,628,243	10,527	-	2,638,770
Total Capital Assets	2,628,243	24,222	-	2,652,465
Less: Accumulated depreciation for				
General	(356,445)	(43,980)	-	(400,425)
Total Accumulated Depreciation	(356,445)	(43,980)	-	(400,425)
Net Capital Assets Being Depreciated	2,271,798	(33,453)	-	2,238,345
Net Stormwater Capital Assets	\$ 2,271,798	\$ (19,758)	\$ -	\$ 2,252,040
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 17,583,360	\$ (549,305)	\$ -	\$ 17,034,055

Depreciation expense was charged to functions as follows:

<b>Business-type Activities</b>		
Water		\$ 103,304
Sewer		418,719
Storm		43,980
Total Business-type Activities Depreciation Expense		\$ 566,003

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

**VILLAGE OF BELLEVILLE**

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

---

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

---

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

***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	\$ 55,784
General fund	Lake restoration	44,332
Other capital projects	General fund	<u>6,684</u>
Total - Fund Financial Statements		106,800
Less: Fund eliminations		(51,016)
Add: Interfund advances		<u>28,894</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 84,678</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, 2013

**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	\$ 39,866	\$ 39,866
General fund	Tax Incremental District No. 3	272,023	272,023
General fund	Tax Incremental District No. 4	15,123	15,123
General fund	Tax Incremental District No. 5	15,667	15,667
General fund	Stormwater utility	28,894	28,894
Total - Fund Financial Statements		371,573	
Less: Government-wide eliminations		(342,679)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ 28,894	

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	\$ 56,573	Payment in lieu of taxes
Debt service fund	General fund	135,622	TID share of debt service
Water and sewer utility	General fund	25,000	Debt service
General fund	Water and sewer utility	131,156	Transfer for debt service
Water and sewer utility	General fund	131,156	Transfer of surplus funds
Debt service fund	Stormwater utility	25,850	Debt service
Total - Fund Financial Statements		505,357	
Less: Fund eliminations		(447,934)	
Total Transfers - Government-Wide Statement of Activities		\$ 57,423	

# VILLAGE OF BELLEVILLE

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

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

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

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

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 213,579
Business-type Activities	Governmental Activities	<u>(156,156)</u>
Total Government-wide Financial Statements		<u><u>\$ 57,423</u></u>

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

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, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 6,360,548	\$ 4,045,000	\$ 4,084,318	\$ 6,321,230	\$ 347,385
Special assessment b-bonds	<u>1,090,000</u>	<u>-</u>	<u>105,000</u>	<u>985,000</u>	<u>105,000</u>
Sub-totals	<u>7,450,548</u>	<u>4,045,000</u>	<u>4,189,318</u>	<u>7,306,230</u>	<u>452,385</u>
Other Liabilities					
Vested compensated absences	<u>13,154</u>	<u>11,367</u>	<u>13,154</u>	<u>11,367</u>	<u>11,367</u>
Total Governmental Activities Long-Term Liabilities	<u><u>\$ 7,463,702</u></u>	<u><u>\$ 4,056,367</u></u>	<u><u>\$ 4,202,472</u></u>	<u><u>\$ 7,317,597</u></u>	<u><u>\$ 463,752</u></u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 649,622	\$ -	\$ 85,682	\$ 563,940	\$ 95,208
Revenue bonds	<u>6,199,807</u>	<u>-</u>	<u>468,659</u>	<u>5,731,148</u>	<u>481,250</u>
Total Business-type Activities Long-Term Liabilities	<u><u>\$ 6,849,429</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 554,341</u></u>	<u><u>\$ 6,295,088</u></u>	<u><u>\$ 576,458</u></u>

**VILLAGE OF BELLEVILLE**

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

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

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

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, 2013, was \$9,192,520. Total general obligation debt outstanding at year end was \$6,885,170.

**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, 2013</u>
Promissory notes	10/15/04	10/15/14	2.75 - 4.50%	\$ 275,170	\$ 50,170
Promissory notes	10/01/07	04/01/17	3.75 - 4.00%	755,941	181,060
Promissory notes	11/17/08	11/01/18	3.20 - 4.40%	570,000	400,000
Refunding bonds	07/11/12	04/01/29	0.90 - 3.70%	1,710,000	1,645,000
Refunding bonds	06/27/13	10/01/30	0.50 - 3.30%	3,855,000	3,855,000
Promissory notes	03/04/13	03/04/23	1.95%	190,000	<u>190,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 6,321,230</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, 2013</u>
Promissory notes	4/1/07	4/1/17	3.75 - 4.00%	\$ 79,059	\$ 18,940
Promissory notes	11/17/08	11/1/18	3.20 - 4.40%	855,000	<u>545,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 563,940</u>

**VILLAGE OF BELLEVILLE**

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

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

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

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2014	\$ 347,385	\$ 152,029	\$ 95,208	\$ 23,392
2015	357,555	143,143	105,209	19,717
2016	383,374	135,905	114,735	15,546
2017	424,673	128,172	123,788	10,736
2018	423,822	120,246	125,000	5,500
2019-2023	2,004,421	483,611	-	-
2024-2028	1,910,000	244,457	-	-
2029-2030	470,000	16,343	-	-
Totals	<u>\$ 6,321,230</u>	<u>\$ 1,423,906</u>	<u>\$ 563,940</u>	<u>\$ 74,891</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 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 \$6,263,030. Principal and interest paid for the current year and total customer net revenues were \$611,921 and \$636,304, respectively.

Revenue debt payable at December 31, 2013, consists of the following:

**Business-type Activities Revenue Debt**

<u>Water and Sewer Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2013</u>
Revenue bond	8/28/96	5/1/16	3.133%	\$ 2,398,818	\$ 481,138
Revenue bond	2/28/07	5/1/26	2.480%	6,635,068	4,925,010
Revenue BAN	10/26/10	5/1/15	2.50%	325,000	325,000
Total Business-type Activities - Revenue Debt					<u>\$ 5,731,148</u>

**VILLAGE OF BELLEVILLE**

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

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

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

**Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2014	\$ 481,250	\$ 130,501
2015	819,184	117,391
2016	507,470	103,924
2017	350,586	92,762
2018	359,263	83,977
2019-2023	1,934,174	280,321
2024-2026	<u>1,279,221</u>	<u>48,007</u>
Totals	<u>\$ 5,731,148</u>	<u>\$ 856,883</u>

**Special Assessment B-Bonds**

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

Special assessment B-Bonds at December 31, 2013, consists of the following:

<b>Governmental Activities</b>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2013
Special Assessment B-Bonds					
Special assessment B bonds	10/26/10	11/1/22	2.60 - 4.00%	\$ 440,000	\$ 400,000
Special assessment B bonds	10/26/11	11/1/22	1.50-4.40%	650,000	<u>585,000</u>
Total Governmental Activities Special Assessment B-Bonds					<u>\$ 985,000</u>

**VILLAGE OF BELLEVILLE**

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

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

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

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

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Special Assessment B-Bonds	
	Principal	Interest
2014	\$ 105,000	\$ 33,890
2015	110,000	31,550
2016	110,000	28,575
2017	110,000	25,275
2018	110,000	21,542
2019-2022	440,000	45,088
Totals	\$ 985,000	\$ 185,920

**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.

**Current Refunding**

On June 27, 2013, the village issued \$3,855,000 in general obligation bonds with an average coupon rate of 2.55% to refund \$3,835,000 of outstanding bonds with an average coupon rate of 4.70%. The net proceeds along with existing funds of the village were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$5,286,271 from 2013 through 2030. The cash flow requirements on the refunding bonds are \$4,875,505 from 2013 through 2030. 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 \$258,697.

**G. LEASE DISCLOSURES**

The village has no material leases as lessee or lessor.

**VILLAGE OF BELLEVILLE**

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

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

**H. NET POSITION/FUND BALANCES**

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

**Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 365,843
Infrastructure land and improvements	1,849,236
Other capital assets, net of accumulated depreciation	6,333,916
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(3,202,336)</u>
Total Net Investment in Capital Assets	<u><u>\$ 5,346,659</u></u>

**Governmental Funds**

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

	General Fund	Library	Debt Service Fund	Lake Restoration	Nonmajor Funds	Totals
<b>Fund Balances</b>						
<b>Nonspendable:</b>						
Prepaid items	\$ 11,266	\$ 1,028	\$ -	\$ -	\$ 760	\$ 13,054
Advances	371,573	-	-	-	-	371,573
Delinquent items	8,446	-	-	-	-	8,446
<b>Restricted for:</b>						
Library activities	-	147,601	-	-	-	147,601
Debt service	-	-	226,093	-	-	226,093
Lake restoration activities	-	-	-	202,964	-	202,964
<b>Committed to:</b>						
Budget carryovers	66,646	-	-	-	-	66,646
Cemetery activities	-	-	-	-	47,252	47,252
Capital projects	-	-	-	-	65,716	65,716
<b>Unassigned (deficit):</b>	<u>140,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(343,861)</u>	<u>(203,082)</u>
<b>Total Fund Balances (Deficit)</b>	<u><u>\$ 598,710</u></u>	<u><u>\$ 148,629</u></u>	<u><u>\$ 226,093</u></u>	<u><u>\$ 202,964</u></u>	<u><u>\$ (230,133)</u></u>	<u><u>\$ 946,263</u></u>

# VILLAGE OF BELLEVILLE

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

---

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

---

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

#### *Business-type Activities*

Net Investment in Capital Assets	
Capital assets not being depreciated	\$ 192,358
Capital assets being depreciated	16,841,698
Less: Capital related long-term debt outstanding, net of unspent proceeds	<u>(6,295,088)</u>
Total Net Investment in Capital Assets	<u>\$ 10,738,968</u>

### I. COMPONENT UNIT

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

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

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 \$328,841 and is part of the village's commingled cash. See Note IV. A.

---

## NOTE V - OTHER INFORMATION

---

### 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.

# VILLAGE OF BELLEVILLE

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

---

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

---

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

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 employees 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, 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for village employees covered by the WRS for the year ended December 31, 2013 was \$728,544; the employer's total payroll was \$761,116. The total required contribution for the year ended December 31, 2013 was \$106,575 or 14.6% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending 2012 and 2011 were \$101,373 and \$105,174, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting 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 WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2013 there was no pension related debt for the village.

# VILLAGE OF BELLEVILLE

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

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

#### **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**

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.

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.

#### **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 2013 budget was allocated as follows:

	Fire		EMS	
	Percent Based on Equalized Value	2013 Budget	Percent Based on Per Capita	2013 Budget
Village of Belleville	37.6 %	\$ 50,086	43.1 %	\$ 19,967
Town of Montrose	26.1	34,705	19.6	9,079
Town of Exeter	33.8	45,018	33.7	15,629
Town of Oregon	1.6	2,217	1.1	536
Town of Primrose	-	-	1.9	871
Town of Brooklyn	0.9	1,154	0.6	268
	0.9	1,154	0.6	268
Totals	<u>100.0 %</u>	<u>\$ 133,180</u>	<u>100.0 %</u>	<u>\$ 46,350</u>

# VILLAGE OF BELLEVILLE

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

---

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

---

#### ***D. JOINT VENTURES*** (cont.)

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.

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

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

- > Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## VILLAGE OF BELLEVILLE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 881,766	\$ 881,766	\$ 881,560	\$ (206)
Intergovernmental	304,030	304,030	324,180	20,150
Licenses and permits	16,045	16,045	15,515	(530)
Fines, forfeitures and penalties	27,000	27,000	20,996	(6,004)
Public charges for services	3,750	3,750	3,286	(464)
Investment income	2,750	2,750	2,883	133
Miscellaneous	45,492	45,492	46,508	1,016
Total Revenues	1,280,833	1,280,833	1,294,928	14,095
<b>EXPENDITURES</b>				
Current				
General government	356,891	338,153	354,356	(16,203)
Public safety	525,709	551,008	497,872	53,136
Public works	306,399	295,399	276,052	19,347
Leisure activities	123,090	110,590	147,946	(37,356)
Conservation and development	1,800	1,800	420	1,380
Capital Outlay	1,150	-	-	-
Total Expenditures	1,315,039	1,296,950	1,276,646	20,304
Excess (deficiency) of revenues over (under) expenditures	(34,206)	(16,117)	18,282	34,399
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	59,206	59,206	56,573	(2,633)
Transfers out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	34,206	34,206	31,573	(2,633)
<b>Net Change in Fund Balance</b>	-	18,089	49,855	31,766
FUND BALANCE - Beginning of Year	548,855	548,855	548,855	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 548,855</b>	<b>\$ 566,944</b>	<b>\$ 598,710</b>	<b>\$ 31,766</b>

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 FUND For the Year Ended December 31, 2013

	<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	90,638	90,638	91,718	1,080
Public charges for services	6,065	6,065	8,635	2,570
Miscellaneous	3,755	3,755	7,496	3,741
Investment income	-	-	144	144
Total Revenues	<u>316,018</u>	<u>316,018</u>	<u>323,553</u>	<u>7,535</u>
<b>EXPENDITURES</b>				
General government	1,297	1,297	640	657
Leisure activities	<u>314,721</u>	<u>314,721</u>	<u>273,675</u>	<u>41,046</u>
Total Expenditures	<u>316,018</u>	<u>316,018</u>	<u>274,315</u>	<u>41,703</u>
<b>Net Change in Fund Balance</b>	-	-	49,238	49,238
FUND BALANCE - Beginning of Year	<u>99,391</u>	<u>99,391</u>	<u>99,391</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 99,391</u>	<u>\$ 99,391</u>	<u>\$ 148,629</u>	<u>\$ 49,238</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, 2013

---

#### ***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 \$66,646. Budgets are adopted at the function level of expenditure.

**SUPPLEMENTARY INFORMATION**

## VILLAGE OF BELLEVILLE

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

For the Year Ended December 31, 2013

	<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	\$ 880,628	\$ 880,628	\$ 880,628	\$ -
Occupational taxes	638	638	539	(99)
Interest and penalties on taxes	500	500	393	(107)
Total Taxes	<u>881,766</u>	<u>881,766</u>	<u>881,560</u>	<u>(206)</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State aid - road allotment	110,184	110,184	110,184	-
State aid - EMS aids program	4,850	4,850	-	(4,850)
State aid - computer aid	7,124	7,124	7,118	(6)
State aid - fire insurance tax	6,065	6,065	6,592	527
State aid - police training	-	-	800	800
Other local government grants	-	-	22,166	22,166
State shared revenues	175,807	175,807	177,320	1,513
Total Intergovernmental Revenues	<u>304,030</u>	<u>304,030</u>	<u>324,180</u>	<u>20,150</u>
<b>LICENSES AND PERMITS</b>				
Liquor and malt beverage licenses	3,235	3,235	3,061	(174)
Cigarette and operator licenses	2,100	2,100	2,300	200
Dog and cat licenses	410	410	902	492
Building permits	10,100	10,100	8,592	(1,508)
Other regulatory permits and fees	200	200	660	460
Total Licenses and Permits	<u>16,045</u>	<u>16,045</u>	<u>15,515</u>	<u>(530)</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court penalties and costs	<u>27,000</u>	<u>27,000</u>	<u>20,996</u>	<u>(6,004)</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
Recreational park fees	150	150	-	(150)
Public service fees	3,600	3,600	3,286	(314)
Total Public Charges for Services	<u>3,750</u>	<u>3,750</u>	<u>3,286</u>	<u>(464)</u>
<b>INVESTMENT INCOME</b>				
Investment income	<u>2,750</u>	<u>2,750</u>	<u>2,883</u>	<u>133</u>

## VILLAGE OF BELLEVILLE

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

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>MISCELLANEOUS REVENUES</b>				
Donations	\$ -	\$ -	\$ 700	\$ 700
Rent - equipment	15,125	15,125	15,200	75
Sale of property	2,000	2,000	-	(2,000)
Copies	150	150	67	(83)
Cable TV franchise fee	14,672	14,672	16,127	1,455
Other fees	1,160	1,160	1,725	565
Rent - village buildings	7,085	7,085	7,320	235
Other miscellaneous	2,300	2,300	1,111	(1,189)
Insurance dividends	3,000	3,000	4,258	1,258
Total Miscellaneous Revenues	<u>45,492</u>	<u>45,492</u>	<u>46,508</u>	<u>1,016</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>59,206</u>	<u>59,206</u>	<u>56,573</u>	<u>(2,633)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 1,340,039</u>	<u>\$ 1,340,039</u>	<u>\$ 1,351,501</u>	<u>\$ 11,462</u>

## VILLAGE OF BELLEVILLE

### SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>GENERAL GOVERNMENT</b>				
Village board	\$ 23,815	\$ 23,815	\$ 22,244	\$ 1,571
Commissions and committees	21,029	21,029	16,833	4,196
Municipal court	16,936	17,456	22,144	(4,688)
Clerk	150,711	151,461	166,677	(15,216)
Elections	2,575	2,575	2,972	(397)
Treasurer	1,005	1,005	856	149
Personnel	662	662	748	(86)
Attorney	16,000	16,000	22,677	(6,677)
Court attorney	13,000	3,000	3,094	(94)
Assessment of property	12,750	12,750	13,437	(687)
Independent auditing	17,550	17,550	19,367	(1,817)
Municipal buildings	32,348	22,340	15,641	6,699
Highway related buildings	6,770	4,595	5,630	(1,035)
Other buildings	17,383	19,558	17,674	1,884
Other general government	3,711	3,711	3,727	(16)
Property and liability insurance	13,395	13,395	13,380	15
Highway insurance	6,832	6,832	6,509	323
Workmen's compensation	419	419	746	(327)
Total General Government	<u>356,891</u>	<u>338,153</u>	<u>354,356</u>	<u>(16,203)</u>
<b>PUBLIC SAFETY</b>				
Police	433,298	458,597	419,823	38,774
Fire suppression	51,094	51,094	50,086	1,008
Building inspection	16,500	16,500	7,996	8,504
Ambulance	24,817	24,817	19,967	4,850
Total Public Safety	<u>525,709</u>	<u>551,008</u>	<u>497,872</u>	<u>53,136</u>
<b>PUBLIC WORKS</b>				
Machinery and equipment	38,188	33,188	31,896	1,292
Garages and sheds	7,870	7,870	3,479	4,391
Administration and engineering	196,083	185,083	164,578	20,505
Street maintenance	25,127	25,127	23,745	1,382
Snow and ice control	5,000	10,000	14,827	(4,827)
Street lighting	31,000	31,000	30,506	494
Street signs	3,131	3,131	7,021	(3,890)
Total Public Works	<u>306,399</u>	<u>295,399</u>	<u>276,052</u>	<u>19,347</u>
<b>LEISURE ACTIVITIES</b>				
Senior citizens	38,221	38,221	38,220	1
Summer and winter recreation	1,106	1,106	1,630	(524)
Parks	83,763	71,263	108,096	(36,833)
Total Leisure Activities	<u>123,090</u>	<u>110,590</u>	<u>147,946</u>	<u>(37,356)</u>

**VILLAGE OF BELLEVILLE**

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -  
GENERAL FUND

For the Year Ended December 31, 2013

	<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	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 420</u>	<u>\$ 1,380</u>
<b>CAPITAL OUTLAY</b>				
Capital outlay	<u>1,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u><u>\$ 1,340,039</u></u>	<u><u>\$ 1,321,950</u></u>	<u><u>\$ 1,301,646</u></u>	<u><u>\$ 20,304</u></u>

# VILLAGE OF BELLEVILLE

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2013

	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	\$ -	\$ 48,134	\$ -	\$ -
Taxes receivable	125,769	-	115,985	-
Accounts receivable	226	175	-	-
Due from other funds	-	-	-	-
Prepaid items	540	220	-	-
<b>TOTAL ASSETS</b>	<b>\$ 126,535</b>	<b>\$ 48,529</b>	<b>\$ 115,985</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 1,408	\$ 1,057	\$ -	\$ -
Advances from other funds	39,866	-	272,023	15,123
Total Liabilities	41,274	1,057	272,023	15,123
Deferred Inflows of Resources				
Unearned revenues	125,769	-	87,559	-
Unavailable revenues	-	-	28,426	-
Total Deferred Inflows of Resources	125,769	-	115,985	-
Fund Balances				
Nonspendable	540	220	-	-
Committed	-	47,252	-	-
Unassigned (deficit)	(41,048)	-	(272,023)	(15,123)
Total Fund Balances	(40,508)	47,472	(272,023)	(15,123)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 126,535</b>	<b>\$ 48,529</b>	<b>\$ 115,985</b>	<b>\$ -</b>

---

<u>Capital Projects Fund</u>		
<u>Tax Incremental District No. 5</u>	<u>Other Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 59,032	\$ 107,166
-	92,950	334,704
-	-	401
-	6,684	6,684
<u>-</u>	<u>-</u>	<u>760</u>
<u>\$ -</u>	<u>\$ 158,666</u>	<u>\$ 449,715</u>
\$ -	\$ -	\$ 2,465
<u>15,667</u>	<u>-</u>	<u>342,679</u>
<u>15,667</u>	<u>-</u>	<u>345,144</u>
-	92,950	306,278
<u>-</u>	<u>-</u>	<u>28,426</u>
<u>-</u>	<u>92,950</u>	<u>334,704</u>
-	-	760
-	65,716	112,968
<u>(15,667)</u>	<u>-</u>	<u>(343,861)</u>
<u>(15,667)</u>	<u>65,716</u>	<u>(230,133)</u>
<u>\$ -</u>	<u>\$ 158,666</u>	<u>\$ 449,715</u>

## VILLAGE OF BELLEVILLE

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

	Special Revenue Funds		Capital Projects Fund	
	Waste Management	Cemetery	Tax Incremental District No. 3	Tax Incremental District No. 4
<b>REVENUES</b>				
Taxes	\$ 548	\$ -	\$ 71,342	\$ -
Intergovernmental	11,972	-	1,396	259
Public charges for services	162,381	9,551	37,126	-
Investment income	-	149	-	-
Miscellaneous	-	150	-	-
Total Revenues	174,901	9,850	109,864	259
<b>EXPENDITURES</b>				
Current				
Public works	138,223	-	-	-
Public service enterprises	-	14,270	-	-
Conservation and development	-	-	19,450	-
Capital Outlay	-	-	3,565	493
Debt Service				
Interest and fiscal charges	-	-	303	28
Total Expenditures	138,223	14,270	23,318	521
Excess (deficiency) of revenues over expenditures	36,678	(4,420)	86,546	(262)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issued	-	-	-	-
Transfers out	-	-	(135,622)	-
Total Other Financing Sources (Uses)	-	-	(135,622)	-
<b>Net Change in Fund Balances</b>	36,678	(4,420)	(49,076)	(262)
FUND BALANCES (DEFICIT) - Beginning of Year	(77,186)	51,892	(222,947)	(14,861)
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ (40,508)	\$ 47,472	\$ (272,023)	\$ (15,123)

---

<u>Capital Projects Fund</u>		
<u>Tax Incremental District No. 5</u>	<u>Other Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 90,000	\$ 161,890
639	-	14,266
-	-	209,058
-	-	149
-	<u>3,350</u>	<u>3,500</u>
<u>639</u>	<u>93,350</u>	<u>388,863</u>
-	-	138,223
-	-	14,270
-	-	19,450
150	36,293	40,501
<u>29</u>	<u>95</u>	<u>455</u>
<u>179</u>	<u>36,388</u>	<u>212,899</u>
<u>460</u>	<u>56,962</u>	<u>175,964</u>
-	190,000	190,000
-	-	<u>(135,622)</u>
-	<u>190,000</u>	<u>54,378</u>
460	246,962	230,342
<u>(16,127)</u>	<u>(181,246)</u>	<u>(460,475)</u>
<u>\$ (15,667)</u>	<u>\$ 65,716</u>	<u>\$ (230,133)</u>

# VILLAGE OF BELLEVILLE

## COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of December 31, 2013

---

	<u>Tax Collection</u>	<u>Fire &amp; EMS Association</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,073,459	\$ 294,912	\$ 2,368,371
Tax roll receivable	<u>903,030</u>	<u>-</u>	<u>903,030</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,976,489</u>	<u>\$ 294,912</u>	<u>\$ 3,271,401</u>
<b>LIABILITIES</b>			
Due to other governments	<u>\$ 2,976,489</u>	<u>\$ 294,912</u>	<u>\$ 3,271,401</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 2,976,489</u>	<u>\$ 294,912</u>	<u>\$ 3,271,401</u>