

**VILLAGE OF BELLEVILLE**  
**REPORT TO THE VILLAGE BOARD**

**April 7, 2014**

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Actual data was derived from current and prior years audited financial statements

This communication is intended solely for the information and use of management, the board/council, and others within the organization, and is not intended to be, and should not be, used by anyone other than the specified parties.

# VILLAGE OF BELLEVILLE

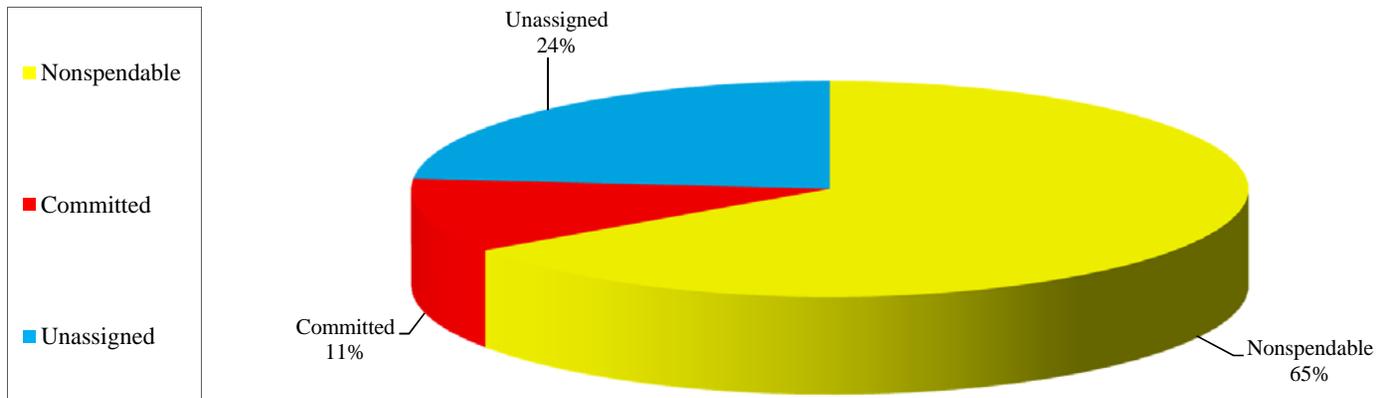
## 2013 FINANCIAL STATEMENT HIGHLIGHTS

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### DETAILS OF GENERAL FUND BALANCE

	<u>2013</u>
<u>Nonspendable</u> <i>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.</i>	\$391,285
<u>Committed</u> <i>includes fund balance amounts constrained for specific purposes that are internally imposed by government through formal action of the governing body.</i>	66,646
<u>Unassigned</u> <i>includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.</i>	<u>140,779</u>
<b>Total General Fund Balance</b>	<b><u>\$ 598,710</u></b>

**General Fund Balance**

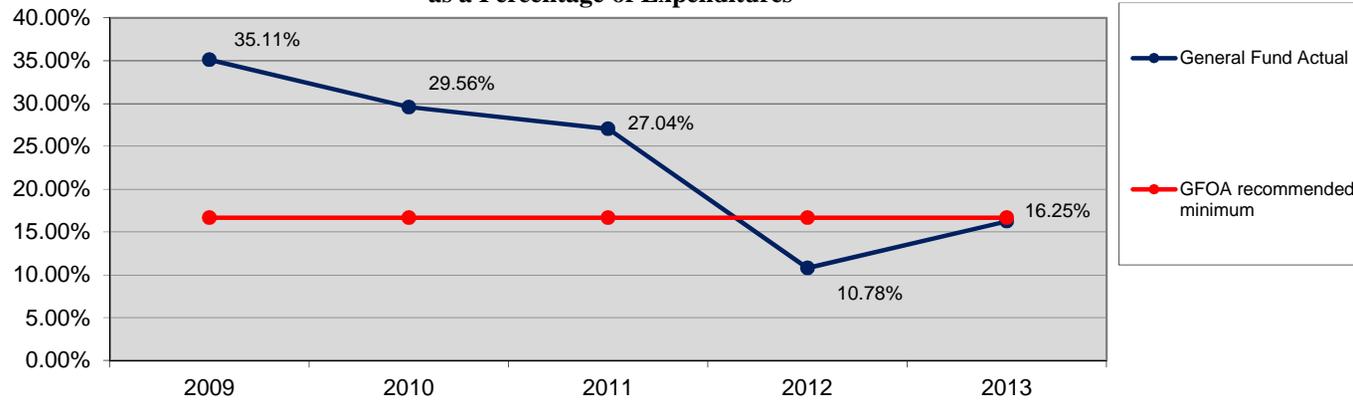


## VILLAGE OF BELLEVILLE 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF GENERAL FUND BALANCE

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Unreserved Fund Balance</b>	\$ 469,707	\$ 407,520	\$ -	\$ -	\$ -
<b>Unrestricted Fund Balance</b>	-	-	359,973	153,815	207,425
<b>Expenditures</b>	1,337,977	1,378,820	1,331,311	1,426,253	1,276,646
<b>% of expenditures</b>	35.11%	29.56%	27.04%	10.78%	16.25%

**Unreserved or Unrestricted General Fund Balance  
as a Percentage of Expenditures**

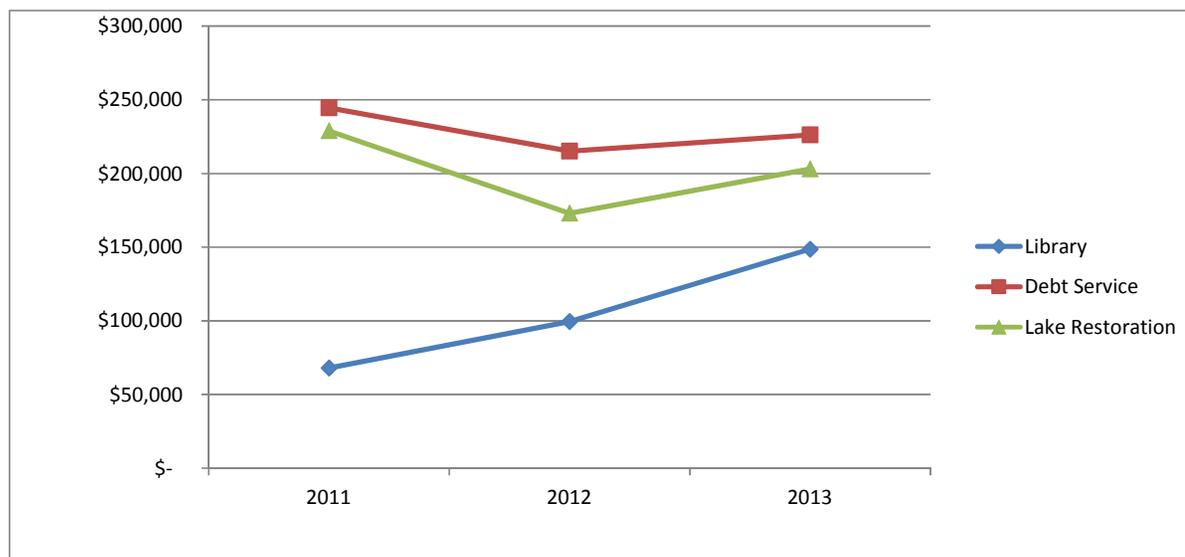


GFOA recommended range for % of expenditures: no less than 2 months of regular GF operating expenditures

## VILLAGE OF BELLEVILLE 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF TOTAL FUND BALANCE FOR LIBRARY, DEBT SERVICE, AND LAKE RESTORATION FUNDS

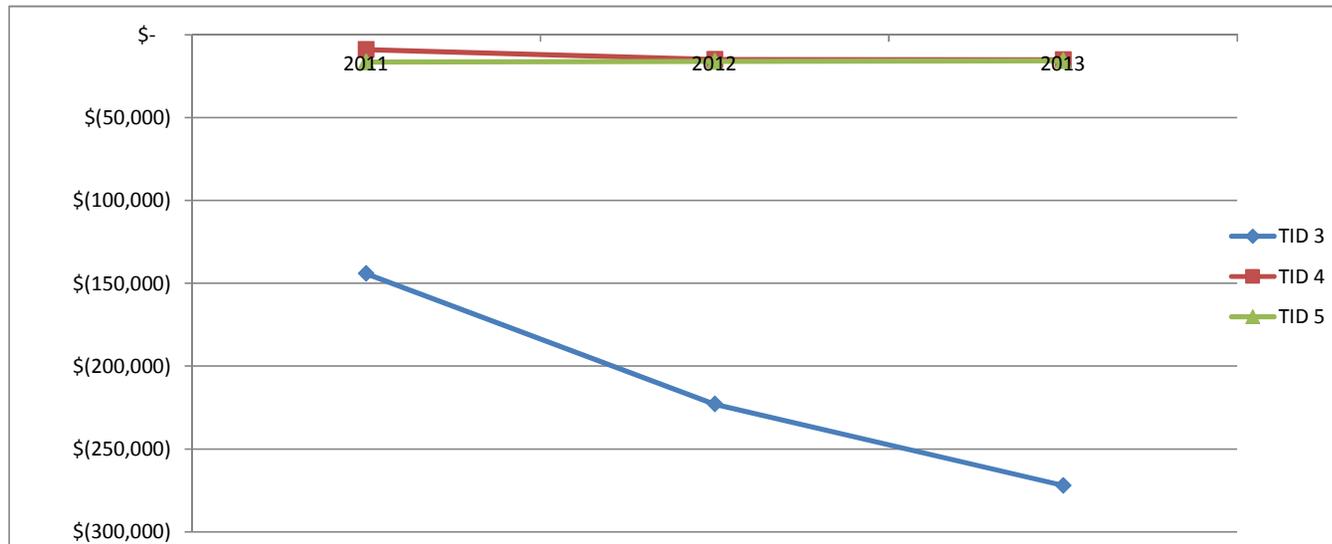
<u>Fund Name</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Library	\$ 67,970	\$ 99,391	\$ 148,629
Debt Service Fund	244,475	215,086	226,093
Lake Restoration	228,875	172,906	202,964



## VILLAGE OF BELLEVILLE 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF TOTAL FUND BALANCE FOR TID FUNDS

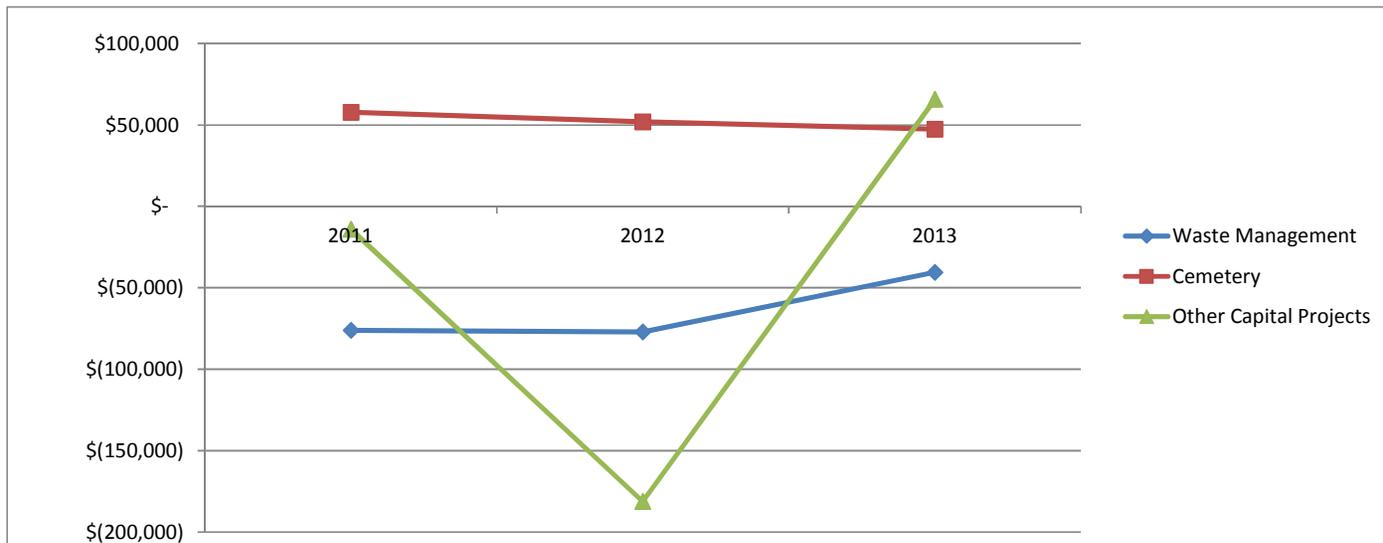
<u>Fund Name</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
TID No. 3	\$ (144,155)	\$ (222,947)	\$ (272,023)
TID No. 4	(9,017)	(14,861)	(15,123)
TID No. 5	(16,466)	(16,127)	(15,667)



## VILLAGE OF BELLEVILLE 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF TOTAL FUND BALANCE FOR WASTE MANAGEMENT, CEMETERY, AND OTHER CAPITAL PROJECTS

<u>Fund Name</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Waste Management	\$ (76,185)	\$ (77,186)	\$ (40,508)
Cemetery	57,783	51,892	47,472
Other Capital Projects	(13,922)	(181,246)	65,716



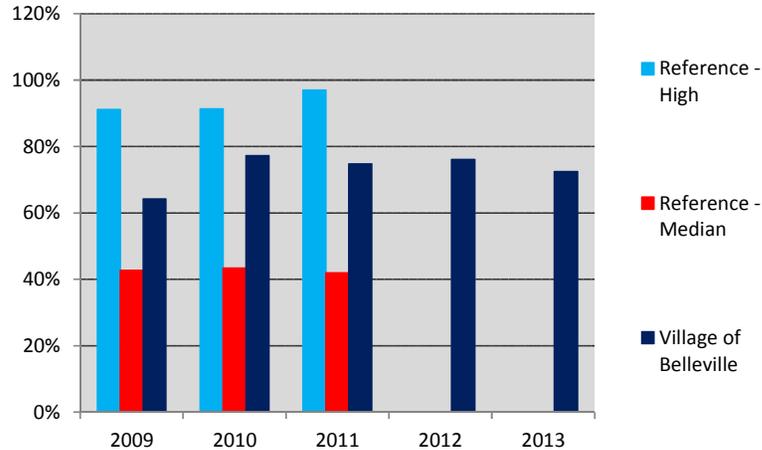
# VILLAGE OF BELEVILLE

## 2013 FINANCIAL STATEMENT HIGHLIGHTS

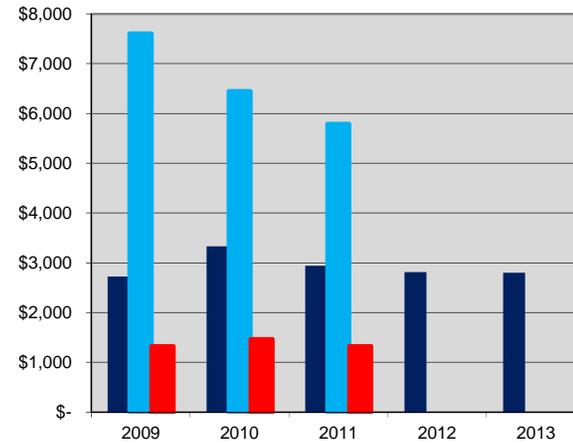
### GENERAL OBLIGATION DEBT OUSTANDING

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>Total General Obligation (G.O.) Debt (net)</u></b>					
City	\$ 5,477,952	\$ 6,725,837	\$ 6,529,725	\$ 6,360,548	\$ 6,321,230
Utilities	863,023	795,139	726,251	649,622	563,940
Subtotal	6,340,975	7,520,976	7,255,976	7,010,170	6,885,170
Less: Funds available for debt	(324,392)	(149,020)	(244,475)	(215,086)	(226,093)
<b>TOTAL</b>	<b>\$ 6,016,583</b>	<b>\$ 7,371,956</b>	<b>\$ 7,011,501</b>	<b>\$ 6,795,084</b>	<b>\$ 6,659,077</b>
<b>Population</b>	2,212	2,212	2,386	2,419	2,381
<b>G.O. Debt Capacity</b>	\$ 9,364,540	\$ 9,542,545	\$ 9,376,460	\$ 8,926,890	\$ 9,192,520
G.O. debt per capita	\$ 2,720	\$ 3,333	\$ 2,939	\$ 2,809	\$ 2,797
% of debt limit	64%	77%	75%	76%	72%

**Percentage of Debt Limit**



**G.O. Debt Outstanding - Per Capita**



2008-2010 Reference values for the population range: 2,000 to 3,000 taken from *MunicipalFacts11* publication by the Wisconsin Taxpayers Alliance, 2012.

## VILLAGE OF BELEVILLE 2013 FINANCIAL STATEMENT HIGHLIGHTS

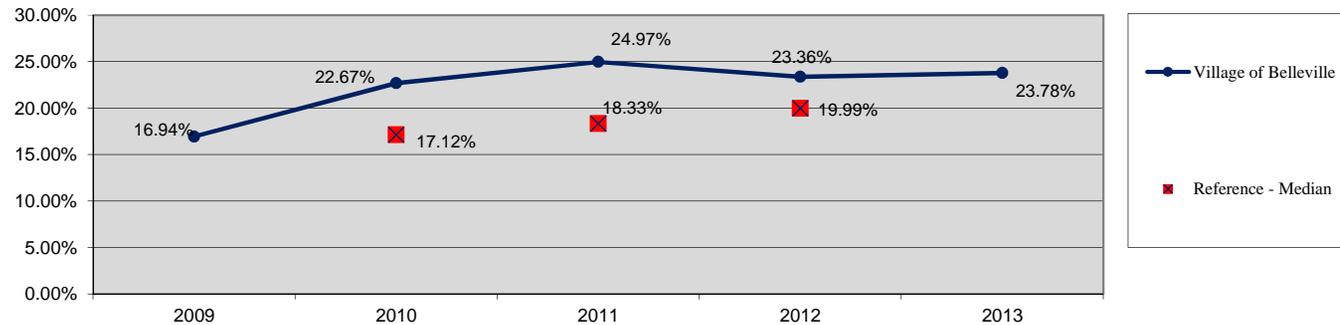
### ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>Total Debt Service</u></b>					
Principal *	\$ 269,060	\$ 247,115	\$ 196,112	\$ 193,371	\$ 249,318
Interest	139,692	292,934	420,163	444,670	347,802
<b>TOTAL</b>	<b>\$ 408,752</b>	<b>\$ 540,049</b>	<b>\$ 616,275</b>	<b>\$ 638,041</b>	<b>\$ 597,120</b>
<b><u>Total Non-Capital Expenditures</u></b>					
Total governmental funds expenditures *	\$ 3,350,877	\$ 7,876,487	\$ 4,848,373	\$ 3,257,390	\$ 2,551,857
Less: capital outlay	(937,394)	(5,494,753)	(2,379,984)	(526,592)	(40,501)
<b>TOTAL NON-CAPITAL EXPENDITURES</b>	<b>\$ 2,413,483</b>	<b>\$ 2,381,734</b>	<b>\$ 2,468,389</b>	<b>\$ 2,730,798</b>	<b>\$ 2,511,356</b>

\* excludes refunding transactions.

% of debt service to non-capital expenditures	16.94%	22.67%	24.97%	23.36%	23.78%
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**Debt Service to Non-Capital Expenditures**



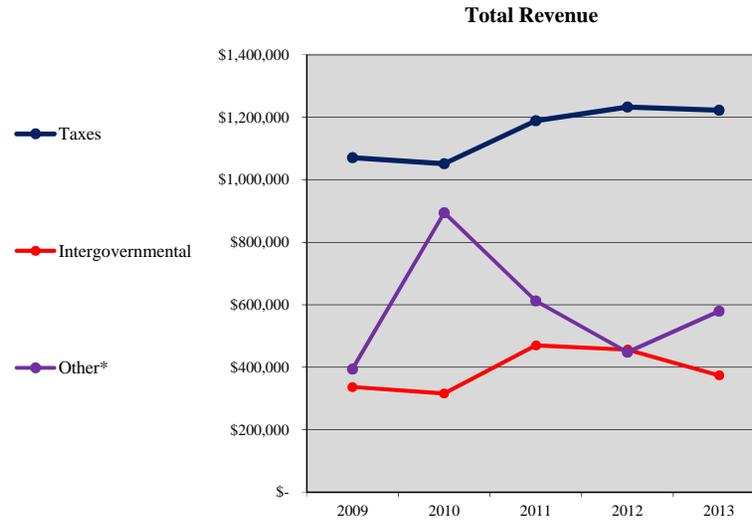
Reference values for the population range: 2,000 to 10,000 generated from 2009-2012 Baker Tilly municipal client data for Wisconsin. Typical recommendation by bond rating agencies=maximum of 20%

**VILLAGE OF BELLEVILLE**  
**2013 FINANCIAL STATEMENT HIGHLIGHTS**

**GENERAL & DEBT SERVICE FUND REVENUES**

	<u>2009</u>	<u>%</u>	<u>2010</u>	<u>%</u>	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>
<b><u>Total Revenues</u></b>										
Taxes	\$ 1,070,825	59%	\$ 1,051,370	46%	\$ 1,188,992	52%	\$ 1,232,673	58%	\$ 1,222,451	56%
Intergovernmental	336,574	19%	315,991	14%	469,693	21%	456,107	21%	374,039	17%
Other*	394,133	22%	894,408	40%	612,238	27%	448,171	21%	579,294	27%
<b>TOTAL</b>	<b>\$ 1,801,532</b>	<b>100%</b>	<b>\$ 2,261,769</b>	<b>100%</b>	<b>\$ 2,270,923</b>	<b>100%</b>	<b>\$ 2,136,951</b>	<b>100%</b>	<b>\$ 2,175,784</b>	<b>100%</b>

\*Other includes investment income, miscellaneous revenues, fines, forfeitures and penalties, special assessments, regulation and compliance, public charges, and transfers.

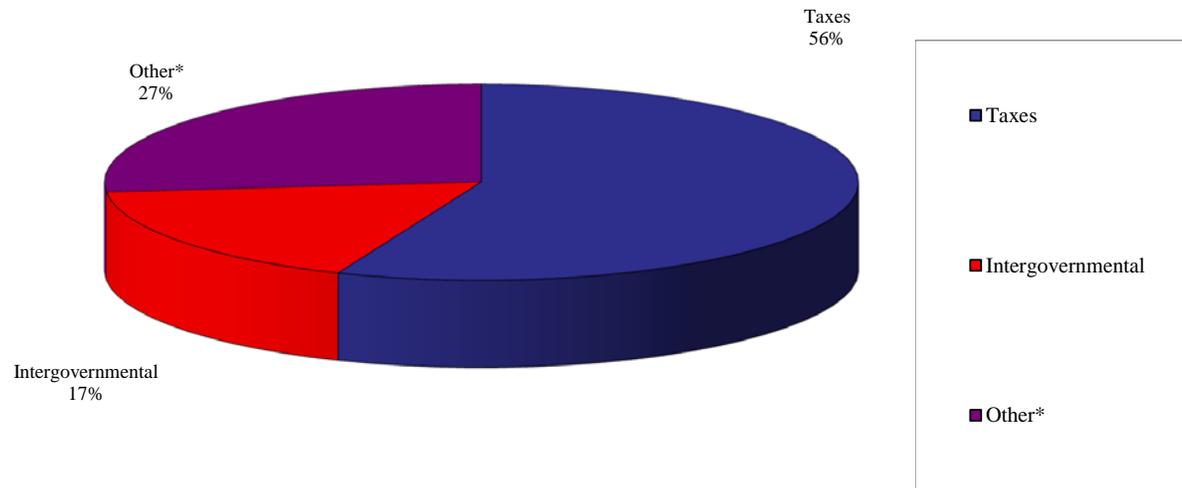


**VILLAGE OF BELLEVILLE**  
**2013 FINANCIAL STATEMENT HIGHLIGHTS**

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**2013 GENERAL & DEBT SERVICE FUND REVENUES**

**Total Revenues: \$2,175,784**



\*Other includes investment income, miscellaneous revenues, fines, forfeitures and penalties, special assessments, regulation and compliance, public charges, and transfers.

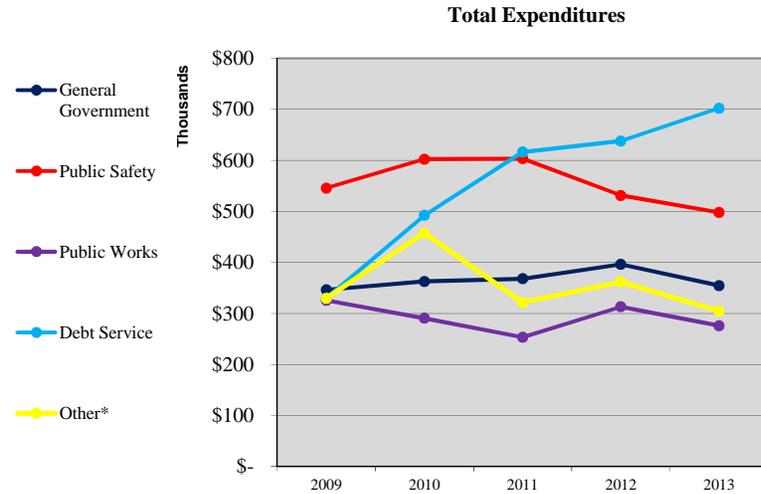
**VILLAGE OF BELLEVILLE  
2013 FINANCIAL STATEMENT HIGHLIGHTS**

**GENERAL & DEBT SERVICE FUND EXPENDITURES**

	<u>2009</u>	<u>%</u>	<u>2010</u>	<u>%</u>	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>
<b><u>Total Expenditures</u></b>										
General Government	\$ 346,448	18%	\$ 362,704	16%	\$ 367,932	17%	\$ 396,146	18%	\$ 354,356	17%
Public Safety	545,397	29%	602,208	27%	603,423	28%	531,142	24%	497,872	23%
Public Works	325,884	17%	290,553	13%	253,316	12%	313,161	14%	276,052	13%
Debt Service **	329,887	18%	491,968	22%	616,067	28%	637,691	28%	702,120	33%
Other*	329,459	18%	457,550	21%	321,573	15%	361,608	16%	304,522	14%
<b>TOTAL</b>	<b>\$ 1,877,075</b>	<b>100%</b>	<b>\$ 2,204,983</b>	<b>100%</b>	<b>\$ 2,162,311</b>	<b>100%</b>	<b>\$ 2,239,748</b>	<b>100%</b>	<b>\$ 2,134,922</b>	<b>100%</b>

\*Other includes leisure activities, conservation and development, public service enterprises, capital outlay and transfers.

\*\* excludes refunding transactions

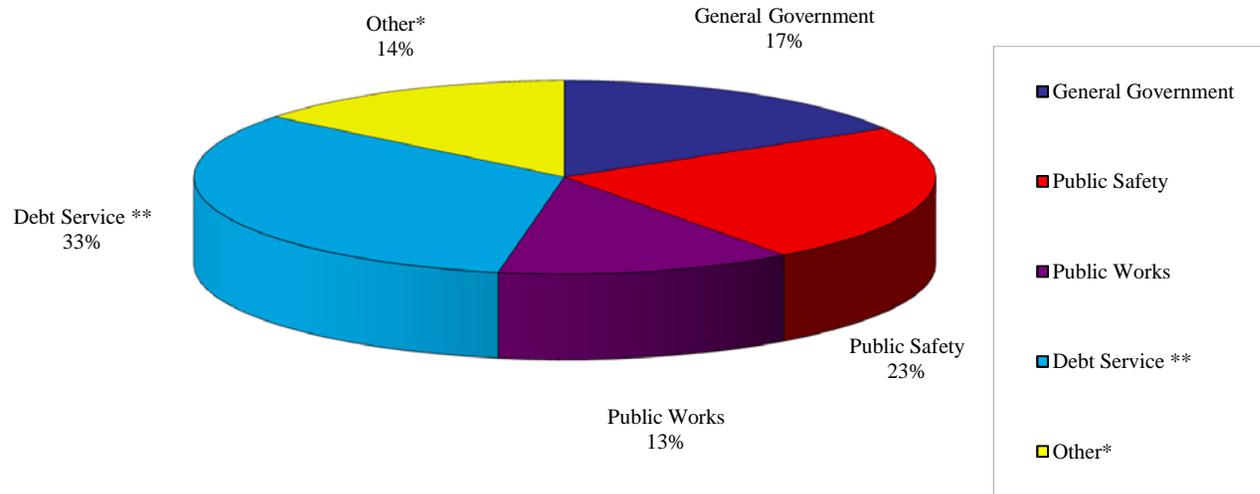


**VILLAGE OF BELLEVILLE**  
**2013 FINANCIAL STATEMENT HIGHLIGHTS**

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**2013 GENERAL & DEBT SERVICE FUND EXPENDITURES**

**Total Expenditures: \$2,134,922**



\*Other includes leisure activities, conservation and development, public service enterprises, capital outlay and transfers.

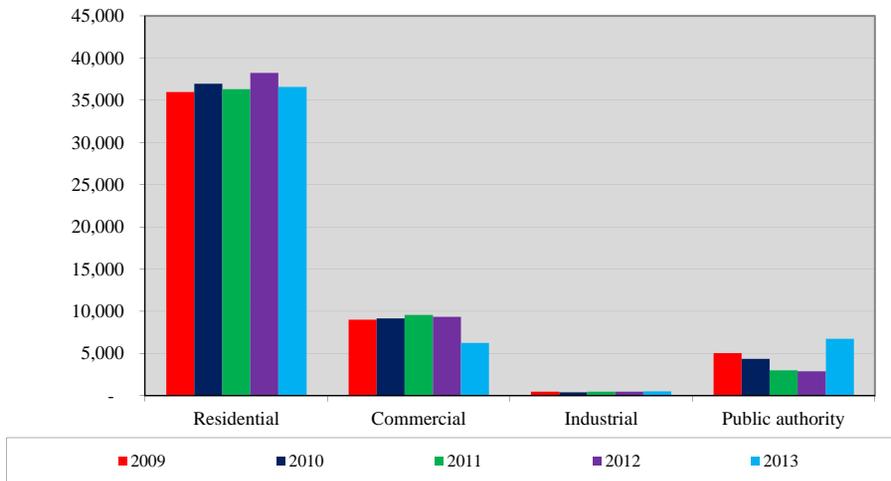
\*\* excludes refunding transactions

## VILLAGE OF BELLEVILLE WATER UTILITY 2013 FINANCIAL STATEMENT HIGHLIGHTS

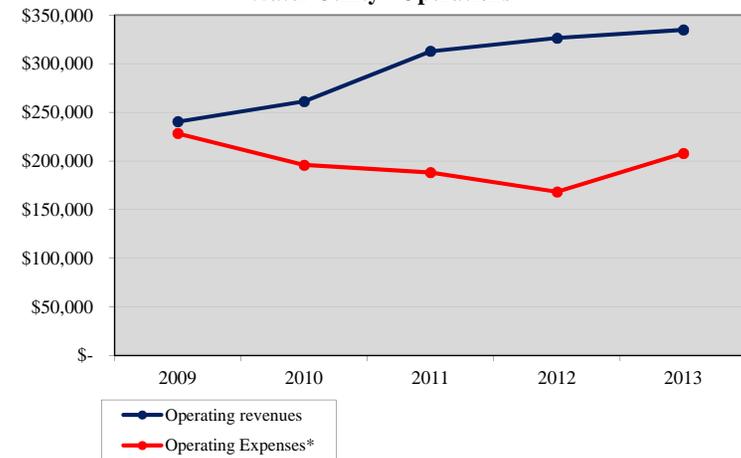
### ANALYSIS OF INCOME STATEMENT

	<u>2009</u>	<u>%</u>	<u>2010</u>	<u>%</u>	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>
<b>Gallons Sold (000's)</b>										
Residential	35,973	71%	36,966	73%	36,311	74%	38,249	72%	36,578	73%
Commercial	8,992	18%	9,157	18%	9,563	19%	9,344	18%	6,249	12%
Industrial	475	1%	427	1%	476	1%	489	1%	511	1%
Public authority	5,046	10%	4,372	9%	3,021	6%	2,899	9%	6,758	13%
<b>TOTAL</b>	<u>50,486</u>	100%	<u>50,922</u>	100%	<u>49,371</u>	100%	<u>50,981</u>	100%	<u>50,096</u>	100%
<b>Operating Revenues</b>	\$ 240,478		\$ 261,381		\$ 312,953		\$ 326,419		\$ 334,817	
<b>Operating Expenses*</b>	228,466		195,750		188,057		168,300		207,932	

**Comparison of Gallons Sold (000's)**



**Water Utility - Operations**



\* Excludes depreciation, includes tax equivalent (PILOT)

**What it means...**

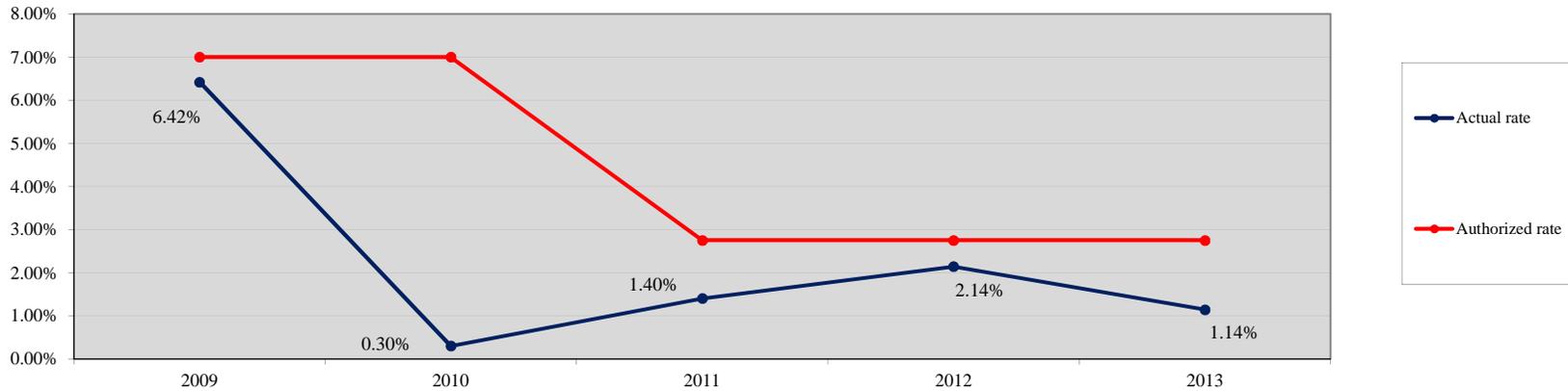
The water industry trend has reflected continual decrease in overall usage due to conservation and economic reasons. Because providing quality water is a highly capital intensive industry, declining sales makes monitoring the ongoing adequacy of rates more important.

## VILLAGE OF BELLEVILLE WATER UTILITY 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF INCOME STATEMENT (cont.)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>Operating Income</u></b>					
Financial statement <sup>1</sup>	\$ 4,678	\$ 41,084	\$ 81,679	\$ 111,921	\$ 85,340
PSC reporting	(27,033)	7,595	47,189	71,034	37,210
<b><u>Rate of Return</u></b>					
Actual rate	6.42%	0.30%	1.40%	2.14%	1.14%
Authorized rate	7.00%	7.00%	2.75%	2.75%	2.75%

**Water Utility Rate of Return**



#### **What it means...**

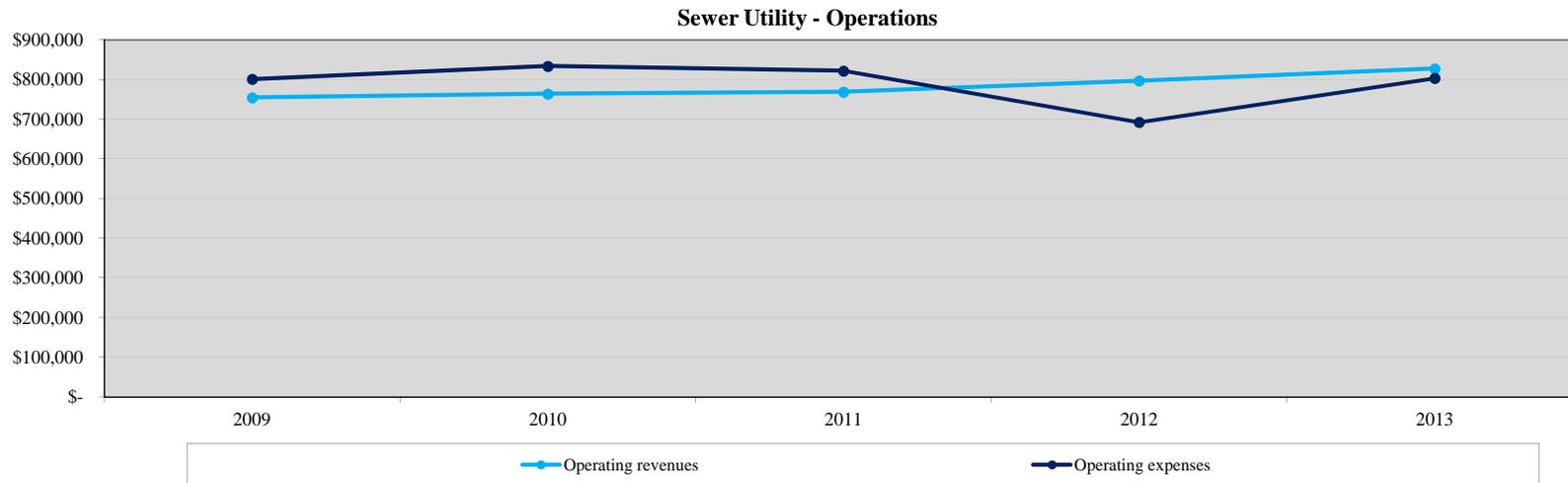
Rate of return is a key indicator of financial results in any regulated utility like your water utility. Rate of return is calculated based on the PSC formula. The formula is calculated using the utility's PSC reporting operating income divided by the net plant in service (less plant that was contributed to the utility and less accumulated depreciation).

<sup>1</sup> Financial statement operating income excludes PILOT but includes depreciation on contributed plant. PSC operating income includes PILOT but excludes depreciation on contributed plant.

## VILLAGE OF BELLEVILLE SEWER UTILITY 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF INCOME STATEMENT

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating Revenues	\$ 754,237	\$ 763,965	\$ 768,846	\$ 796,750	\$ 827,195
Operating Expenses and Debt Service *	800,888	833,847	821,794	692,047	803,120
Net Cash (Shortfall)	(46,651)	(69,882)	(52,948)	104,703	24,075



\*Excludes depreciation

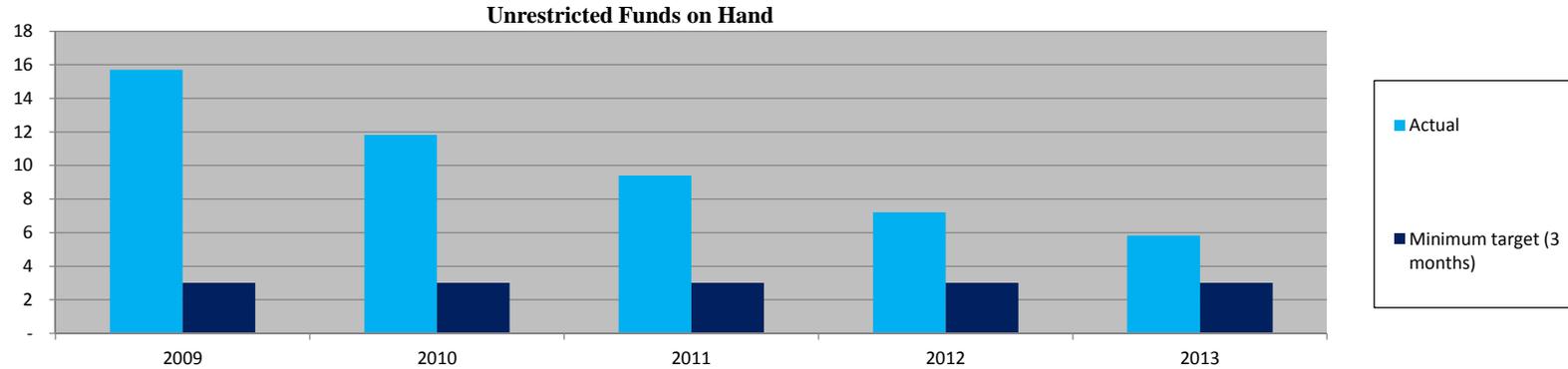
#### **What it means...**

Operating income is an indicator of the financial health of a sewer utility, but it can be misleading. Operating expenses include depreciation. Since sewer rates are generally based on cash flow needs, depreciation may not be fully recovered through rates. Therefore, the importance of this metric is the trend.

## VILLAGE OF BELLEVILLE WATER AND SEWER UTILITY 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF STATEMENT OF NET POSITION

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>Ability to meet current obligations</u></b>					
Unrestricted cash & investments	1,341,325	1,066,242	879,220	\$ 674,787	\$ 563,627
Months of unrestricted cash	15.70	11.83	9.39	7.21	5.82



#### **What it means...**

A utility should have enough funds on hand to cover its operations in a normal business operation cycle (i.e. quarterly, monthly) plus a contingency. In addition, a utility should have available an amount equal to one year's routine capital improvements.

#### **Net assets vs. net plant**

<b>Capital assets (net of accumulated depreciation)</b>	12,011,106	15,718,189	15,782,748	15,311,562	14,782,015
<b>Invested in capital assets (net of related debt)</b>	3,956,342	7,852,418	8,425,667	8,482,844	8,486,928
% capital assets financed through earnings	32.94%	49.96%	53.39%	55.40%	57.41%

#### **What it means...**

Obtaining financing for capital improvements is normally a necessity for capital intensive utilities. Management should keep their related debt to a manageable level as this allows you to be less aggressive seeking rate relief and provides more options to address unanticipated expenses. A general target is at least 50% of capital assets financed through earnings.