

VILLAGE OF BELLEVILLE  
SPECIAL MEETING of the VILLAGE BOARD  
**Monday, March 18, 2013 at 7:00 P.M.**  
Village Hall - 24 West Main Street

**AGENDA**

1. Call Meeting to Order
2. Roll call by Clerk
3. Posting of Open Meeting Notice
4. Visitors Who Would Like to Speak Now
5. Visitors Who Would Like to Speak On an Agenda Item
6. **Consent Agenda:**
  - a. Approval of Minutes - March 4, 2013 Village Board Regular Meeting
  - b. Approval of Bills for March 2013 to Date
  - c. Approval of Treasurer's Reports for February 2013 (General)
  - d. Approval of Treasurer's Reports for January 2013 (Utilities)
7. Committee Reports
8. President's Report –
9. Administrator/Clerk/Treasurer's Report –

**ACTION REQUIRING A VOTE MAY BE TAKEN ON  
ANY OF THE FOLLOWING ITEMS**

10. **Unfinished Business:**
  - a. Proposed Adoption of Intergovernmental Agreement with Town of Montrose
  - b. Lake / Pedestrian Bridge Projects Update & Issues
    - i. Lakefest 2013
  - c. Hiring Process for Police Department Officers
  - d. Proposal for Land Donation in Downtown District
11. **New Business:**
  - a. Presentation of 2012 Audit Report by Baker Tilly
  - b. Plowing of Lake/River Berm and Community Park
12. **Adjourn to Closed Session** for Discussion of Police Committee Recommendations  
Regarding Hiring of Police Officers, per 19.85(1)(c) - Considering employment, promotion,

MINUTES OF REGULAR VILLAGE OF BELLEVILLE BOARD MEETING  
HELD MONDAY, MARCH 4, 2013 AT  
7:00 P.M. VILLAGE HALL - 24 WEST MAIN STREET

1. Call to order - The meeting was called to order by Village President Howard Ward at 7:00 PM.
2. Roll call by Clerk – Trustees present were: Tyler Kattre, Ben O'Brien, Howard Ward, Bonnie Wilcox, Daniel Rung, and Deb Kazmar Excused: Gary Ziegler
3. Visitors: Jean Tretow and Brad Peterson-Post Messenger Recorder
4. The Clerk stated that the meeting has been noticed as required by law.
5. Visitors Who Would Like to Speak Now – No discussion.
6. Visitors Who Would Like to Speak On an Agenda Item – No discussion.
7. **Consent Agenda: Deleted items g-iv and g-v from the consent agenda.** *Trustee Wilcox made a motion to accept the consent agenda [as revised]; seconded by Trustee Kazmar. Motion carried.*
  - a. Approval of Minutes - February 4, 2013 Village Board Regular Meeting
  - b. Approval of Minutes - February 4, 2013 Village Board Public Hearing
  - c. Approval of Bills for February 2013
  - d. Approval of Treasurer's Reports for January 2013 (General)
  - e. Approval of Treasurer's Reports for December 2012 (Utilities)
  - f. Approval of Operator License Applications:
    - i. Shelby A. Kahl (Town Mart)
    - ii. Trevor J. Inabnit (Town Mart)
    - iii. Jeffrey J. Francois (Sugar River Lanes)
  - g. Approval of Park Use Applications:
    - i. Blaser Park, Youth Baseball, June 10 – July 22 (Mondays)
    - ii. Sugar River Park, Youth Baseball, May 6 – July 19 (weeknights)
    - iii. Community Park, Youth Baseball, May 6 – July 19 (weeknights)
    - iv. Sugar River Park, Community Club – Community Picnic, August 8-11
    - v. Community Park, Community Club – Community Picnic, August 8-11
8. Committee Reports – Trustee Wilcox: Library Board has accepted Jean Christensen's resignation and is looking at hiring a new library director.
9. President's Report – No report.
10. Administrator/Clerk/Treasurer's Report – No report.
11. **Unfinished Business:**
  - a. **Lake / Pedestrian Bridge Projects Update & Issues** – President Ward: he is looking at purchasing rakes to cut cattails during more favorable weather. Many

muskrats seem to be present. Looking at a new permit system for trapping for animal control. The DNR has the draft permit form for review.

- i. **Second Annual Lake Belle View Monitoring Report** – An excerpt from the report was presented. The 2012 drought may have impacted seeding, so the planned 2013 prescribed burn will be delayed until 2014. The situation will be monitored. Mowing and maintenance will also be coordinated along with tree plantings.
  - ii. **Lakefest 2013** – The Chamber of Commerce would like to host the event again at a reduced budget. They are looking to the Village for in-kind support and sponsorship of boating activities. No objections heard.
- b. **Hiring Process for Police Department Officers** – Five full-time officer candidates were interviewed. Working on background checks. Will interview Saturday for part-time officers.
  - c. **Recommendation Regarding Request for Proposal for Banking Services (Resolution 2013-03-01)** – *Trustee Wilcox made a motion to follow Finance and Personnel Committee's recommendation to stay with UB&T for banking services; seconded by Trustee Kazmar. Motion carried.*
  - d. **Approval of Resolution for Short-Term Borrowing for Capital Projects (#2013-03-02)** – *Trustee Wilcox made a motion to pass the resolution 2013-03-02 for the short-term borrow with UB&T; seconded by Trustee Kattre. Motion carried. The amount borrowed is \$190,000. Payments will start in 2014.*

**12. New Business:**

- a. **Proposal for Land Donation in Downtown District** – Bank of Belleville would like to split the land behind Dreamaker's Salon at 17 W. Main Street. Bank of Belleville would like to acquire and donate the blighted shed behind it to the Village. Environmental cleanup work may be needed. It will be investigated further at Plan Commission and CDA if funds may be needed for the removal and/or cleanup.

**13. Other Business:**

- a. Future meeting dates were noted.
- b. Questions and Items for Referral – Trustee O'Brien asked about broken water main on Main Street. Reply from Jerry Butts: that section was part of the 1990 repair not the most recent repair.

- 14. Adjournment** – *Trustee Kattre made a motion to adjourn; seconded by Trustee O'Brien. Motion passed unanimously.* The meeting was adjourned by President Ward at 7:40 PM.

*By April Little, Administrator/Clerk/Treasurer*

*These minutes are not official until approved by the Belleville Board of Trustees.*

## GENERAL FUND CHECKING

ALL Checks

Posted From: 3/01/2013 From Account:  
Thru: 3/13/2013 Thru Account:

Check Nbr	Check Date	Payee	Amount
V911	3/06/2013	ANDERSON, DONNA	916.40
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V912	3/06/2013	BEIERSDORF, VICTORIA L.	1,019.85
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V913	3/06/2013	BIGLER, JULIE L.	221.31
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V914	3/06/2013	EICHELKRAUT, WILLIAM B.	1,314.19
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V915	3/06/2013	HENDRICKSON, DARLENE M.	926.75
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V916	3/06/2013	LEHMANN, BRONNA B.	814.69
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V917	3/06/2013	LIEN, TRACY	244.37
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V918	3/06/2013	LITTLE, APRIL A. W.	1,502.41
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V919	3/06/2013	MARTIN, JEREMY A	1,391.82
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
V920	3/06/2013	VEENEMAN, MICHELLE	525.76
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15355	3/06/2013	BUTTS, JERRY D.	1,243.89
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15356	3/06/2013	CHRISTENSEN, JEAN M.	676.87
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15357	3/06/2013	DIEDERICH, FREDERICK H.	1,290.07
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15358	3/06/2013	FREEMAN, DEBRA	517.87
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15359	3/06/2013	HELLER, MOLLY K	193.09
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15360	3/06/2013	HULTINE, MOLLY M.	1,630.89
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15361	3/06/2013	MANKOWSKI, JAMES B.	262.09
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15362	3/06/2013	O'CONNOR, THOMAS P.	1,667.27
	Manual Check	Pay period 02/18/2013 to 03/03/2013	
15363	3/06/2013	PAULI, DAVID J.	1,389.54
	Manual Check	Pay period 02/18/2013 to 03/03/2013	

## GENERAL FUND CHECKING

ALL Checks

Posted From: 3/01/2013 From Account:  
Thru: 3/13/2013 Thru Account:

Check Nbr	Check Date	Payee	Amount
15364	3/06/2013	PELTON, TERESA A. Manual Check Pay period 02/18/2013 to 03/03/2013	619.25
15365	3/06/2013	SOLBERG, SHEREE Manual Check Pay period 02/18/2013 to 03/03/2013	222.10
15366	3/06/2013	YOUNG, TERESA M Manual Check Pay period 02/18/2013 to 03/03/2013	104.13
20029	3/04/2013	BELLEVILLE POST OFFICE PAST DUE NOTICES	8.15
20029	3/05/2013	BELLEVILLE POST OFFICE Manual Check VOID CHECK PER D.A.	-8.15
20030	3/05/2013	*** Test Check *** Test Check *** VOID *** VOID *** VOID *** VOID ***	0.00
20031	3/05/2013	ALLIANT ENERGY/WP&L ACCT # 366426-010	4,493.60
20032	3/05/2013	ALLIANT ENERGY/WP&L (2) ACCT # 393374-010	323.25
20033	3/05/2013	ANGELA MORRICK FEB 19TH ELECTION	50.00
20034	3/05/2013	ASSOCIATED APPRAISAL CONSULTANTS, INC. INV # 14522	963.77
20035	3/05/2013	AT&T ACCT # 030 491 1230 001	45.16
20036	3/05/2013	BADGER TRUCK CENTER OF MADISON LLC ACCT # BB915	36.63
20037	3/05/2013	BAKER & TAYLOR INV # 2027898909	537.73
20038	3/05/2013	BELLEVILLE CHAMBER OF COMMERCE 2013 MEMBERSHIP DUES	100.00
20039	3/05/2013	BELLEVILLE MUNICIPAL WATER DEPT ACCT # 049-0101-00	1,140.13
20040	3/05/2013	BELLEVILLE MUNICIPAL WATER DEPT (2)	93.10
20041	3/05/2013	BELLEVILLE PRINTING COMPANY, INC. INV # 29580 BUSINESS CARDS - A.L.	58.50
20042	3/05/2013	BOARD OF PUBLIC HEALTH MADISON DANE COUNTY 2012 TAX ROLL	17.34
20043	3/05/2013	BOND TRUST SERVICES CORPORATION INV # 8866 REF# 36609-CP	650.00

3/13/2013 1:22 PM

Reprint Check Register - Quick Report - ALL

Page: 3  
ACCT

## GENERAL FUND CHECKING

ALL Checks

Posted From: 3/01/2013 From Account:  
Thru: 3/13/2013 Thru Account:

Check Nbr	Check Date	Payee	Amount
20044	3/05/2013	BUSINESS CARD ACCT # 5472 0690 0015 2275 (UPS)	367.14
20045	3/05/2013	BUSINESS CARD (2) ACCT# 5472-0681-5737-1969	650.45
20046	3/05/2013	CHIEF SUPPLY CORPORATION ACCT # 229261	82.47
20047	3/05/2013	CITGO FLEET # 131801342	2,648.40
20048	3/05/2013	CITGO (2) FLEET # 132004243	1,056.35
20049	3/05/2013	COMMUNICATIONS SERVICE WISCONSIN LLC	300.00
20050	3/05/2013	DANE COUNTY TREASURER FEBRUARY COURT	70.00
20051	3/05/2013	DAVIDSON TITLES, INC. INV # 233004	19.99
20052	3/05/2013	DAWN SASS FEB 19TH ELECTION	50.00
20053	3/05/2013	FOX VALLEY TECHNICAL COLLEGE COURTROOM SECURITY TRAINING	225.00
20054	3/05/2013	FRANCOIS SALES & SERVICE, INC. ACCT # 3481	89.55
20055	3/05/2013	FRONTIER (2) 608-424-3545-010165-5	230.22
20056	3/05/2013	GORDON FLESCH CO., INC. INV # 10306908	134.05
20057	3/05/2013	GORDON FLESCH COMPANY, INC. INV # 10291957 BASE CHARGE/COPIES	174.57
20058	3/05/2013	GREEN COUNTY HIGHWAY COMMISSION PROJECT 8428 SALT	5,074.16
20059	3/05/2013	GREEN COUNTY SOLID WASTE JANUARY	178.73
20060	3/05/2013	HAROLD'S EXCAVATING CO. MOVE SNOW	180.00
20061	3/05/2013	INGRAM LIBRARY SERVICES INV # 70469081	43.36
20062	3/05/2013	JANET BABLER FEB 19TH ELECTION	50.00

3/13/2013 1:22 PM

Reprint Check Register - Quick Report - ALL

Page: 4  
ACCT

GENERAL FUND CHECKING

ALL Checks

Posted From: 3/01/2013 From Account:  
Thru: 3/13/2013 Thru Account:

Check Nbr	Check Date	Payee	Amount
20063	3/05/2013	JOAN ROOT FEB 19TH ELECTION	50.00
20064	3/05/2013	JUDY MOE FEB 19TH ELECTION	50.00
20065	3/05/2013	LAMBEAU TELECOM ACCT # PW032859	29.10
20066	3/05/2013	LUCILLE O'CONNOR FEB 19TH ELECTION	50.00
20067	3/05/2013	MARY AUSTIN FEB 19TH ELECTION	50.00
20068	3/05/2013	MARY LOU BOLLIG FEB 19TH ELECTION	50.00
20069	3/05/2013	MICHELE VEENEMAN MILEAGE REIMBURSEMENT - 2 28 12	84.75
20070	3/05/2013	MIDWEST TAPE INV # 90764168	1,081.56
20071	3/05/2013	MILPORT ENTERPRISES, INC. INV # 229592 ALUM SULFATE	3,977.21
20072	3/05/2013	MSA PROFESSIONAL SERVICES, INC. R00372052.0 B'VILLE GEN ENGINEERING 2013	4,218.83
20073	3/05/2013	NORTH SHORE BANK,FSB MARCJ 6TH PAYROLL	250.00
20074	3/05/2013	NORTHERN LAKE SERVICE, INC. INV # 228412	250.20
20075	3/05/2013	POST MESSENGER RECORDER SUBSCRIPTION RENEWAL 3/27/14	40.00
20076	3/05/2013	PURCHASE POWER ACCT # 8000-9090-0547-6721	107.99
20077	3/05/2013	QUILL CORPORATION ACCT # C264557	113.47
20078	3/05/2013	RELIABLE OFFICE SUPPLIES ACCT # 00113659	170.44
20079	3/05/2013	SHARON FELLOWS FEB 19TH ELECTION	50.00
20080	3/05/2013	STATE OF WISCONSIN FEBRUARY COURT	280.20
20081	3/05/2013	SUGAR RIVER BANK BUTTS	200.00

3/13/2013 1:22 PM

Reprint Check Register - Quick Report - ALL

Page: 5  
ACCT

GENERAL FUND CHECKING

ALL Checks

Posted From: 3/01/2013 From Account:  
Thru: 3/13/2013 Thru Account:

Check Nbr	Check Date	Payee	Amount
20082	3/05/2013	SYLVIA ZENTNER FEB 19TH ELECTION	50.00
20083	3/05/2013	TAPCO WAYFINDING SIGNS	3,030.00
20084	3/05/2013	TASTE OF HOME BOOKS NO TAX	31.98
20085	3/05/2013	THE MINNESOTA LIFE INSURANCE COMPANY APRIL 2013 PREMIUM	423.69
20086	3/05/2013	VIRGINIA SCHENK FEB 19TH ELECTION	50.00
20087	3/05/2013	WE ENERGIES ACCT # 4623-106-234	1,971.32
20088	3/05/2013	WE ENERGIES (3) ACCT # 6227-305-139	211.29
20089	3/05/2013	WI STATE LABORATORY OF HYGIENE ACCT # 6004525	20.00
20090	3/05/2013	WILLIAM BURCHARD FEB 19TH ELECTION	50.00
20091	3/05/2013	WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC MARCH DUES # 243	79.50
ACHMARCHDENT	3/06/2013	DENTAL INSURANCE	1,670.99
	Manual Check	ACH DENTAL INS MARCH PREMIUM	
Grand Total			57,520.78

3/13/2013 1:22 PM

Reprint Check Register - Quick Report - ALL

Page: 6  
ACCT

GENERAL FUND CHECKING

ALL Checks

Posted From: 3/01/2013 From Account:  
Thru: 3/13/2013 Thru Account:

	Amount
Total Expenditure from Fund # 100 - GENERAL FUND	27,535.49
Total Expenditure from Fund # 300 - DEBT SERVICE FUND	650.00
Total Expenditure from Fund # 550 - WASTE MANAGEMENT	221.10
Total Expenditure from Fund # 600 - WATER & SEWER	16,935.21
Total Expenditure from Fund # 650 - STORM WATER UTILITY	2,377.44
Total Expenditure from Fund # 720 - CMTY DEVELOPMENT AUTHORITY-CDA	1,010.00
Total Expenditure from Fund # 900 - LIBRARY	8,775.03
Total Expenditure from Fund # 950 - CEMETERY FUND	16.51
Total Expenditure from all Funds	57,520.78

**FEBRUARY 2013 TREASURER'S REPORT**

<b>Account Balances:</b>	<b>CHECKING</b>	<b>SAVINGS</b>	<b>CD ACCOUNTS</b>	<b>TOTALS</b>
General Fund (100)	\$394,959.99	\$283,065.12		\$678,025.11
Debt Services (300)	\$510,245.67	\$0.00		\$510,245.67
Debt Service Reserve Funds	\$186,636.54			\$186,636.54
Capital Projects (500)	-\$101,231.84	\$0.00		(\$101,231.84)
TIF 3 (510)	-\$188,043.12	\$50,673.21		(\$137,369.91)
TIF 4 (520)	-\$15,214.48	\$0.00		(\$15,214.48)
TIF 5 (530)	-\$16,138.30	\$0.00		(\$16,138.30)
Waste Management (550)	\$63,248.74	\$0.00		\$63,248.74
Water/Sewer (600)	\$940,358.01	\$443,243.31		\$1,383,601.32
Stormwater (650)	-\$39,718.54	\$0.00		(\$39,718.54)
CDA (720)	\$12,751.94	\$362,828.85		\$375,580.79
Lake Restoration (800)	\$11,947.92	\$0.00		\$11,947.92
Library (900)	\$190,242.49	\$0.00	\$67,970.00	\$258,212.49
Cemetery (950)	\$25,598.47	\$24,808.02		\$50,406.49
	<u>\$1,975,643.49</u>	<u>\$1,164,618.51</u>	<u>\$67,970.00</u>	<u>\$3,208,232.00</u>
<b>Prior Month End Balance</b>	<b>\$866,015.84</b>	<b>Debits</b>	<b>Credits</b>	
<b>Expenditures:</b>		\$1,097,174.74		
<b>Payroll</b>		\$57,433.68		
<b>Receipts:</b>			\$199,322.22	
<b>Funds Transfers</b>		\$88,073.53	\$2,152,987.38	
<b>Month End Balance</b>	<b>\$1,975,643.49</b>			

**Community Development Authority (CDA)**  
Minutes of Meeting Held Tuesday, March 12, 2013 at 6:00 p.m.  
24 W. Main Street, Belleville WI 53508

Call to order – Appoint Acting Chairperson: Daniel Rung

Roll call by Acting Chairperson – Present: Jennifer Mickelson, Deb Kazmar, Daniel Rung, Mike Parkin, Rich Hendrickson, and April Little. Absent: Tim Young

Visitors - None

**Priority Projects for 2013**

1. **Railroad Corridor (TIF 5) & WEDC Meeting Update** – Little, Parkin, Howard Ward and Rick Francois met with Jason Scott, WEDC. He said that the Green County portion of the project would be eligible for a CDBG grant (not the Dane County portion). Brownfield grants are available now through the WEDC rather than the DNR, but clarification on cleanup responsibilities and grant parameters are needed. A redevelopment plan is needed; it should not be speculative. WEDC may also be able to assist with Landmark on relocation of operations. Landmark also has a new contact. The idea is to put together a plan/proposal to present to Landmark. Actions needed are setting up a CDA meeting with the Village's financial advisor, Ehlers; a meeting with Landmark; obtaining updated demolition estimates; and updated assessed values (to reflect the removals).
2. **River Walk / Connecting Trail – From New Bridge to Badger State Trail; DNR Grant** - The first step will be to do survey and wetland delineation work the first or second week in April, as weather allows. Preliminary design will be done afterward.
3. **Downtown / Street Beautification Projects: Shed Behind 17 W. Main Street** – Bank of Belleville plans to acquire, split off, and donate the shed behind Dream Maker's Salon to the Village. The Village would then tear it down for green space. The bank must first do an environmental phase 1 study. Little, the bank, and DNR representatives will have a phone conference to discuss acquisition, liability, and clean up issues. The CDA could consider using the bank's consultant to do further environmental studies along the corridor, east to the pedestrian bridge (awaiting more information on consultant estimates). CDA members provided some more questions for the DNR about liability issues.
4. **Signage – Entrance** – Contact suggestions to obtain sign renovation assistance included the Boy and Girl Scouts, Kiwanis, Municipal Judge (community service project), or Public Works seasonal help. Public Works can provide the paint.
5. **Revolving Loan Fund** – Samples have not yet been received. Little will check with some professional web sites.
6. **Projects Pending Final Completion: Landmark Expansion (TIF 4) and Wayfinding Signage** – All paperwork with Landmark is signed; they have not announced any construction date for the grain storage expansion as of yet. Wayfinding signs have been delivered; permits are received. They will be installed as soon as the spring thaw allows.

**New Business - None**

**Other Business**

**Future Meeting Date** – It will need to be set after the April organizational meeting; tentative date of May 14. Possibly do a CDA “field study” at a future meeting.

Adjournment – Hendrickson made a motion to adjourn; seconded by Parkin. Motion carried.  
Adjourned 7:10 PM.

*By: April Little, Village Administrator*

Village of Belleville  
Community Economic and Development Committee  
Minutes  
February 14, 2013  
Village Hall

Present: Mike O'Connor, Jerry Jansen, Johan Veencman, Randi MacLeod, Rick Francois and Herb Blaser.

Excused Absence: Diane O'Connor and Scott Hayes

Absent: Christine Laude and Bonnie Wilcox

Meeting called to order by Chair, Judy Bacha at 7:02 AM.

Bacha informed the members that Andy Ziehli resigned from all village committee posts at the end of January 2013.

Mike O'Connor moved to approve the December 13, 2012 minutes as written. Randi MacLeod seconds the motion.

Bacha requested input on the business survey drafted by Scott Hayes. A very short discussion ensued with the consensus by members of approval. The question being whether it should be mailed to the business community or should face to face contact be a better way to go.

The projects assigned at the joint meeting in January 2013 were introduced. Mike O'Connor inquired the status of the car wash which has been closed for months. Mike expressed a concern with the inability to wash the district school buses. O'Connor asked whether anyone on the committee had the opportunity to discuss the situation with Don Robinson. Mike informed the committee Mike Boyle from Oregon is in the process of establishing his second veterinarian clinic in the Foundation building located on highway 69.

The other two tenants in the building are an engineer and a satellite Foundations office. Brian Becker moved his IT business from this home to the State Farm building on highway 69. Again the discussions lead to the need for a restaurant and bakery/coffee shop to service the community, as well as, the visitors.

Mike O'Connor inquired about the lack of a Village Board member on the committee. Bacha informed the members that the committee's representative, Bonnie Wilcox was dealing with physical therapy. Jerry Jansen relayed in his conversations with Landmark, there may be a possibility of a land trade for their fertilizer plant and the depot property. Negotiations with Middleton Community Bank are progressing to obtain the garage and land on the shore of the Sugar River.

Page 2

Herb Blaser moved to adjourn. Mike O'Connor seconds the motion.

Meeting adjourned at 8:05 AM.

Respectfully submitted,  
Judy Bacha, Chair

Village of Belleville  
Police Committee Minutes  
March 2, 2013  
8:00 am  
Belleville Village Hall  
24 West Main Street  
Belleville, WI 53508

**Agenda**

**Call to Order**

**Visitors Who Would Like to Speak Now**

**Visitors Who Would Like to Speak on an Agenda Item**

**Chief's Report None**

**Motion to go into closed session by Debbie and second by Bonnie. Motion carried**

**Roll Call Vote Taken**

**New Business**

- 1) Adjourn to close session per Wisconsin statute 19.85(1)(c) considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governing board has jurisdiction responsibility and consideration or employee performance complaint.

Motion by Debbie and second by Ben to go back into open session

In closed session employment was discussed.

Motion to adjourn by Debbie and second by Ben

Present: Debbie Kazmar, Bonnie Wilcox, Ben O'Brien and Bill Eichelkraut, and Dan Bolch

**Debra Kazmar**

**Police Committee Chairperson**

**Next Meeting March 6, 2013 at 5:45 p.m.**

**Finance and Personnel Committee Meeting Minutes  
March 4, 2013**

Present: Tyler Kattre, April, Little, Bonnie Wilcox

Excused: Gary Ziegler

Visitors: Bill Eichelkraut, Roger Hillebrand, Howard Ward,

1. Bonnie called the meeting to order at 6:00 pm.
2. Minutes from the November 19, 2012 and February 4, 2013 meeting were approved as presented.
3. Old Business
  - **Banking Services Request for Proposals:** Union Bank & Trust and Sugar River Bank submitted their proposals for handling banking for the village. Tyler moved; Bonnie seconded that we remain with Union Bank & Trust. We will present our recommendation to the village board.
  - **Short-term Borrowing for Capital Fund:** Bonnie moved and Tyler seconded that we go ahead with the \$190,000 borrow for 10 years to cover the radios for the fire department, repairs to the old library, lake restoration, and the capital fund. We will present our recommendation to the village board.
  - **Discussion of the Court Office Location:** It was decided to recommend to the board that the court clerk remain in the police department space as moving to the village hall would require installation of phone lines; computers, and finding space. Moving the clerk would also deprive the police department of coverage for phone calls and walk-ins. April reminded us that we had been approved for the current set-up. The judge will share office space with the assessor who is only here for 2 hours a week.
  - **Employee Manual Changes and Explanations**
    - **Holiday pay** is defined as one and one-half of regular pay. If a person works a holiday, they are entitled to another day off (floating holiday).
    - **Longevity Pay** is not the same as the Health Retirement Account. The two are not related and the differences therein are acceptable.
    - **Emergency Closings:** A person may elect to take a day (or part of one) without pay if the village offices are closed for an emergency.
    - **Vacation Carryover:** FYI – There are a few people with more than the 40 hours of vacation that have been carried over.
    - **Minimum Call-out Time for Public Works Staff:** This is tabled until Gary is available.
4. The next finance meetings will be Tuesday, March 26, at 6:00.

The meeting was adjourned at 6:50pm.

Respectfully submitted,  
Bonnie Wilcox

Municipality No.: 13-106		Village of Belleville									
GEC Job No.: 113-106		2013 Building Permit Applications									
Date	Permit #	Class	Address	Owner/Contractor	Est. Cost	Description	GEC Fee	Fee			
1/18/2013	13-01-13-106	434	321 EAST SCHOOLS STREET	MATHEW BUTTS	\$4,500.00	REMODEL	\$0.00	\$28.00			
1/24/2013	13-02-13-106	434	227 W CHURCH STREET	EZRA BIRCHALL	\$20,000.00	REMODEL & ADDITION	\$107.50	\$117.50			
1/31/2013	13-03-13-106	122	511 NORTH SHORE DRIVE	TOM SCHILHABEL	\$3,000.00	HVAC	\$60.00	\$66.00			
1/21/2013	13-04-13-106	434	242 W CHURCH STREET	MIKE STORCK	\$1,000.00	PLUMBING	\$87.50	\$95.50			
1/31/2013	13-05-13-106	437	619 RIVER STREET	MIKE BOYLE	\$45,963.70	COMMERCIAL REMODEL	\$399.60	\$435.60			
						Total Month Permit Fees January	\$654.60	\$742.60			
2/14/2013	13-06-13-106	130	816 WELCH STREET	ELAINE GERBER	\$110.00	WATER SOFTENER-ADMIN. ONLY	\$0.00	\$25.00			
2/21/2013	13-07-13-106	122	120 GREEN STREET	DOUG VINNEY	\$2,000.00	HVAC	\$87.50	\$95.50			
						Total Month Permit Fees February	\$87.50	\$120.50			
						Total Permit Fees YTD	\$742.10	\$863.10			

## **LAKEFEST 2013 PLANNING NOTES – Meeting # 1B**

Meeting Held Wednesday, March 13, 2013 at 5:30 PM  
at Belleville Village Hall

Present: April Little, Brad Peterson, Christine Lade, Rick Francois, Cindy O'Connor, Bronna Lehmann, Mike Parkin, Jim Root.

1. **Key players / stakeholders:** Who else to invite?
2. **Review of Lakefest 2012: what worked, suggestions for improvement** – Parking and traffic could use improvements. Positives: kids activities, presentations, chamber activities, food, music, positive comments have been heard at the Library - heard nothing negative.

### **3. Goals for 2013 event**

#### **2012 Goals:**

**Goal #1:** *The Belleville community and the surrounding area residents (including Town of Montrose, Exeter) will begin enjoying the use of the Lake Belle View, the Lake Belle View Community Park and the adjoining Sugar River for family, personal and community recreation improving well-being, rebuilding relationships and welcoming new ones. I.E. Family & Personal Enjoyment / Community Enjoyment.*

**Goal 2:** *Decades of work on the restoration efforts will be **acknowledged and celebrated.** **Suggested revision: Also celebrate new developments and showcase future plans.***

**Goal 3:** *Belleville and area residents (including Town of Montrose, Exeter) will appreciate the Lake Belle View and the Community Park as public assets and that its maintenance and future development are important for continued enjoyment. This will spur residents to **support Lake Belle View and the Lake Belle View Community Park financially and through volunteering.** Note: perhaps start a "Friends" group in the future.*

**Goal 4:** *The village's tagline "**Small Community, Big Heart**" will be reinforced. **Suggested Revision: Change "tagline" to mission, image or brand. Promote this with marketing.***

4. **Key Activities** (Chart) -
5. **Marketing and Promotions** (Chart)
6. **Logistics** (Chart)
7. **Budget – what is maximum budget?**
  - a. **JEM Grant** – Trying to meet with Marechiel Santos-Lang on last year's promotions. We need to provide a list of the previous year's advertising and request the grant funding **only for new** geographic, demographic marketing or new media. Costs may be reimbursed up to 50% of promotional costs. The project

must show an increase in visitors and make a positive economic impact in the area. Operational and local advertising costs are not reimbursable. Review deadline is April 1.

**b. Cost saving ideas**

c. **Sponsorship** – At Canoeopia, Little made contact with Rutabaga, Mad-City Paddlers (and joined), and Sierra Club. She can do some follow up contact.

**8. Next Meeting Date / Time / Agenda Items – Second week of April (10<sup>th</sup>) on Wednesday at 5:30 PM.**

*By: April Little*

**PLEDGE RECORD**

PRE-FUNDRAISING PLEDGES	TOTAL TO DATE	CONT. DATE OF	DATE OF
		PER	CONT.
		CENT OF	CONT.
		\$1,200,000	\$12,500
Rosemary Gall	\$25,000.00	2.08%	8/5/10

**IN KIND DONATIONS**

Herd & Luane Blaser - Land	\$28,000.00
Montgomery Associates	\$43,435.00
Montgomery Associates - Olson	\$2,200.00
Montgomery Associates - Credit Memo	\$7,891.23
MISA (Community Park Portion of Park Study)	\$4,000.00
<b>Total</b>	<b>\$85,526.23</b>

INITIAL FUND RAISING PLEDGES	PLEDGE AMOUNT	TOTAL PLEDGES	PER CENT OF \$1,200,000	CASH PLEDGES	TOTAL CASH PLEDGES	PLEDGE YEARS	NUMBER OF PAYMENTS	DATE OF PLEDGE	CONTRIBUTIONS TO DATE	DATE OF LAST CONTR.	TOTAL CONTRIBUTIONS TO DATE	IN KIND DONATIONS TO DATE	PROJECT D 2012 DONATIONS	* PROJECT D 2013 DONATIONS	* LEFT ON PLEDGE
Anonymous	\$50.00	\$20,050.00	1.67%	\$50.00	\$20,050.00	1	1	4/20/11	\$50.00	4/20/11	\$20,050.00		DONE	DONE	\$0.00
Anonymous 1	\$25,000.00	\$45,050.00	3.75%	\$25,000.00	\$45,050.00	1	1	10/20/10	\$25,000.00	10/20/10	\$45,050.00		DONE	DONE	\$0.00
Anonymous 2	\$25,000.00	\$70,050.00	5.83%	\$25,000.00	\$70,050.00	4	4	12/20/11	\$15,000.00	12/20/11	\$35,050.00		\$6,000.00	\$6,000.00	\$0.00
Belleville Community Club	\$50,000.00	\$120,050.00	10.00%	\$50,000.00	\$120,050.00	10		11/21/12	\$5,000.00	11/21/12	\$65,050.00		\$15,000.00	\$15,000.00	\$40,000.00
Blaser, Herb & Luane	\$28,000.00	\$148,050.00	12.34%	\$28,000.00	\$148,050.00	7		12/17/10	\$12,500.00	12/17/10	\$115,550.00		\$15,000.00	\$15,000.00	\$0.00
Blaser Company (Nichols, Bliss, in kind)	\$20,000.00	\$168,050.00	14.00%	\$20,000.00	\$168,050.00	7		12/17/10	\$12,500.00	12/17/10	\$115,550.00		\$15,000.00	\$15,000.00	\$0.00
Care, Eugene and Lind	\$5,000.00	\$173,050.00	14.42%	\$5,000.00	\$173,050.00	2		7/14/11	\$2,000.00	7/14/11	\$120,550.00		\$15,000.00	\$15,000.00	\$0.00
Dubuh Trading (Steve & Shelly)	\$75,000.00	\$248,050.00	20.67%	\$75,000.00	\$248,050.00	2		7/14/11	\$73,000.00	7/14/11	\$177,550.00		\$15,000.00	\$15,000.00	\$0.00
Dynasty Machine Co. (Asa & David)	\$2,000.00	\$250,050.00	20.83%	\$2,000.00	\$250,050.00	1	1	7/14/11	\$2,000.00	7/14/11	\$179,550.00		\$15,000.00	\$15,000.00	\$0.00
Faley, Phil	\$200.00	\$250,250.00	20.85%	\$200.00	\$250,250.00	1	1	6/5/12	\$200.00	6/5/12	\$181,550.00		\$15,000.00	\$15,000.00	\$0.00
Federated Youth Foundation, Inc.	\$2,000.00	\$252,250.00	21.00%	\$2,000.00	\$252,250.00	1	1	12/31/10	\$2,000.00	12/31/10	\$183,550.00		\$15,000.00	\$15,000.00	\$0.00
Genoa Family	\$150,000.00	\$402,250.00	33.50%	\$150,000.00	\$402,250.00	1	1	6/29/10	\$150,000.00	6/29/10	\$233,550.00		\$15,000.00	\$15,000.00	\$0.00
Hammill, Linda & Casey	\$1,500.00	\$403,750.00	33.67%	\$1,500.00	\$403,750.00	1	1	10/17/10	\$1,500.00	10/17/10	\$235,050.00		\$15,000.00	\$15,000.00	\$0.00
Call, Rosemary	\$110,000.00	\$513,750.00	42.81%	\$110,000.00	\$513,750.00	2	2	5/20/12	\$55,000.00	5/20/12	\$290,050.00		\$15,000.00	\$15,000.00	\$0.00
Conk, Forrest & Kim	\$10,000.00	\$523,750.00	43.65%	\$10,000.00	\$523,750.00	2	2	5/20/12	\$5,000.00	5/20/12	\$295,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$528,750.00	44.04%	\$5,000.00	\$528,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$300,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$533,750.00	44.43%	\$5,000.00	\$533,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$305,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$538,750.00	44.82%	\$5,000.00	\$538,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$310,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$543,750.00	45.31%	\$5,000.00	\$543,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$315,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$548,750.00	45.70%	\$5,000.00	\$548,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$320,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$553,750.00	46.09%	\$5,000.00	\$553,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$325,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$558,750.00	46.48%	\$5,000.00	\$558,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$330,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$563,750.00	46.87%	\$5,000.00	\$563,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$335,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$568,750.00	47.26%	\$5,000.00	\$568,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$340,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$573,750.00	47.65%	\$5,000.00	\$573,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$345,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$578,750.00	48.04%	\$5,000.00	\$578,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$350,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$583,750.00	48.43%	\$5,000.00	\$583,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$355,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$588,750.00	48.82%	\$5,000.00	\$588,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$360,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$593,750.00	49.21%	\$5,000.00	\$593,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$365,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$598,750.00	49.60%	\$5,000.00	\$598,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$370,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$603,750.00	50.00%	\$5,000.00	\$603,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$375,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$608,750.00	50.39%	\$5,000.00	\$608,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$380,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$613,750.00	50.78%	\$5,000.00	\$613,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$385,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$618,750.00	51.17%	\$5,000.00	\$618,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$390,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$623,750.00	51.56%	\$5,000.00	\$623,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$395,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$628,750.00	51.95%	\$5,000.00	\$628,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$400,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$633,750.00	52.34%	\$5,000.00	\$633,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$405,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$638,750.00	52.73%	\$5,000.00	\$638,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$410,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$643,750.00	53.12%	\$5,000.00	\$643,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$415,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$648,750.00	53.51%	\$5,000.00	\$648,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$420,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$653,750.00	53.90%	\$5,000.00	\$653,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$425,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$658,750.00	54.29%	\$5,000.00	\$658,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$430,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$663,750.00	54.68%	\$5,000.00	\$663,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$435,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$668,750.00	55.07%	\$5,000.00	\$668,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$440,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$673,750.00	55.46%	\$5,000.00	\$673,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$445,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$678,750.00	55.85%	\$5,000.00	\$678,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$450,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$683,750.00	56.24%	\$5,000.00	\$683,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$455,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$688,750.00	56.63%	\$5,000.00	\$688,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$460,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$693,750.00	57.02%	\$5,000.00	\$693,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$465,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$698,750.00	57.41%	\$5,000.00	\$698,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$470,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$703,750.00	57.80%	\$5,000.00	\$703,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$475,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$708,750.00	58.19%	\$5,000.00	\$708,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$480,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$713,750.00	58.58%	\$5,000.00	\$713,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$485,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$718,750.00	58.97%	\$5,000.00	\$718,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$490,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$723,750.00	59.36%	\$5,000.00	\$723,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$495,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$728,750.00	59.75%	\$5,000.00	\$728,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$500,050.00		\$15,000.00	\$15,000.00	\$0.00
Park Systems Park	\$5,000.00	\$733,750.00	60.14%	\$5,000.00	\$733,750.00	3	3	7/14/11	\$1,000.00	7/14/11	\$505,050.00		\$15,000.00	\$15,000.00	\$0



**April Little**

---

**From:** James R. Havel [jhavel@releeinc.com]  
**Sent:** Thursday, March 14, 2013 9:04 AM  
**To:** Siggı Sigmarsson; April Little; howardward@gmail.com; Jerry Butts; 'settertech'  
**Cc:** 'Steve Hjort'  
**Subject:** RE: 1428-10 Progress meeting 2 minutes

Siggı,

Due to potential issues caused by a berm breach by muskrats, I would suggest the Village plan on conducting annual muskrat control. I would not wait until there is a problem. If the Village wants to trap year-round they will likely need to pay for the service since most trappers are only going to want to trap in fall when the pelts are worth money. However, if trapping is done annually in the fall the Village may be able to keep the population in check without spending much, if any, additional money.

James

---

**From:** Siggı Sigmarsson [mailto:Siggı@ma-rs.org]  
**Sent:** Wednesday, March 13, 2013 10:37 AM  
**To:** April Little; howardward@gmail.com; 'Jerry Butts'; James R. Havel; 'settertech'  
**Cc:** 'Steve Hjort'  
**Subject:** RE: 1428-10 Progress meeting 2 minutes

April,

The muskrats can be a problem like you correctly express. I don't believe I have noticed any damage on the berm up to now. The lake is part of a larger wetlands system upstream so it is likely not going to be easy to completely eliminate them from the River and Lake. They could be controlled with trapping annually which could limit their impact. The cattails are the primary source of food for the muskrats. However, James Havel with NES doesn't believe that the muskrats will go away if the cattails are completely eliminated from the Lake. His experience is that they will continue to stick around in the lake and will start eating other species that are less desirable to them but are the species we are trying to maintain as part of the restoration project. So keeping some cattails is beneficial from a standpoint of keeping the muskrats busy eating the cattails and not the restoration species.

NES will make some observations when their crews are out doing the vegetation maintenance to see if they starting seeing a lot of muskrats in the area that might warrant action from the Village. You (the Village) can also monitor the lake/river and the berm to see if the muskrats are starting to be a nuisance to the project and take action if you think it is warranted or let us know and we can help determining if action is needed.

I hope this helps.

Siggı Sigmarsson, P.E., LEED AP  
Water Resources Engineer  
[siggi@ma-rs.org](mailto:siggı@ma-rs.org) | <http://www.ma-rs.org>

Montgomery Associates Resource Solutions, LLC  
119 South Main Street | Cottage Grove, WI 53527  
Phone: (608) 839-4422

3/14/2013

Fax: (608) 839-3322  
Cell: (608) 695-2404

---

**From:** April Little [mailto:[alittle@villageofbelleville.com](mailto:alittle@villageofbelleville.com)]  
**Sent:** Wednesday, February 20, 2013 9:33 AM  
**To:** Siggı Sıgmarsson; [howardward@gmail.com](mailto:howardward@gmail.com); 'Jerry Butts'; 'James R. Havel'; 'settertech'  
**Cc:** 'Steve Hjort'  
**Subject:** RE: 1428-10 Progress meeting 2 minutes

Thanks guys – I'll pass this along to the Village Board. I had also been concerned that the mowing was too extensive along the berm areas, so I'm glad to see that was mentioned. Also, I think the muskrats and cattails are going to continue to cause some public concern that they will harm the integrity of the berm (they also are present on the river side). We might need some guidance in that area on what is appropriate management. Please let me know what you need from me. Thank you.

April

---

**From:** Sıggı Sıgmarsson [mailto:[Sıggı@ma-rs.org](mailto:Sıggı@ma-rs.org)]  
**Sent:** Wednesday, February 20, 2013 9:22 AM  
**To:** [howardward@gmail.com](mailto:howardward@gmail.com); April Little; Jerry Butts; James R. Havel; settertech  
**Cc:** Steve Hjort  
**Subject:** 1428-10 Progress meeting 2 minutes

All,

Please see attached the meeting minutes from the second progress meeting with NES on the maintenance and invasive species control for the Lake Belle View Restoration project that took place on December 10, 2012. My apologies for how late it is getting out to you.

The upshot of the meeting is that the maintenance activities went well last year but the drought last summer may have impacted the seeding. We'll monitor the coverage and species diversity in the beginning of the summer to evaluate if any changes to the plan are necessary due to the drought. It is clear that the prescribed burn that was planned for fall of 2013 will be delayed until spring of 2014 due mostly to the drought.

I'll talk with Jerry about coordinating the berm maintenance (mowing in particular) and later this year NES will propose a plan of action for tree plantings that were planned for next spring.

Please contact me with any questions, concerns or corrections.

Thanks,

Sıggı Sıgmarsson, P.E., LEED AP  
Water Resources Engineer  
[sıggı@ma-rs.org](mailto:sıggı@ma-rs.org) | <http://www.ma-rs.org>

**Montgomery Associates Resource Solutions, LLC**  
119 South Main Street | Cottage Grove, WI 53527  
Phone: (608) 839-4422  
Fax: (608) 839-3322  
Cell: (608) 695-2404

3/14/2013

1 **INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF**  
2 **MONTROSE AND THE VILLAGE OF BELLEVILLE**

3  
4 *Village of Belleville/Town of Montrose*-This is an Intergovernmental Agreement ("Agreement")  
5 made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013 by and between the  
6 Town of Montrose, a municipality located in Dane County, Wisconsin, ("Town") and the Village  
7 of Belleville, a municipality located in Dane and Green Counties, Wisconsin, ("Village").  
8

9 **RECITALS**

- 10 1. The Town and the Village have enjoyed a good relationship over the years. The Town  
11 and the Village believe that entering this Agreement will preserve the existing good  
12 relationship and provide greater certainty with respect to joint planning in the future.  
13  
14 2. The Town and Village agree that the Joint Planning Area provided for in this  
15 Agreement will eventually develop at an urban scale, and that development in the Joint  
16 Planning Area should be served by a full range of urban services, including municipal  
17 water and sewer services. The Town does not believe it is economical for the Town to  
18 provide a full range of urban services to high density urban development. Therefore,  
19 the Town and Village agree to provide for the joint planning of the Joint Planning Area  
20 pursuant to this Agreement.  
21  
22 3. Capital infrastructure improvements typically require a planning, design and <sup>of</sup>  
23 construction timeline of several years in length. Successful implementation <sup>of</sup>  
24 this Agreement will enable the Village confidently to plan for the future extension of public  
25 infrastructure improvements into, and annexation of, the Joint Planning Area. The  
26 timely extension of such public infrastructure, and the orderly phasing of urban growth  
27 and development, will be greatly enhanced by such joint planning.  
28  
29 4. The Town and the Village agree that the farmland located outside the Joint Planning  
30 Area in the Town is an irreplaceable resource which provides food and fiber for basic  
31 maintenance of the economy. Market forces, unguided by land use planning, may  
32 impinge on the viability of farming by introducing incompatible residential and  
33 commercial uses in the vicinity of farm operations. Further, inappropriate residential  
34 growth may cause the value of farmland to increase to the point where farmers make an  
35 economic decision to abandon farming, which causes the withdrawal of valuable land  
36 from production. The Town and the Village expressly intend to use this Agreement to  
37 prevent annexation and development pressure from leading to excessive and  
38 unnecessary conversion of farmland to other uses.  
39  
40  
41  
42  
43  
44  
45  
46

47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92

**AGREEMENT**

**SECTION 1: JOINT PLANNING**

- 1.1 **Joint Planning Committee:** The Town and the Village do hereby formalize their commitment to joint planning by establishing a Joint Planning Committee ("JPC") to address land use and planning issues affecting both the Town and Village, as set forth herein.
- 1.2 **Joint Planning Area:** The Town and Village do hereby create a Joint Planning Area ("JPA") consisting of the Town territory described in Appendix A.
- 1.3 **Rural Preservation Area:** The Town and Village do hereby create a Rural Preservation Area, consisting of the Village's entire extraterritorial plat approval jurisdiction outside of the Joint Planning Area.

**SECTION 2: ESTABLISHMENT OF JOINT PLANNING COMMITTEE ("JPC")**

- 2.1 **Establishment of Joint Planning Committee:** The Town and the Village do hereby create a Joint Planning Committee ("JPC") to serve as a recommending body to the Town Board, Town Land Use Committee, Village Board, and Village Planning Commission for the purposes set forth in this Agreement.
- 2.2 **Nature of JPC.** The JPC shall serve in an advisory capacity to the Town Board and Town Land Use Committee, Village Plan Commission and Village Board, with respect to those joint planning activities provided for in this Agreement.
- 2.3 **Membership:** The JPC shall consist of six (6) members, three (3) of whom are appointed by the Town Chairperson subject to confirmation by the Town Board and three (3) of whom are appointed by the Village President subject to confirmation by the Village Board. Village members shall be Village residents, and Town members shall be Town residents.
- 2.4 **Appointments, Term:** Initial appointments for the Town's delegation shall be for a term of one (1) year for one member, two (2) years for one member and three (3) years for the third member, and for the Village's delegation, the appointment shall be for a term of one (1) year for one member, two (2) years for one member and three (3) years for the third member. Initial appointments shall be deemed made as of June 1 of the year made. Following initial appointments, appointments to fill vacancies resulting from expired terms shall be made in May of each year. Following initial appointments, subsequent appointments to fill vacancies resulting from expired terms shall be for terms of three (3) years.
- 2.5 **Vacancy:** A vacancy shall be created if a JPC member's residency terminates during the term of appointment, or if the position is otherwise vacant due to resignation, failure to attend three consecutive meetings, or by removal by majority vote of the governing board that appointed such member. Vacancies shall be promptly filled for the unexpired term in the same manner as the original appointment and successors shall serve the remaining term.
- 2.6 **Officers:** There shall be a chairperson and vice chairperson of the JPC, selected by majority vote of the JPC. The chairperson for the JPC shall alternate from the Town to the Village on an annual basis. In the first year the chairperson shall be selected from the Village of Belleville representatives. The vice chairperson shall be from the community that is not serving as the chairperson. The chairperson and vice chairperson shall be

- 93 selected by the JPC annually on the third Tuesday of June. A member or non-member of  
94 the JPC shall be appointed secretary by the JPC, with the secretary's per diem to be  
95 established by the JPC, subject to approval by the Town and the Village, and paid equally  
96 by the Village and the Town.
- 97 **2.7 Meetings:** Meetings shall be conducted by the chairperson. In the chairperson's absence,  
98 meetings shall be conducted by the vice chairperson. Meetings of the JPC may be called  
99 by the chairperson of the JPC, the Town Chairperson, or the Village President. The JPC  
100 shall meet on the third Tuesday of the month unless the chairperson determines that another  
101 meeting date is needed for scheduling reasons. The JPC shall meet at least annually. The  
102 meeting location shall be the chair's municipal building. Members shall receive per diems  
103 as determined by the community that the member represents. The JPC's recommendations  
104 shall be made as determined by simple majority. If there is no majority on a particular  
105 issue, the report back to the Town and Village Boards shall state that the JPC is divided and  
106 unable to make a recommendation. Meetings shall be noticed and conducted in accordance  
107 with the Wisconsin Open Meeting Law.
- 108 **2.8 Cost Sharing:** Any outside consultant costs or fees (including but not limited to joint  
109 engineering, planning or legal) to be incurred by the JPC must be pre-approved by the  
110 Town Board and Village Board. Such pre-approved costs will be shared proportionally  
111 based on the equalized value of the Town and Village. Neither the Town nor the Village  
112 shall be responsible for paying costs that have not been pre-approved.
- 113 **2.9 Duties of Joint Planning Committee:** As set forth below, the JPC's responsibilities shall  
114 include: cooperative planning in the Joint Planning Area pursuant to this Agreement;  
115 advising the Town and Village on land use decisions in the Rural Preservation Area  
116 pursuant to this Agreement; periodic review of this Agreement; and, such other planning  
117 issues as are assigned from time to time to the JPC by both the Town and Village.
- 118 **2.9.1 Review Land Use Decisions in the Rural Preservation Area:** In order to further a  
119 cooperative approach and promote the planning goals of each community, the JPC shall  
120 serve as an advisory body to the Town Board and Village Board with respect to  
121 development in the Rural Preservation Area. To that end, the following issues shall be  
122 referred to the JPC for its review and recommendation prior to final action by either the  
123 Town Board or Village Board; *provided, however*, if the JPC does not meet within forty-  
124 five (45) days of referral, or make a recommendation within \_\_\_\_\_ days of referral, the  
125 Town and Village may proceed without a recommendation from the JPC: The division,  
126 rezoning, or annexation of land within the Rural Preservation Area; amendment of the  
127 Town of Montrose Comprehensive Plan relating to or affecting the Rural Preservation  
128 Area; or the construction of a new road or alteration of an existing road within the Rural  
129 Preservation Area.
- 130 **2.9.2 Joint Planning Area Comprehensive Plan:** The JPC shall prepare a recommended Joint  
131 Neighborhood Plan for the Joint Planning Area, for the Village and Town to consider  
132 incorporating in their respective Comprehensive Plans pursuant to Wis. Stat. sec. 66.1001.  
133 The Joint Neighborhood Plan shall, at a minimum, include a future land use map for the  
134 Joint Planning Area, prohibit any change in zoning or land division in the Joint Planning  
135 Area that is inconsistent with the Neighborhood Plan, and prohibit any change in zoning or  
136 division of land in the Joint Planning Area unless such land is first annexed to the Village.
- 137 **2.9.3 Consider need for joint municipal services.** Both the Town and the Village are  
138 committed to providing necessary municipal services efficiently and effectively, and wish

139 to explore whether jointly providing services will be more beneficial than providing the  
140 same services separately. The JPC shall review the current services provided by the  
141 Village, the Town and/ or joint service providers in which the Town and/or Village  
142 participate and shall consider whether any services overlap, and recommend whether  
143 services could be more effectively or more efficiently provided jointly. Reports and  
144 recommendations from the JPC on joint municipal services shall be made to the Town  
145 Board and Village Board on an as needed basis or as requested by the Town Board and/or  
146 Village Board.

147 2.9.4 **Periodic review of agreement and joint planning areas.** This Agreement and the  
148 designation of the Joint Planning Area shall be reviewed by the JPC on no less than an  
149 annual basis, and summary recommendations shall be provided to the Town Board and  
150 Village Board within sixty (60) days thereafter. The JPC shall also conduct such a review  
151 within sixty (60) days of a request from either the Town Board or Village Board.

152 2.9.5 **Other duties as assigned.** In addition to the duties described above, the JPC shall also  
153 perform such duties as may be assigned to it from time to time jointly by both the  
154 governing boards of the Town and the Village.

155  
156 **SECTION 3: LAND USE DECISIONS AND FUTURE ANNEXATIONS AND SERVICES**  
157 **WITHIN THE JOINT PLANNING AREA**

159 3.1 **Annexation requests in Joint Planning Area:** In the event the Village and the Town both  
160 incorporate the recommended Joint Neighborhood Plan in their respective Comprehensive  
161 Plans, then neither the Village nor the Town may approve any official map, rezoning,  
162 conditional use permit, land division or annexation that is inconsistent with the Joint  
163 Neighborhood Plan or this Agreement. In the event the Village and the Town both  
164 incorporate the recommended Joint Neighborhood Plan in their respective Comprehensive  
165 Plans, the Town shall not object to or otherwise challenge any Village annexation of  
166 territory in the Joint Planning Area that is consistent with the recommended Joint  
167 Neighborhood Plan, and the Town shall cooperate with and support any Village application  
168 to amend the Dane County Area Water Quality Plan to add such territory to the Village's  
169 Urban Service Area.

170 3.2 **Services provided by each community:** Except as otherwise agreed or required by law,  
171 the Town and Village acknowledge and agree that each community will continue to be  
172 responsible for providing services to the residents of its community.

173  
174 **SECTION 4: LAND USE DECISIONS AND FUTURE ANNEXATIONS WITHIN THE**  
175 **RURAL PRESERVATION AREA.**

176  
177 4.1 No territory in the Rural Preservation Area shall be annexed by the Village during the term  
178 of this Agreement.

179 4.2 If any lands in the Rural Preservation Area are annexed to the Village during the term of  
180 this Agreement, the Village shall pay annually to the town an amount equal to the amount  
181 of property taxes that the town levied on the annexed territory in the year in which the  
182 annexation is final, for the 5 years required under Wis. Stat. sec. 66.0217(34), plus five  
183 additional years. Notwithstanding anything else in this Agreement, the payments provided

184 for in this section shall be the Town's exclusive remedy for Village annexation of territory  
185 in the Rural Preservation Area.

186  
187 **SECTION 5: EXTRATERRITORIAL PLAT APPROVAL JURISDICTION**

- 188  
189 5.1 **Extraterritorial Plat Approval Jurisdiction:** Plat approval in the Villages extraterritorial  
190 plat approval jurisdiction shall be an area of joint concern. In the Village's extraterritorial  
191 plat approval jurisdiction area, the following restrictions and limitations shall apply:  
192 5.1.1 The Village will only exercise its extraterritorial plat approval jurisdiction authority within  
193 the first one-half (0.5) mile of its one and one-half (1.5) miles extraterritorial jurisdiction.  
194 5.1.2 Land divisions and zoning changes in the Village's extraterritorial plat approval  
195 jurisdiction shall be consistent with the Town of Montrose Comprehensive Plan. Any  
196 amendment to the Town of Montrose Comprehensive Plan relating to or affecting the  
197 Village's extraterritorial plat approval jurisdiction shall be referred to the JPC for review  
198 and recommendation prior to approval by the Town.

199  
200 **SECTION 6: ANNEXATION MAINTENANCE OF ROADS AND AGRICULTURAL**  
201 **PRACTICES**

- 202  
203 6.1 If the Village annexes land which includes road right-of-way, but does not annex the full  
204 width of the road, the Village shall <sup>and Town</sup> negotiate, prepare and execute an Agreement specifying  
205 the responsibilities for maintenance of such road in a fashion which minimizes the  
206 inefficiency which otherwise might result from split responsibility for a length of roadway.  
207 6.2 This Agreement recognizes that land use incompatibility problems may arise when new  
208 residential development is established adjacent to pre-existing agricultural operations. The  
209 Village and Town shall require <sup>use their best efforts to</sup> their respective development agreements developers to  
210 inform buyers for newly platted residential areas to ~~contain developer's standards to inform~~  
211 buyers of newly platted lots the potential impacts of noise, odor, dust, machinery, or traffic  
212 that may result from nearby agricultural operations. <sup>require</sup>

213  
214 **SECTION 7: DANE COUNTY ACTIONS**

- 215  
216 7.1 The parties recognize that Dane County has certain authority in land use planning and  
217 regulation which neither party can control. However, each party agrees to oppose actively  
218 any decisions or actions by Dane County which are inconsistent with the provisions of this  
219 Agreement, or with their respective Comprehensive Plans.

220  
221 **SECTION 8: GENERAL PROVISIONS**

- 222  
223 8.1 **No third party beneficiary:** This Agreement is intended to be solely between the Town  
224 and the Village. Nothing in this Agreement accords any third party any legal or equitable  
225 rights whatsoever. A non-party shall not have standing to enforce this Agreement.  
226 8.2 **Enforcement:** This Agreement is intended to provide each party with the right and  
227 standing to challenge by court action (including action by *certiorari* or otherwise to declare  
228 a governmental act invalid) any act of the other party that violates this Agreement. This  
229 Agreement is intended to provide each party with the right and standing to seek any

- 230 available legal or equitable remedy to enforce or seek damages for the breach of this  
231 Agreement. In any action concerning an alleged violation of this Agreement, the prevailing  
232 party shall be entitled to recover from the other party its reasonable costs and expenses of  
233 litigation, including reasonable attorneys' fees.
- 234 8.4 **Amendment:** This Agreement may be amended or terminated at any time by written  
235 agreement by the governing bodies of both parties.
- 236 8.5 **Complete agreement:** This Agreement represents the entire integrated agreement between  
237 the parties and supersedes all prior negotiations, representations or agreements, either  
238 written or oral
- 239 8.6 **Enforceability:** The parties have entered into this Agreement under the authority granted  
240 by sections 66.0301 and 62.23 (7a) of the Wisconsin Statutes. Its enforceability will not be  
241 affected by changes in the forms of Town or Village government, or changes in elected  
242 officials. The parties agree that this Agreement shall be construed so as to be binding on  
243 their respective successors, agents and employees.
- 244 8.7 **No waiver:** The failure of any party to require strict performance with any provision of  
245 this Agreement, will not constitute a waiver of the provision or of any of the parties' rights  
246 under this Agreement. Rights and obligations under this Agreement may only be waived or  
247 modified in writing. A writing waiving a right must be signed by the party waiving the  
248 right. If an obligation of a party is being waived or released of one obligation, it will not  
249 constitute a waiver or release of any other right or obligation of any party. Waivers and  
250 releases will affect only the specific right or obligation waived or released and will not  
251 affect the rights or obligations of any other party that did not sign the waiver or release.
- 252 8.8 **Performance standard:** This Agreement requires the parties to act or to refrain from  
253 acting on a number of matters. The parties hereby acknowledge that this Agreement  
254 imposes on them a duty of good faith and fair dealing.

#### 255 256 SECTION 9: EFFECTIVE DATE AND TERM OF THE AGREEMENT

- 257
- 258 9.1 This Agreement shall be effective upon the first date set forth above. This Agreement shall  
259 terminate at 11:59 p.m. on the tenth (10<sup>th</sup>) anniversary of said effective date.  
260 Notwithstanding the foregoing, if the JPC does not recommend a Joint Neighborhood Plan  
261 for the Joint Planning Area, and the Village and Town do not incorporate such Joint  
262 Neighborhood Plan into their respective Comprehensive Plans, pursuant to Section 2.9.2 of  
263 this Agreement, by the 1<sup>st</sup> anniversary of the effective date, then this Agreement shall  
264 terminate at 11:59 p.m. on the 1<sup>st</sup> anniversary of said effective date.  
265  
266  
267  
268

269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287

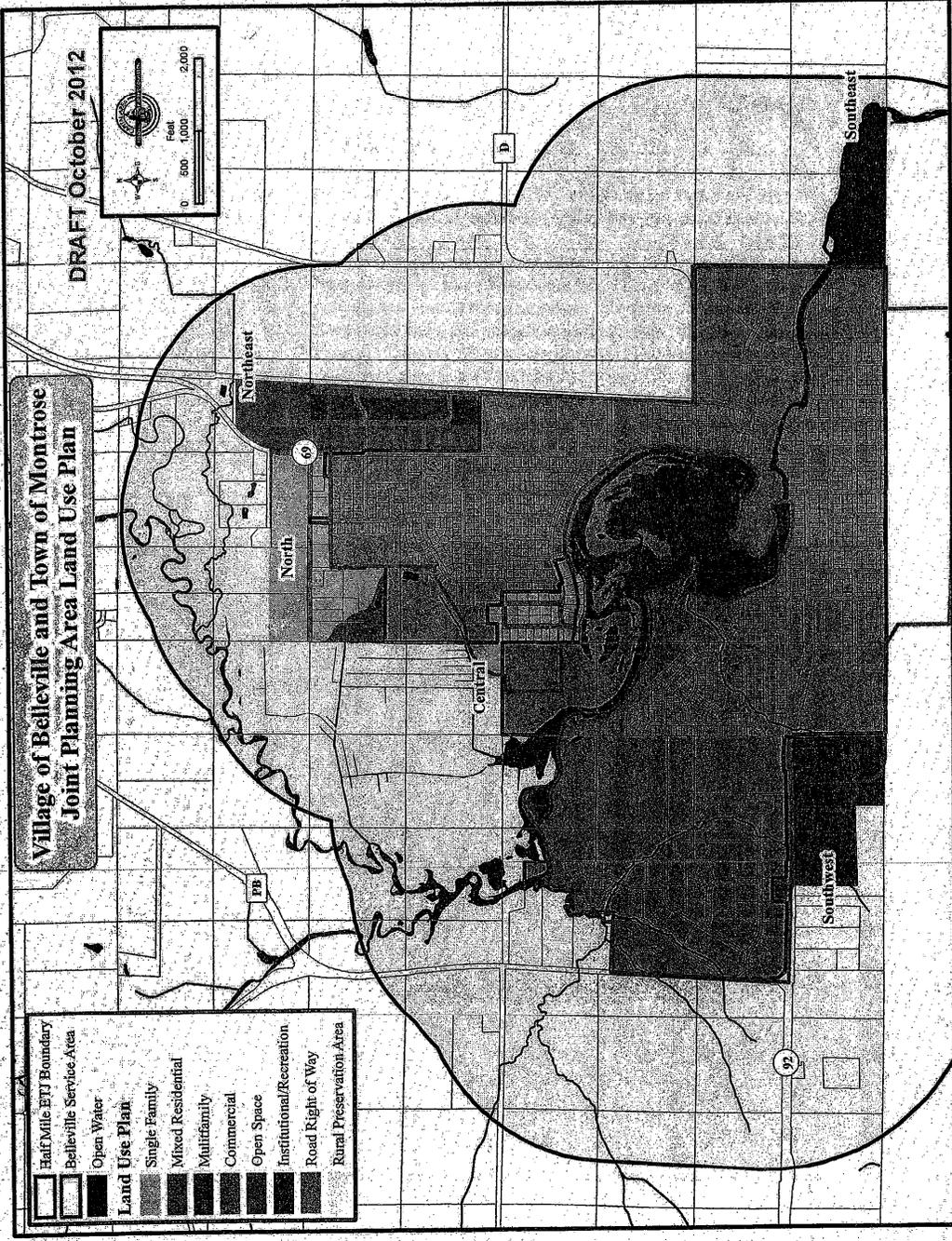
1. APPENDIX A

JOINT PLANING AREA DESCRIPTION

The boundary to which the Village can expand is: (A more accurate description will have to be developed and it will likely be simpler to follow property boundary lines)

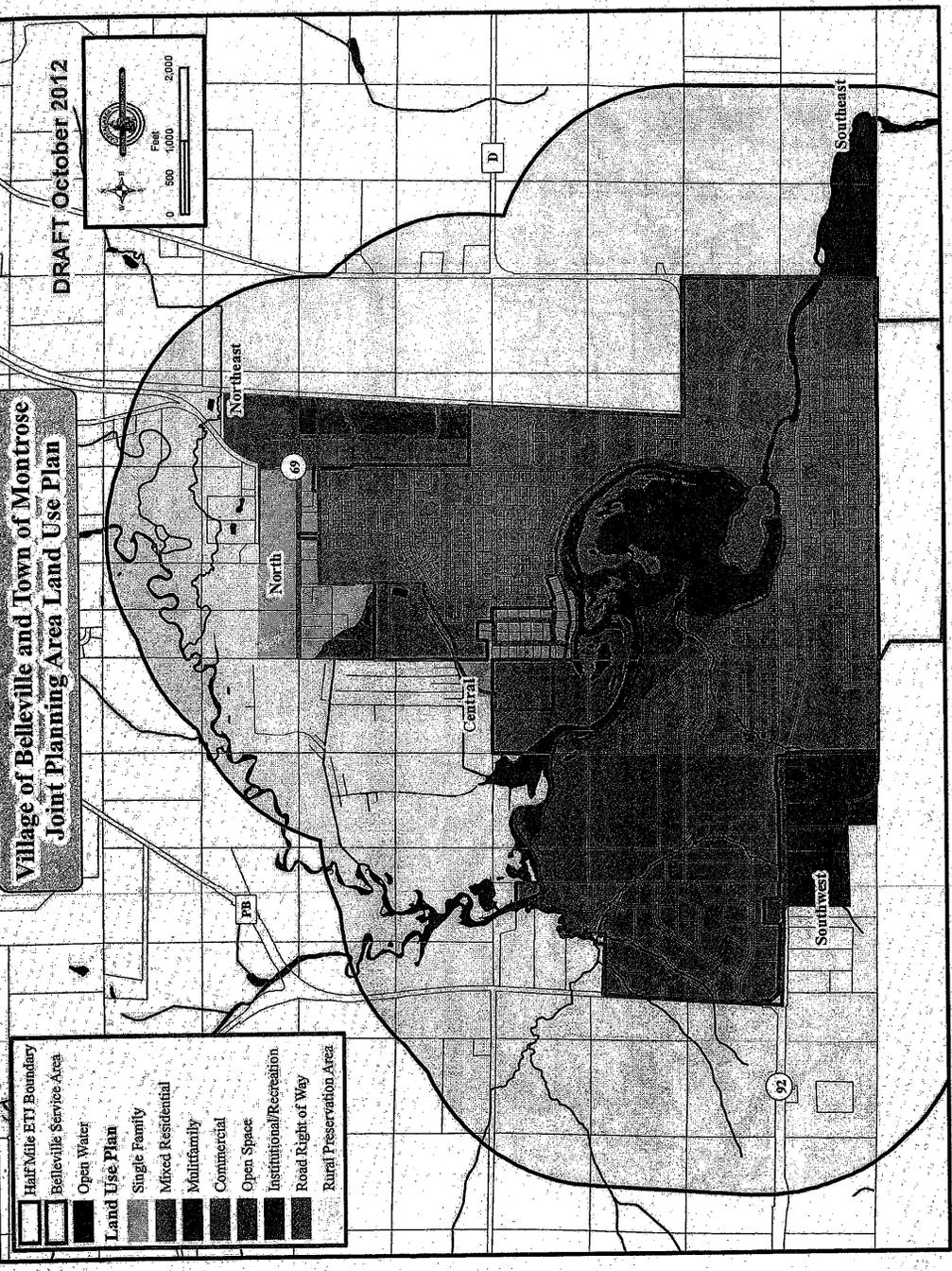
A line starting at the intersection of Little Lakes Road and HWY 69, proceeding north along HWY 69 to the northern boundary of the Raymond Zweifel property, extending east to the bicycle trail, extending south along the bicycle trail until it intersects with the Belleville USA line, following the USA line south (bump east of Remy Rd. across from Sugar River Park) until reaching the Dane/Green County Line, proceeding west along the Dane/Green County line until it intersects with the eastern boundary of the USA, proceeding west and then north along the boundary of the USA until it intersects with the Sugar River, proceeding along the southern boundary of the Sugar River until it intersects with a line parallel with Little Lakes Road, extending along a line extended parallel and west from Little Lakes Road and finally extending along Little Lakes Road until it intersects with HWY 69.





DRAFT October 2012

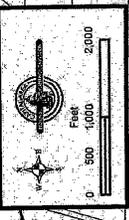




**Village of Belleville and Town of Montrose  
Joint Planning Area Land Use Plan**

DRAFT October 2012

- Half Mile ETJ Boundary
- Belleville Service Area
- Open Water
- Land Use Plan**
- Single Family
- Mixed Residential
- Multifamily
- Commercial
- Open Space
- Institutional/Recreation
- Road Right of Way
- Rural Preservation Area



North

North

Central

Southwest

Southeast

69

92

D



**April Little**

---

**From:** Matthew Dregne [MDREGNE@staffordlaw.com]  
**Sent:** Wednesday, March 13, 2013 4:16 PM  
**To:** 'Terry Kringle'; April Little  
**Subject:** Intergovernmental Agreement

Hi Terry and April:

I have attached the draft agreement and maps Terry sent me, which you can access using the following link:

**Intergovernmental Agreem\_001.pdf**

<https://www.box.com/shared/ycghf75cf2qgdte995px>  
Shared using Box.

I made a few rather minor editorial suggestions on the draft agreement.

Terry asked about how to use the maps as an exhibit, or how to best describe the areas referenced in the agreement. I don't think any of the maps or descriptions currently do a good job of describing the Joint Planning Area. The color map does a good job showing the Rural Preservation Area, but doesn't indicate the boundaries of the Joint Planning Area. I think the best approach would be to use the color map as Appendix A, with the following modifications:

1. Label the map "Appendix A to Intergovernmental Agreement."
2. Show the boundaries of Joint Planning Area on the map as clearly as reasonably possible.
3. If it's not too much trouble on the map, show the current Village boundary.

Please let me know if you have any questions, or if I can provide any further assistance.

And thanks for your patience.

Matt.

<b>STAFFORD ROSENBAUM LLP</b>	Matthew P. Dregne MDregne@staffordlaw.com   608.259.2618   Fax. 608.259.2600   222 West Washington Avenue, Suite 900 P.O. Box 1784   Madison, Wisconsin 53701-1784 <a href="http://www.staffordlaw.com">www.staffordlaw.com</a>   <a href="#">Profile</a>   <a href="#">vCard</a>
---------------------------------------	---

**Stafford Rosenbaum LLP** | If you receive this email in error, use or disclosure is prohibited. Please notify me of the error by email and delete this email. To ensure compliance with Treasury Circular 230, we are required to inform you that any tax information or written tax advice contained in this email (including any attachments) is not intended to be and cannot be used for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code. Advice from our firm relating to tax matters may not be used in promoting, marketing or recommending any entity, investment plan or arrangement to any taxpayer. Thank you.

---

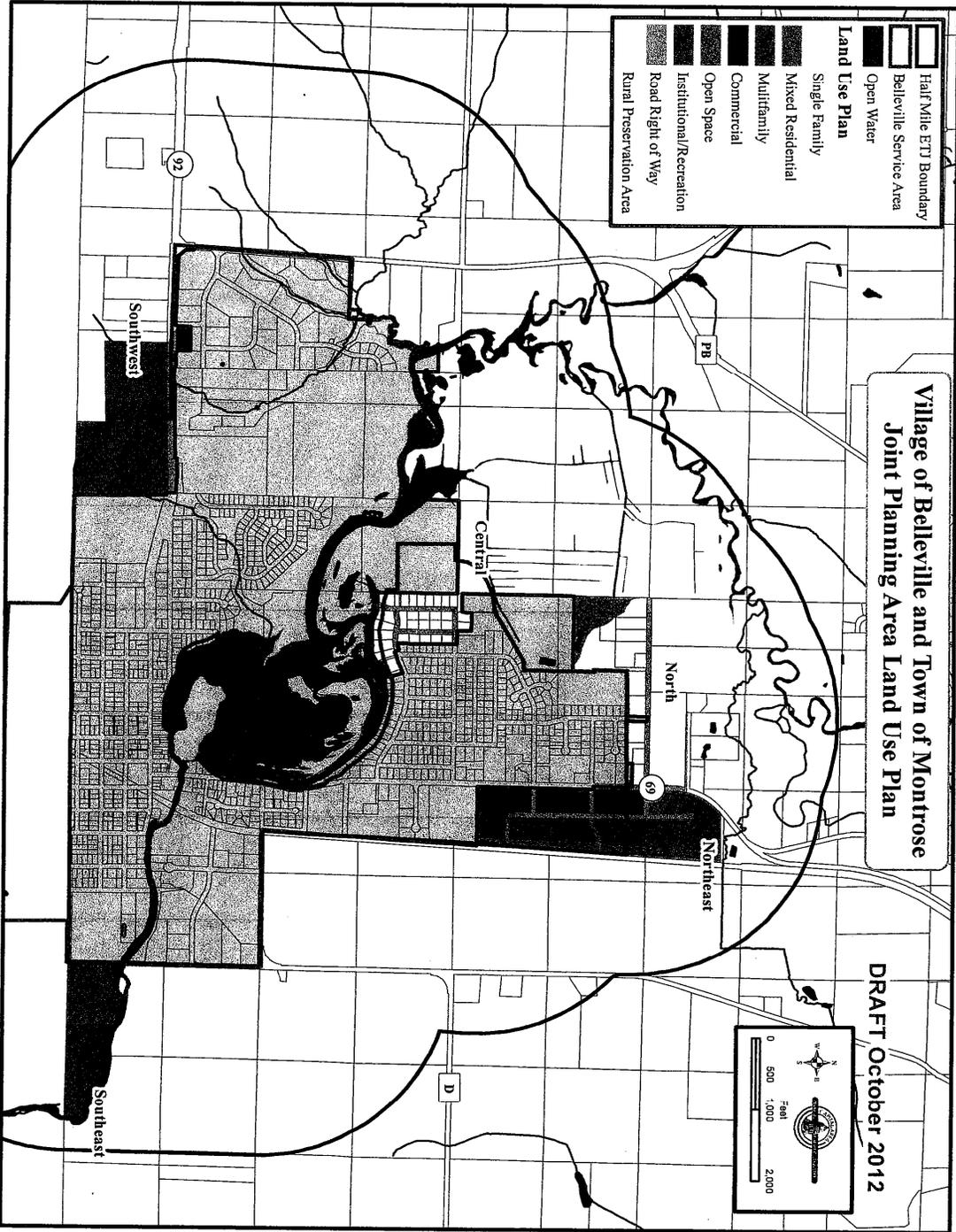
**From:** CanoniR@Staffordlaw.com [mailto:CanoniR@Staffordlaw.com]  
**Sent:** Wednesday, March 13, 2013 4:44 PM  
**To:** Matthew Dregne  
**Subject:** Attached Image

3/13/2013

# Village of Belleville and Town of Montrose Joint Planning Area Land Use Plan

DRAFT October 2012

	Half Mile ETJ Boundary
	Belleville Service Area
	Open Water
<b>Land Use Plan</b>	
	Single Family
	Mixed Residential
	Multifamily
	Commercial
	Open Space
	Institutional/Recreation
	Road Right of Way
	Rural Preservation Area



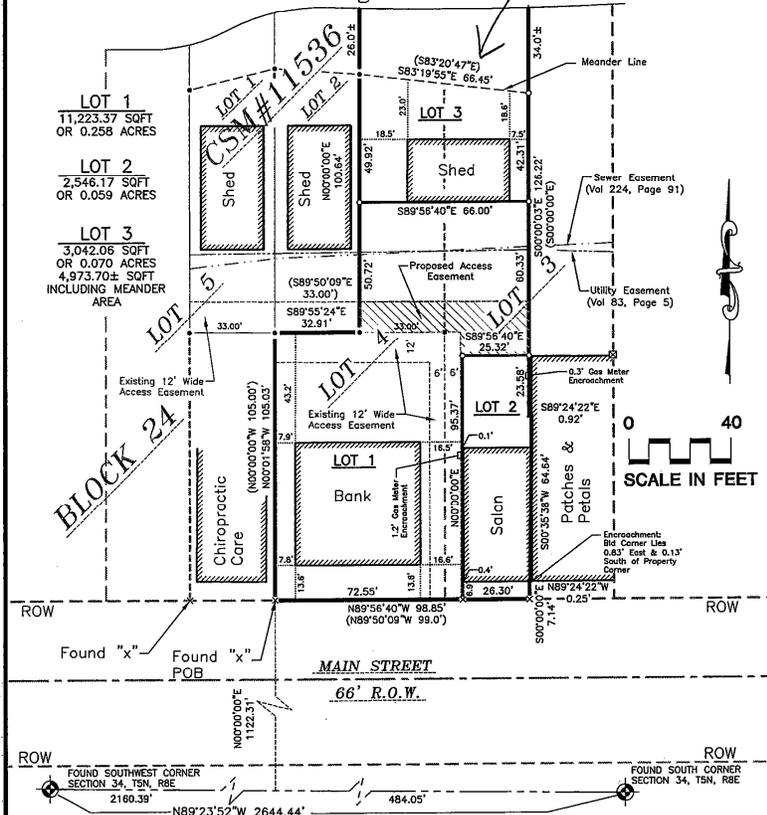
0	
500	
1,000	
2,000	

Scale: Feet

# CERTIFIED SURVEY MAP NO.

PART OF LOT 3 AND PART OF LOT 4, BLOCK 24, BELLEVILLE ORIGINAL PLAT, BEING IN THE NORTHEAST AND SOUTHEAST QUARTERS OF THE SOUTHWEST QUARTER OF SECTION 34, TOWN 5 NORTH, RANGE 8 EAST, VILLAGE OF BELLEVILLE, DANE COUNTY, WISCONSIN

Sugar River



- LEGEND**
- ⊙ Found Section Corner
  - Set 3/4" dia. x 18" long rebar weighing 1.13 lbs/lf min.
  - × Chisled X in concrete
  - Found 3/4" dia iron bar
  - ⊠ Found 1 1/2" dia pipe

**NOTES**

Survey performed by Exeter Design, Inc. on February, 2013.

Bases of Bearing is the south line of the Southwest 1/4, Section 34, T5N, R8E, assuming to bearing of S89°23'52"E.

**Prepared For:**  
Middleton Community Bank  
25 W Main Street  
Belleville, WI 53508

Sheet 1 of 3

<b>EXETER DESIGN, INC.</b> 15096 Buol Road Belleville, WI 53508 (608) 424-6286 (608) 712-1040	Drawn: EAS	2-22-13	C.S.M. NO. _____
	Checked: _____	_____	DOC. NO. _____
	Approved: _____	_____	VOL. _____
	EDN Pjt. No. _____	11-0182	PAGE _____

VILLAGE OF BELLEVILLE TIF 3 - ANNUAL REPORT

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES & NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS

	Year Ended 2012	Year Ended 2011	Year Ended 2010	Year Ended 2009	Year Ended 2008	From Date of Creation	Project Plan Costs
<b>PROJECT COSTS</b>							
Capital Expenditures							
Land Purchase							
Site Acquisition / Relocation							
Engineering (General)			\$ 117,872	\$ 152,542	\$ 148,885	5/24/83	
Attorney (General)			\$ 6,538	\$ 108		11/8/27	
Infrastructure (General)							
Church Street & Greenfield Interceptor (net)			\$ 1,423,817	\$ 4,370		11/16/87	\$ 2,014,426
Water							
Well Upgrades							
New Well							\$ 300,000
Elevated Storage							\$ 1,200,000
Highway 92 Construction	\$ 42,714.18						\$ 700,000
Hwy 68/92 Improvements	\$ 1,476.82						\$ 435,000
Lift Station Electric		\$ 337,653				4/27/14	\$ 400,000
Traffic Impact Analysis		\$ 241,872				3/8/81	
Administration							
Preplanning - Village Share		\$ 6,925	\$ 954	\$ 50,875	\$ 32,276	9/0/00	\$ 100,000
Preplanning - Developer Share				\$ 59,144	\$ 8,431	7/7/92	
Publications				\$ 848			
Audit	\$ 2,000.00	\$ 7,324	\$ 2,000	\$ 2,000		1/3/92	
Debt Issuance Costs				\$ 26,953		5/2/92	
Debt Service - 2008 Bond (#5)	\$ 11,002.80	\$ 11,015	\$ 11,005	\$ 9,994		4/30/17	\$ 35,000
Debt Service - 2009 Bond	\$ 124,917.50	\$ 585,018	\$ 60,858			2/31/83	
Refunding General Fund							
General Operations							
Fees	\$ 150.00	\$ 2,300	\$ 2,734			5/2/24	
Closing Costs							
Administration							
Ehlers - Financial Advisor							
Brokerage Fees							
Economic Development / Incentives							
<b>TOTAL COSTS</b>	\$ 181,430.30	\$ 699,377	\$ 1,645,714	\$ 332,732	\$ 195,331	\$ 3,054,734	\$ 2,155,000
							\$ 7,339,426

VILLAGE OF BELLEVILLE TIF 3 - ANNUAL REPORT

	Year Ended 2012	Year Ended 2011	Year Ended 2010	Year Ended 2009	Year Ended 2008	Project Plan Costs
<b>PROJECT REVENUES</b>						
Tax Increments	\$ 1,323.09	\$ 1,611.11	\$ 16,376	\$ 1,034	\$ 455	\$ 16,182
Tax Increments Reimbursed						
Transfers from Gen Fund						
Interest Income						
Sale of Property						
Long Term Loan Proceeds						
Computer Aid						
Reimbursed Fees	\$ 13,684.63	\$ 23,510	\$ 18,000	\$ 2,365,000	\$ 275,000	\$ 2,640,000
Developer Contribution (previous year's special assessments paid)	\$ 77,694.41	\$ 28,361	\$ 34,396	\$ 2,390,288	\$ 275,455	\$ 77,694
<b>TOTAL REVENUES</b>	<b>\$ 102,688.02</b>	<b>\$ 28,361</b>	<b>\$ 34,396</b>	<b>\$ 2,390,288</b>	<b>\$ 275,455</b>	<b>\$ 2,831,788</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ (78,792.28)</b>	<b>\$ (670,516)</b>	<b>\$ (1,671,318)</b>	<b>\$ 2,057,556</b>	<b>\$ 80,124</b>	<b>\$ (222,946)</b>
<b>FUND BALANCE:</b>	<b>\$ (222,947.36)</b>	<b>\$ (144,154.00)</b>	<b>\$ 526,362.00</b>	<b>\$ 2,137,680.00</b>	<b>\$ 80,124</b>	<b>\$ 80,124</b>

\*Rounding adjustments

NOTE: LONG TERM DEBT

	PAID 2012	PAID 2011	PAID 2010	PAID 2009	PAID 2008	Balance 12/31/2011
2008 Bond						\$ 275,000
2009 Bond	\$ 35,000					\$ 2,330,000
TOTAL	\$ 35,000					\$ 2,605,000

	DUE IN 2012	DUE IN 2013	INCREASE	DECREASE	TOTAL
NOTE: INCREMENT SUMMARY					
Value Increase	\$ 3,005,300.00	\$ 510,500.00			\$ 3,515,800.00
Increment Due	\$ 71,641.78	\$ 11,323.09	\$ 82,664.87		\$ 82,664.87
BELL WEST					
Assessment Levied (TIF)	\$ 51,891.30	\$ 50,890.00	\$ 102,781.30		\$ 102,781.30
Increment Applied	\$ 71,341.80	\$ 11,323.09	\$ 82,664.89		\$ 82,664.89
Shortfall/Balley/Excess not Reimbursed	\$ 19,450.00	\$ 40,566.71	\$ 2,116.71		\$ 2,116.71
BAKERIS WOODS					
Assessment Levied (TIF)	\$ 37,125.70	\$ 37,125.70	\$ 74,251.40		\$ 74,251.40
Increment Applied	\$ 37,125.70	\$ 37,125.70	\$ 74,251.40		\$ 74,251.40
Shortfall/Balley					

\*\*Refund acct # = 510-00-58500-100

VILLAGE OF BELLEVILLE TIF 4 - ANNUAL REPORT

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES & NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS

	Year Ended 2012	Year Ended 2011	Year Ended 2010	Year Ended 2009	From Date of Creation	Project Plan Costs
<b>PROJECT COSTS</b>						
Capital Expenditures					\$0.00	
Land Purchase				\$0.00	\$0.00	\$ -
Relocation				\$0.00		\$ 80,000
Engineering (General)					\$0.00	
Surveying Costs					\$0.00	
Soil Borings					\$0.00	
Attorney (General)	\$ 3,440.00			\$107.50	\$3,547.50	
Infrastructure (General)					\$0.00	
Building Demo / Site Development					\$0.00	\$ 1,500,000
Parking & Driveways					\$0.00	
Site Lighting					\$0.00	
Landscaping & Retaining Walls					\$0.00	
Site Utilities					\$0.00	
Administration					\$0.00	
Publications					\$0.00	
Audit					\$0.00	
Debt Issuance Costs					\$0.00	
Debt Service					\$0.00	
Refunding General Fund					\$0.00	
General Operations					\$0.00	
WI DOR Fees	\$ 150.00	\$150.00	\$150.00	\$1,000.00	\$1,450.00	
Closing Costs					\$0.00	
Administration					\$0.00	
Ehlers - Financial Advisor	\$ 2,300.00			\$9,500.00	\$11,800.00	
Brokerage Fees					\$0.00	
Economic Development					\$0.00	\$ 500,000
Interest Cost	\$ 22.41	\$16.64	\$9.32		\$48.37	
<b>TOTAL COSTS</b>	<b>\$ 5,912.41</b>	<b>\$166.64</b>	<b>\$159.32</b>	<b>\$10,607.50</b>	<b>\$16,845.87</b>	<b>\$ 2,080,000</b>
<b>PROJECT REVENUES</b>						
Tax Increments		\$1,864.13			\$1,864.13	
Computer Aid	\$ 69.00	\$52.00			\$121.00	
Tax Increments Reimbursed					\$0.00	
Transfers from Gen Fund					\$0.00	
Interest Income					\$0.00	
Sale of Property					\$0.00	
Long Term Loan Proceeds					\$0.00	
Computer Aid					\$0.00	
Reimbursed Fees (Developer Contribution)					\$0.00	\$ 1,000,000
<b>TOTAL REVENUES</b>	<b>\$ 69.00</b>	<b>\$1,916.13</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,985.13</b>	<b>\$ 1,000,000</b>
<b>Excess (Deficiency) of Project</b>	<b>\$ (5,843.41)</b>	<b>1,749.49</b>	<b>(159.32)</b>	<b>(10,607.50)</b>	<b>\$ (14,860.74)</b>	

VILLAGE OF BELLEVILLE TIF 5 - ANNUAL REPORT

**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES & NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS**

	Year Ended 2012	Year Ended 2011	Year Ended 2010	Year Ended 2009	From Date of Creation	Project Plan Costs
<b>PROJECT COSTS</b>						
Capital Expenditures					\$0.00	
Land Purchase				\$0.00	\$0.00	
Site Acquisition / Relocation						\$ 1,685,000
Property Rehabilitation - Depot Site				\$0.00		\$ 720,000
Façade Improve/Revolving Loan Fund						\$ 500,000
Engineering (General)					\$0.00	
Attorney (General)				\$107.50	\$107.50	
Infrastructure (General)					\$0.00	
Street Amenities					\$0.00	\$ 70,000
Park Improvements					\$0.00	\$ 450,000
Public Parking					\$0.00	\$ 100,000
Site Development					\$0.00	
Remediation					\$0.00	\$ 400,000
Demolition					\$0.00	\$ 300,000
Grading / Stormwater					\$0.00	\$ 100,000
Utility Signage					\$0.00	\$ -
Administration					\$0.00	\$ 100,000
Publications					\$0.00	
Audit					\$0.00	
Debt Issuance Costs					\$0.00	
Debt Service					\$0.00	
Refunding General Fund					\$0.00	
General Operations					\$0.00	
WI DOR Fees	\$ 150.00	\$150.00	\$150.00	\$1,000.00	\$1,450.00	
Closing Costs					\$0.00	
Administration					\$0.00	
Ehlers - Financial Advisor				\$10,000.00	\$10,000.00	
Brokerage Fees					\$0.00	
Interest Expense	\$ 32.45	\$30.36	\$17.53		\$80.34	
Economic Development / Incentives					\$0.00	\$ 500,000
<b>TOTAL COSTS</b>	<b>\$ 182.45</b>	<b>\$180.36</b>	<b>\$167.53</b>	<b>\$20,107.50</b>	<b>\$20,638.34</b>	<b>\$ 4,925,000</b>

VILLAGE OF BELLEVILLE TIF 5 - ANNUAL REPORT

	Year Ended 2012	Year Ended 2011	Year Ended 2010	Year Ended 2009	From Date of Creation	Project Plan Costs
<b>PROJECT REVENUES</b>						
Tax Increments	\$	\$3,450.26			\$3,450.26	
Tax Increments Reimbursed					\$0.00	
Transfers from Gen Fund					\$0.00	
Interest Income					\$0.00	
Sale of Property					\$0.00	
Long Term Loan Proceeds					\$0.00	
Loan Amendment (Lake)					\$0.00	
Computer Aid	\$ 521.00	\$540.00			\$1,061.00	
Reimbursed Fees (Developer Contribution)					\$0.00	
<b>TOTAL REVENUES</b>	\$ 521.00	\$3,990.26	\$0.00	\$0.00	\$4,511.26	\$ -
<b>Excess (Deficiency) of Project</b>	\$ 338.55	3,609.40	(167.53)	(20,107.50)	(16,127.08)	



**MidWest Severe Storm Tracking/Response Center, Inc.**

A 501c3 Non-profit Corporation  
4309 Monona Drive  
Monona, Wisconsin 53716  
608-577-9360  
[www.midwestsstrc.org](http://www.midwestsstrc.org)

4 March 2013

MidWest Severe Storm Tracking/Response Center invites you to attend SEVERE WEATHER SPOTTER CLASS/S to be held at the Belleville Fire Department, 33 East Main Street, Belleville WI.

April 1, 2013, Time: ~~7 PM - 9 PM~~  
6 - 8 PM

Classes are presented by MidWest Severe Storm Tracking/Response Center approved by Rusty Kapela, Warning Coordination Meteorologist, NWS Forecast Office-Sullivan WI. You do not have to be and or commit to being a Spotter to attend these classes.

The classes are open to the general public FREE OF CHARGE. These classes qualify for Police, Fire and EMS personnel, and other personnel. The classes are designed to educate and familiarize; for severe weather, preparedness, where and how to use this vital information.

Contact: [dale.bernstein@midwestsstrc.org](mailto:dale.bernstein@midwestsstrc.org)

Media is invited and encouraged to promote this community service.

More information regarding severe weather and classes can be found at <http://www.midwestsstrc.org> and <http://www.crh.noaa.gov/mkx>

Dale Bernstein  
President/CEO: MidWest SSTRC, Inc.

The MidWest Severe Storm Tracking Response Center (MidWest SSTRC Inc.) is comprised of members whose primary purpose is to assist in providing early detection of severe weather. We communicate this critical information to government officials, other recognized agencies and organizations including the National Weather Service allowing for timely public severe weather warnings and providing emergency responses as appropriate. MidWest SSTRC Inc. endeavors to assist in any way it can in the protection of life and property from any threat, be it natural or manmade.

**April Little**

**From:** Faith Elford [coordinator@wisclerks.org]  
**Sent:** Friday, February 08, 2013 3:40 PM  
**To:** April Little  
**Subject:** Invitation to the Board of Review Training in Black Earth



**2013 Board of Review Session sponsored by the WMCA**

---

Board of Review Training in Black Earth

**WHEN**  
April 11, 2013 1:00 PM - 4:00 PM  
Central Time

**WHERE**  
Breunig CPA/Town of Black Earth Building  
1116 Mills Street, Black Earth, Wisconsin 53515

**Trainer**  
Thomas Wilson  
State Certified BOR Trainer & Atty/Admin/Clerk/Treasurer of the Town of Westport

**FEE**

[View Event Fees](#)

[View Event Summary](#)

**Registration closes:**  
April 4, 2013

To register yourself or other members of your Board of Review, click Yes.  
Click No if you are not interested in attending this session.

---

Your professional link to excellence

2/11/2013

# FOCUS

## A big-picture look at the state's proposed 2013-15 budget

*The governor's proposed 2013-15 budget is now before the legislature. The two-year budget would spend \$30.0 billion (b) from the general fund and \$68.0b from all sources. General fund expenditures would grow 3.3% in both 2014 and 2015. As a share of spending, the budget surplus, which was as low as 0.6% in 2010, would reach 3.4% this year before falling to 0.7% by 2015.*

Wisconsin's most important and costly political ritual is once again underway: developing a state budget for the next two years.

### Budget timeline

After months of behind-the-scenes work, Gov. Scott Walker (R) kicked off the public phase of the process on February 20 with a 40-minute speech to a joint legislative session followed by release of his proposed \$68.00 billion (b) tax-and-spending plan for 2013-15.

In mid-March, the legislature's Republican-controlled Joint Committee on Finance (JCF) will begin budget work with briefings on the 1,080-page bill (AB 40). In April, its 16 members will hold public hearings at multiple locations. Then JCF begins an item-by-item review of the governor's proposals, producing a revised budget in May. The legislature will aim to pass its final version of the budget in June before the 2013-14 fiscal year begins on July 1.

### The big picture

Debate over budget detail has already begun. Politicians, activists, and the press are concentrating largely on details associated with a proposed income tax cut, transportation finance, education funding and performance,

and medical assistance (Medicaid) for the poor and disabled.

One problem with focusing on detail is that the "big-picture" pieces of the budget—spending, revenues, and surpluses or deficits—can be overlooked.

In his second biennial budget, the governor proposes total spending from all sources, including user fees and federal dollars, of \$68.00b. Because it is supported largely with state income, sales, and excise taxes, the general fund (GPR, or general purpose revenue) budget receives the most attention; it would spend \$30.03b in 2013-15.

■ *GPR Spending.* By year, general fund spending would increase 3.3% to \$14.77b in 2014 and another 3.3% to \$15.26b in 2015. The median annual increase since 2006 was 3.0%; the average was 1.7%. Both figures were affected by temporary budget-balancing maneuvers.

■ *GPR Revenue.* The proposed spending growth—moderate by modern historical standards—is partly explained by available revenues. Prior to release of the governor's budget, tax collections were expected to grow at an average of 3.0% per year. Including the governor's various tax law changes, notably a proposed \$343-million (m) income tax

cut, they average 2.6%. Regardless, revenue growth lags recent decades (other than recessionary years)—a reflection of continued economic weakness.

■ *GPR Balances.* Comparing revenues to expenditures helps to assess overall budget health and sustainability.

Over the past decade, Wisconsin has had some of the smallest surpluses in the US, even with temporary budget fixes. During 2006-11, these ranged from \$49.2m to \$130.7m and were consistently under 1% of spending. Budget professionals typically recommend—and a yet-to-be-implemented state law requires—reserves of at least 2%. A number of experts prefer 5%.

The state has recently made progress toward these goals. In the last fiscal year (2012), a \$342.1m surplus equal to 2.5% of spending was booked (with an additional \$125m in a long-term budget stabilization, or rainy day, fund). And, a \$487.7m (3.4%) surplus is projected for this year.

However, the new budget projects surpluses of \$296.3m (2.0%) in 2014 and \$108.1m in 2015. At 0.7% of spending, the latter amount would approach recessionary lows, when only Arkansas had smaller reserves than Wisconsin.

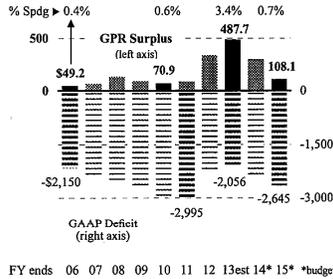
### Timeline for Developing 2013-15 State Budget: From Governor to Legislature and Back Again

Gov's budget instructions	Agency requests	11/20: First look at next budget	2/20: Gov's budget released	JCF briefings, hearings, work	Leg. action	Gov. sign/veto					
Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July

A second way to measure fiscal health is to compare ongoing revenues and expenditures in any one year (excluding carryover surplus from the prior year). From 2006 through 2011, that so-called structural imbalance was always negative. In fiscal 2012, however, it became positive (\$83.2m) and is expected to reach \$145.6m in 2013. The 2013-15 budget would return Wisconsin to negative territory with spending exceeding revenue by about \$190m each year.

■ **GAAP deficits.** CPAs preparing official annual financial statements for public and private sectors alike evaluate fiscal health in a manner different than

**Gen. Fund Surpluses & GAAP Deficits**  
(Both in \$m, Surplus also as Pct. GPR Spending)



state budgeters. Observing generally accepted accounting principles (GAAP), they “undo” accounting tricks and

gimmicks. The result is a more accurate and transparent picture of state fiscal health.

The Badger State has long reported GAAP deficits on its financial statements (see graph, left, lower half). From \$830m in 2000, that amount grew to \$2.99b in 2011. That was trimmed to \$2.21b last year and is projected to fall to about \$2.06b in 2013.

Estimates prepared for the 2013-15 budget, however, show the GAAP deficit in the state’s general fund would again worsen. From \$2.06b this year, it would edge up to \$2.36b next year and reach \$2.65b by mid-2015. □

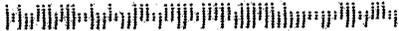


**Wisconsin Taxpayers Alliance**  
401 North Lawn Avenue • Madison, WI 53704-5033  
608.241.9789 • www.wistax.org  
Address Service Requested

Nonprofit Org.  
U.S. Postage  
**PAID**  
Madison, WI  
Permit No. 271

3212 Focus #3-13 11/30/2013  
VILLAGE OF BELLEVILLE  
PO BOX 79  
BELLEVILLE WI 53508-0079

535080079 0001



## Capital Notes

- From a 2007 National Tax Journal article: “the typical state can expect a revenue shortfall equal to 13 to 18 percent of revenue during a normal downturn.” The Journal notes that, during a typical expansion, states would need to save between 2.4% and 2.8% of revenues each year to cover the shortfall.
- Current salaries for state officials: Gov., \$144,423; Lt. Gov., \$76,261; Atty. Gen’l, \$140,147; State Sup’t, \$120,111; Supreme Ct. Chief Justice, \$152,495,

and other Justices, \$144,495; state legislators, \$49,943, plus expenses.

- Dennis Smith, Wisconsin’s Secretary of Health Services, has resigned. Deputy Secretary and former State Rep. Kitty Rhoades (R) succeeds him.
- Milwaukee County’s John Doe investigation that charged former employees of then-Co. Exec. Scott Walker has ended, according to DA John Chisholm.
- The new executive director of the national Streamlined Sales Tax Governing

Board is Craig Johnson of Wisconsin’s Department of Revenue.

- From academe: In a recent National Bureau of Economics Research paper, Devin Pope of the University of Chicago Booth School of Business studied housing transactions within four miles of 159 Walmarts opened during 2000-06. He and his colleague found that homes within one-half mile of a Walmart increased in price by between 2% and 3%. Prices of homes between one-half and one mile away grew 1% to 2%.

Focus is published by the Wisconsin Taxpayers Alliance, 401 N. Lawn Ave., Madison, WI, 26 times per year. Subscriptions are \$54.97 for one year and \$109.97 for three years. WISTAX contributors of \$85 or more receive a free copy. Media is encouraged to quote contents, with credit to WISTAX. Electronic reproduction or forwarding is prohibited, unless permission is granted. Send requests to wistax@wistax.org. Per IRS regulations, WISTAX financial statements are available on request.

## Local Government Essentials Spring 2013

### Distance Education Programs Presented by UW-Extension's Local Government Center

These programs cover fundamental topics Wisconsin local governments will face this spring. Each program will provide ample opportunity for participant questions and comments. Programs will be moderated by UW-Extension's Local Government Center Staff.

#### How to Run the Annual Town Meeting March 5, 2013, 10:30 am – 12:20 pm

Every year Wisconsin Towns are required by law to convene a meeting of its electors. Learn the statutory requirements and parliamentary procedures required to run a successful annual town meeting. *Presented by Attorney Carol Nawrocki, Wisconsin Towns Association.*

#### Regulation of Alcoholic Beverage Licensing

March 12, 2013, 9:30 am–12 pm

Wisconsin municipalities are required to appropriately review and issue alcohol licenses according to state law. Prepare for your municipality's review and issu-

ing of licenses by learning the statutory requirements for alcoholic beverage licenses, municipal licensing actions, recent court decisions and any legislative changes. *Presented by Attorney Rick Stadelman, Wisconsin Towns Association; Attorney Claire Silverman, League of Wisconsin Municipalities staff; and Roger Johnson, Wisconsin Department of Revenue.*

#### Conducting the Annual Board of Review

April 23, 2013. Also repeats on April 30, May 2, and May 7, all at 10:30 am – 12:50 pm.

Get the Certified Training for Boards of Review that Wisconsin Law requires. This program meets that requirement and you will learn the proper way to conduct a board of review hearings and decide tax valuation appeals. *Presented by Rick Stadelman, Wisconsin Towns Association; Attorney John Macy, Arenz, Moler, Macy, Riffle & Larson SC; Jennifer Miller and Marilyn Hendricks, Wisconsin Department of Revenue.*

### What is a WisLine?

A WisLine is a live teleconference offered by the University of Wisconsin-Extension. Reference materials will be sent electronically to registered attendees. If you prefer a hard copy of the materials, you may request these for a small additional fee.

If you cannot attend the live session, you have the option to purchase a materials bundle. These are available in one of two formats:

- a CD recording of the program and a copy of the printed materials
- an online audiostream and PDF of the materials

Each session will provide ample opportunity for participant questions and comments. Programs will be moderated by UW-Extension's Local Government Center Staff.

### To Register

Registration links can be found at <http://lge.uwex.edu> or by phone at (608) 262-0810.

### Costs

Live attendance: \$20  
Materials bundle: \$28

*If you have a disability and desire accommodations, please advise us when you register. Requests are confidential.*

Nonprofit Organization  
US POSTAGE PAID  
Madison, Wisconsin  
Permit No. 658

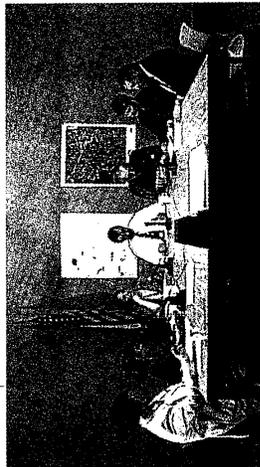


# Local Government CENTER

*Extension*

## LOCAL GOVERNMENT ESSENTIALS

A WisLine Teleconference Series  
2012-2013



**Sponsored by:**

UW-Extension Local Government Center  
League of Wisconsin Municipalities  
Wisconsin Counties Association  
Wisconsin Towns Association  
UW-Extension County Offices

1 \*\*\*\*\*AUTO\*\*SCH 3-DIGIT 535  
APRIL LITTLE  
PO BOX 79  
BELLEVILLE WI 53508-0079

University of Wisconsin-Extension  
Cooperative Extension Service  
Local Government Center  
610 Langdon Street, Rm. 229  
Madison, WI 53703-1104

**VILLAGE OF BELLEVILLE**  
Belleville, Wisconsin

**COMMUNICATION TO THOSE CHARGED  
WITH GOVERNANCE AND MANAGEMENT**

**As of and for the Year Ended December 31, 2012**

# VILLAGE OF BELLEVILLE

## TABLE OF CONTENTS

---

	<u>Page No.</u>
Required Communication of Internal Control Related Matters Identified in the Audit to Those Charged with Governance	1
Internal Control Over Financial Reporting	2
Internal Control Environment	2-3
Other Communications with Those Charged with Governance	
Two Way Communication Regarding Your Audit	4-5
Communication of Other Control Deficiencies, Recommendations and Informational Points to Management that are not Material Weaknesses or Significant Deficiencies	
Utility Recommendations	6-7
Debt Limit Recommendation	7
Departmental Controls	7-8
Informational Points	8-11
Recent Changes to the PSCW Water Chart Of Accounts	11
Required Communications by the Auditor with Those Charged with Governance	12-15
Management Representations	

**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS  
IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE**



**BAKER TILLY**

Baker Tilly Vitchow Krause, LLP  
Ten Terrace Ct., PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6022  
fax 608 249 8552  
bakertilly.com

To the Village Board  
Village of Belleville  
Belleville, Wisconsin

In planning and performing our audit of the financial statements of the Village of Belleville as of and for the year ended December 31, 2012, and for the Belleville Utilities as of December 31, 2012, and for the year then ended in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of the village's internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the village's internal control to be material weaknesses:

- > Internal Control Over Financial Reporting
- > Internal Control Environment

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

*Baker Tilly Vitchow Krause LLP*

Madison, Wisconsin  
March 13, 2013

---

### INTERNAL CONTROL OVER FINANCIAL REPORTING

Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of the village's year-end financial reporting process and preparation of your financial statements. A properly designed system of internal control allows for the presentation of year-end financial data and financial statements without material errors. At this time, the village does not have internal controls in place that allow for the presentation of materially correct year-end financial statements. As a result, we consider this absence of controls to be a material weakness in internal control over the village's financial reporting.

To provide some perspective, establishment of such internal controls can be a difficult task for governments. Many governments do rely on their auditors to prepare certain year-end adjusting entries and prepare the year-end financial statements. Because the auditors are not involved with the village's day-to-day activities, it is important that management have the skills, knowledge, and experience to review the audit adjustments and financial statements prepared by the auditors to ensure completeness, accuracy, and consistency with management's knowledge of transactions impacting the village during the year.

---

### INTERNAL CONTROL ENVIRONMENT

Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of significant transaction cycles. A properly designed system of internal control includes adequate staffing, policies, and procedures to properly segregate duties. This includes systems that are designed to limit the access or control of any one individual to your government's assets, and to achieve a higher likelihood that errors or irregularities in your processes would be discovered by your staff. At this time, the village does not have internal controls in place to achieve adequate segregation of duties. As a result, there is a material weakness related to the village's internal control environment.

There are also other key controls related to significant transaction cycles that are important in reducing the risk of errors or irregularities. At this time, the village does not have the following controls in place:

#### CONTROLS OVER ACCOUNTS PAYABLE/DISBURSEMENTS

1. Retainages and encumbrances need to be reviewed, approved, and recorded at year end.

#### CONTROLS OVER PAYROLL

1. There should be review and approval of changes in pay rates in the payroll system.

#### CONTROLS OVER PROPERTY TAXES

1. Taxes receivable and tax settlements should be reviewed and approved by someone independent of the process.
2. The bank account should be reconciled by someone independent of the tax collection process.

---

## INTERNAL CONTROL ENVIRONMENT (cont.)

---

### CONTROLS OVER UTILITY BILLING

1. The governing body should formally approve all write offs of accounts and adjustments to bills over an amount agreed upon by the board.
2. The process for generating utility bills and maintaining billing records is not independent of the collection function.
3. There should be a review of billing rates by someone independent of the billing function.

### CONTROLS OVER FINANCIAL REPORTING

1. Account reconciliations should be prepared by someone independent of the processing of transactions in the account.
2. Adjusting journal entries should be reviewed and approved by someone independent of the transaction.

### ENTITY WIDE AND INFORMATION TECHNOLOGY CONTROLS

The village has not undergone a formal risk assessment process. This type of evaluation can help to identify where the village is more susceptible to fraud, misappropriation of assets, or fraudulent financial reporting.

The general ledger software package allows equal access rights to all users. This creates opportunities for any user to create journal entries, post transactions and print checks. Ideally, the user's access should be limited to their corresponding job duties. In addition, there is no review of security logs indicating who has accessed the accounting system. This type of review should be performed to verify unauthorized users did not access the system.

The village runs back-ups of their data regularly, but stores the backup data onsite. The village should consider storing back-up data offsite.

The village does not have a formal password policy that requires users to create sophisticated passwords to prevent unauthorized users from accessing the system. We recommend the village adopt a password policy including length and character requirements. Passwords should be changed at least every 60 to 90 days, and password history and lockout requirements should also be addressed.

The village's present software system lacks certain security features that, if operated improperly, would not allow for the identification of changes made to financial data after the original entry of such data. This is a situation that exists in many database software packages, including Microsoft Office Access, which is the basis for your software. Many of the system users may not possess the technical knowledge to operate the system in a manner that would impair the system's control integrity. However, it is possible that some users may possess the knowledge to circumvent the system's controls. Therefore, it is our judgment that there is more than a remote possibility that an error could occur in amounts that are more than insignificant, and your controls would not detect them. Accordingly, we are required to communicate this fact to you.

The absence of these key controls is considered to be a material weakness.

Achieving adequate segregation of duties may not be cost beneficial to attain in all situations. However, it is very important that management and the governing body provide the appropriate level of financial oversight to the village's day-to-day activities. We recommend that the village consider the benefits of implementing additional policies and procedures to address key controls related to its significant transaction cycles, as noted above.

**OTHER COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE**

---

## TWO WAY COMMUNICATION REGARDING YOUR AUDIT

---

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk-assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - Identify types of potential misstatements.
  - Consider factors that affect the risks of material misstatement.
  - Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

---

**TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)**

---

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the village board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the village concerning:

- a. The village's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary audit work during the months of October-December, and sometimes early January. Our final fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

**COMMUNICATION OF OTHER CONTROL DEFICIENCIES, RECOMMENDATIONS  
AND INFORMATIONAL POINTS TO MANAGEMENT THAT ARE NOT  
MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES**

---

## UTILITY RECOMMENDATIONS

---

### *WATER UTILITY*

#### *Earnings*

2010 operating income increased to \$41,600 from \$4,600 in the prior year. The rate of return using the PSC's calculation was 0.3% compared to 2009 at (2%). This increase is due to the rate increase approved by the PSC, which became effective September 27, 2010. The new rates are designed to earn a rate of return of 2.75%, and additional revenues of \$72,600 once the rates are effective for a full year. The rate increase was much lower than what the PSC would allow in order to keep impacts on customers as low as possible. The rates only allow for a minimal amount of cash flows each year so the utility will need to keep costs low in order to maintain the financial health of the utility.

#### *Status (12/31/12)*

Operating income in 2012 improved by \$21,800 to \$103,600 due to a slight increase in water sold. The utility should qualify for a Simplified Rate Case (SRC) that would allow for a cost of living adjustment in water rates. We recommend that an application be filed with the PSC in March or April of 2013 to help rates keep pace with inflation. The SRC process would allow for a 3% increase in water rates.

### *LAND HELD FOR FUTURE USE*

In the past, the Water Utility purchased land for a future well or tower. The value of this land is on the water utility books as land held for future use. We understand from management this land is located by Blaser Park and the certainty of when a well or tower would be constructed here is in question. We recommend the utility determine if this land is feasible for a water well or tower and if so, how far in the future may that be. If the land is unlikely to be used for water utility purposes, the value of the land needs to be eliminated from the utility books. In that case, the Village should consider the best use for the property, internal use or external sale, and account for the land in that manner.

#### *Status (12/31/12)*

This recommendation still pertains.

### *SEWER UTILITY*

#### *Earnings*

The utility had operating income of \$34,000 in 2010, compared to \$62,200 in 2009. The decrease in operating income is due to the depreciation on the new WWTP. The utility is required to meet debt coverage requirements for the CWF loans. When the rates were developed, there was a reliance on connection fees to cover a portion of the debt service. Since collections will be dependent on growth, which is out of your control, the village will need to continue to monitor revenues closely to ensure debt coverage is met. Debt coverage for 2010 was not met by \$117,697. The utility used surplus funds to cover the shortfalls in 2010 and 2009. The village should continue to monitor the debt service and cash flow requirements to ensure these are being met in the future, as surplus funds won't be available long term.

---

#### UTILITY RECOMMENDATIONS (cont.)

---

##### *SEWER UTILITY (cont.)*

##### *Status (12/31/12)*

Debt coverage for 2012 was not met by \$107,911. The utility used surplus funds to cover the shortfall in 2012. The utility should update the cash flow forecast to determine the timing of rate increases as the surplus funds begin to deplete. The above recommendation still pertains.

---

#### DEBT LIMIT RECOMMENDATION

---

As of December 31, 2009, the village was at 68% of its general obligation debt limit, established by state statutes as 5% of your equalized value. However, in 2010, the village is anticipating various increases in the G.O. debt outstanding as a result of refinancing the existing bond anticipation notes and borrowing for 2010 capital projects.

Based on these additional commitments, we are estimating the village's G.O. debt outstanding to grow to approximately \$8.4 million by the end of 2010. Assuming no change in equalized value, this will put the village at about 69% of the debt limit, with less than \$1 million of G.O. debt capacity. Additionally, this estimate does not include any borrowing for TIF district No. 4 and No. 5 as outlined in the project plans for the districts.

We strongly encourage the village to evaluate the current debt position, short and long-term borrowing plans, and future capital projects. We are happy to further assist you with this process.

##### *Status (12/31/12)*

As of December 31, 2012, the village was at 79% of its debt limit. We continue to recommend the village monitor its debt capacity and future borrowing needs.

---

#### DEPARTMENTAL CONTROLS

---

As part of our annual audit process, we focus our efforts on the primary accounting systems, internal controls, and procedures used by the village. This is in keeping with our goal to provide an audit opinion which states that the financial statements of the village are correct in all material respects.

In some cases, the primary system of accounting procedures and controls of the village are supported by smaller systems which are decentralized, and reside within a department or location. In many cases, those systems are as simple as handling cash collections and remitting those collections to the village treasurer. In other cases, the department may send invoices or statements of amounts due, and track collections of those amounts in a standalone accounts receivable system.

Generally, the more centralized a function is, the easier it is to design and implement accounting controls that provide some level of checks and balances. That is because you are able to divide certain tasks over the people available to achieve some segregation of duties. For those tasks that are decentralized, it is usually very difficult to provide for proper segregation of duties. Therefore, with one person being involved in most or all aspects of a transaction, you lose the ability to rely on the controls to achieve the safeguarding of assets and reliability of financial records.

---

**DEPARTMENTAL CONTROLS (cont.)**

---

As auditors, we are required to communicate with you on a variety of topics. Since there is now more emphasis on internal controls and management's responsibilities, we believe it is appropriate to make sure that you are informed about the lack of segregation of duties that may occur at departments or locations that handle cash or do miscellaneous billing. Examples in your village that fit this situation may include the following:

Library  
Police Department

As you might expect, similar situations are common in most governments.

As auditors, we are required to focus on the financial statements at a highly summarized level and our audit procedures support our opinion on those financial statements. Departments or locations that handle relatively smaller amounts of money are not the primary focus of our audit. Yet, because of the lack of segregation of duties, the opportunity for loss is higher there than in centralized functions that have more controls.

Because management is responsible for designing and implementing controls and procedures to detect and prevent fraud, we believe that is important for us to communicate this information to you. We have no knowledge of any fraud that has occurred or is suspected to have occurred within the departments mentioned above. However, your role as the governing body is to assess your risk areas and determine that the appropriate level of controls and procedures are in place. As always, the costs of controls and staffing must be weighed against the perceived benefits of safeguarding your assets.

---

**INFORMATIONAL POINTS:**

---

**GENERAL FUND BALANCE**

Following is the general fund balance of the village for the last five years:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund					
Nondisposable	\$ 90,567	\$ 118,047	\$ 127,392	\$ 238,096	\$ 395,040
Committed/Assigned	3,408	12,733	67,316	77,739	53,567
Unassigned	490,949	456,974	340,204	282,234	100,258
Totals	<u>\$ 584,924</u>	<u>\$ 587,754</u>	<u>\$ 534,912</u>	<u>\$ 598,069</u>	<u>\$ 548,865</u>

As evident in the numbers above, the general fund has experienced a significant shift in fund balance from unassigned to nondisposable in the last five years.

---

## INFORMATIONAL POINTS (cont.)

---

### GENERAL FUND BALANCE (cont.)

Nonspendable fund balance primarily includes funds that have been advanced (loaned) to other funds for cash flow purposes. The amount has grown considerably because of the increasing deficit of TIF District No. 3. At December 31, 2012, \$253,935 is advanced by the general fund to the TIF Districts (of which \$222,947 is TIF District No. 3). Also included in this amount is \$53,290 advanced to Storm water and \$76,458 advanced to Waste Management.

While it is intended these advances will be repaid, until they are able to be, the general fund cannot consider the funds available for use. As a result, the unassigned (available) fund balance has shrunk to \$100,258, or roughly 11% of the subsequent year's budgeted expenditures. That percentage is generally viewed as below levels recommended by financial advisors and debt rating agencies.

The village will need to closely monitor its financial results throughout 2013. The financial results of other funds are directly impacting the general fund balance, and therefore, monitoring the results of all funds is critical. Long range financial planning is also important. We are available to assist with this.

### UNITED STATES AUDITING STANDARDS REVISIONS

In an effort to make US generally accepted auditing standards (GAAS) easier to read, understand, and apply, the American Institute of CPAs redrafted all of the auditing sections in the Codification of Statements on Auditing Standards. This is also known as the Clarity Project. The new standards are intended to more clearly specify the objectives of the auditor and the requirements with which the auditor must comply when conducting an audit in accordance with GAAS.

Generally speaking, the Clarity Project was not intended to change what auditors actually do. However, there were several areas that resulted in changes to audit procedures. The following outlines some of the changes / areas of emphasis affecting your audit:

- **Consideration of Laws and Regulations** – The clarified standards require auditors to perform procedures to identify instances of noncompliance with those laws and regulations that may have a material effect on the financial statements, including the inspection of correspondence with relevant licensing or regulatory authorities.
- **Communicating Internal Control Related Matters** – The clarified standards require auditors to include an explanation of the potential effects of significant deficiencies and material weaknesses identified and communicated to those charged with governance.
- **Auditors' Reports** – The Auditors' Report will now include the use of headings, expanded discussions of management's responsibility for the financial reporting process, and the introduction of two new terms: *emphasis-of-matter* and *other-matter* paragraphs. These changes became effective for the year ending December 31, 2012 and subsequent years.

---

## INFORMATIONAL POINTS (cont.)

---

### *GASB STATEMENT NO. 61: THE FINANCIAL REPORTING ENTITY: OMNIBUS*

The Governmental Accounting Standards Board (GASB) has issued Statement No. 61, which changed governmental financial reporting for component units. These changes will affect your financial statements for the year ending December 31, 2013, primarily the government-wide financial statements, and possibly the fund financial statements.

Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations in which the primary government did not appoint a majority of the organization's board, but were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship now would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units, but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the criteria to be considered in determining whether the organization is to be reported as a blended or discretely presented component unit, as discussed below.

Statement No. 61 amends the criteria for reporting component units as if they are part of the primary government (that is, blending) or separately (that is, discretely) presented. Component units should now be reported as part of the primary government (blended) if they meet any of the following circumstances:

- The governing bodies of both entities are substantially the same and there is a financial benefit or burden relationship, or management of the primary government has operational responsibility for the component unit
- The component unit provides services entirely, or almost entirely, to or that benefit the primary government
- The component unit's total debt outstanding is expected to be repaid entirely, or almost entirely, with resources of the primary government

The blending provisions are also amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. This means that if the component unit has multiple fund types within its report, these funds should be reported within the same fund types of the primary government, except for the component unit's general fund, which should be reported as a special revenue fund. Finally, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting. Component units should be consolidated into the single column presentation with condensed combining information presented in the notes to the financial statements.

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit.

We are available to discuss these changes and the impact on your financial statements.

---

## INFORMATIONAL POINTS (cont.)

---

### **GASB STATEMENT NO. 65: ITEMS PREVIOUSLY REPORTED AS ASSETS AND LIABILITIES**

Government Accounting Standards Board (GASB) Statement No. 65 – *Items Previously Reported as Assets and Liabilities* will result in a reclassification of some financial statement line items on the Statement of Net Position and Balance Sheet of governments. The new financial statement categories of deferred outflows of resources and deferred inflows of resources will become more commonly used upon implementation of this standard. In addition to reclassifications to these new categories, the standard will also result in a change in the accounting treatment for certain items, including debt issuance costs. This standard is effective for periods beginning after December 15, 2012, and was intended to complement Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Some of the most significant changes of this standard that will impact many governments include:

- Debt issuance costs previously amortized will now be expensed in the period incurred
- Losses on refunding of debt will now be classified as a deferred outflow of resources, and consistent with the change noted previously, the formula for calculating the loss has been adjusted to exclude debt issuance costs (prospectively)
- Regulatory credits recorded by utilities will now be recorded either as a liability or a deferred inflow of resources, depending on how the credit will be applied in the future
- The terminology of *deferred revenue* is no longer permitted to be used. In addition, the items previously recorded as deferred revenue will need to be analyzed to determine if they now will be presented as a deferred inflow of resources or a liability
- The major fund determination formula has been updated to include the new categories

We are available to discuss these changes and the impact on your financial statements.

---

### **RECENT CHANGES TO THE PSCW WATER CHART OF ACCOUNTS**

---

The Public Service Commission of Wisconsin (PSCW) recently approved Docket S-US-118, which updated the uniform system of accounts (USOA) for municipal water utilities. The changes created new revenue reporting classifications and clarified accounting for conservation programs.

#### **NEW REVENUE REPORTING CLASSIFICATIONS**

The PSCW has established two new customer classifications for reporting revenues. Along with residential, commercial, industrial, and public authority, the new categories are irrigation and multi-family residential. The irrigation classification applies only when the utility has a separate rate approved for irrigation. The village does not have this rate classification. The multi-family residential classification should include any building primarily for residential purposes where one meter is used to serve three or more residential units. While implementation of this category is allowed for the 2013 information filed in 2014, it may be delayed until 2014 and included in the annual report filed in 2015. We understand staff has identified the accounts that will need to be reclassified. We recommend the reclassification be completed no later than December 31, 2013.

**REQUIRED COMMUNICATIONS BY THE AUDITOR WITH THOSE CHARGED WITH GOVERNANCE**



Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct, PO Box 7398  
Madison, WI 53707-7398  
Tel 608 249 6622  
Fax 608 249 8532  
bakertilly.com

To the Village Board  
Village of Belleville  
Belleville, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of the Village of Belleville for the year ended December 31, 2012 and have issued our report thereon dated March 13, 2013. This letter presents communications required by our professional standards.

***OUR RESPONSIBILITY UNDER AUDITING STANDARDS  
GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA***

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Village Board of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

***OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS***

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

***PLANNED SCOPE AND TIMING OF THE AUDIT***

We performed the audit according to the planned scope and timing previously communicated to you in our prior year Report on Internal Control, and at our meeting on March 9, 2012.

To the Village Board  
Village of Belleville

**QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES**

**Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village of Belleville are described in Note I to the financial statements. As described in Note I to the financial statements, the Village of Belleville changed accounting policies related to financial reporting by adopting Statement of Accounting Standards (GASB Statement) No. 63, *Financial Reporting of Deferred Outflows of Revenues, Deferred Inflows of Resources, and Net Position*, in 2012. We noted no transactions entered into by the Village of Belleville during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

**Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates affecting the financial statements.

**Financial Statement Disclosures**

The disclosures in the financial statements are neutral, consistent, and clear.

**DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing our audit.

**CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatement identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements.

The following is a summary of material financial statement misstatements (audit adjustments):

	<u>Amount</u>
Adjustments to transfers	\$ 175,804
Adjustments to taxes receivable	1,916,900
Adjustments to cash and restricted cash	238,675
Adjustments to utility debt	533,030
Adjust utility accumulated depreciation	574,928
Adjust utility plant	265,471
Adjustments to retainages payable	86,834
Adjustments to accounts receivable	406,465
Adjustments to special assessments and related revenue	196,659
Adjustments to beginning fund balance	67,970
Adjustments to record joint metering allocation	14,484

To the Village Board  
Village of Belleville

***CORRECTED AND UNCORRECTED MISSTATEMENTS (cont.)***

In addition, we prepared GASB No. 34 conversion entries which are summarized in the "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

***DISAGREEMENTS WITH MANAGEMENT***

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS***

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***MANAGEMENT REPRESENTATIONS***

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

***INDEPENDENCE***

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the village that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of the Village of Belleville for the year ended December 31, 2012, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the village of Belleville in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. We provided no services to the Village of Belleville other than the audit services provided in connection with the audit of the current year's financial statements and nonaudit services which, in our judgment, do not impair our independence, including:

- Financial statement preparation
- Adjusting journal entries
- Compiled regulatory reports
- Utility rate consulting

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

To the Village Board  
Village of Belleville

**OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village of Belleville's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**OTHER MATTERS**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Village Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

*Baker Tilly Vuchow Krause, LLP*  
Madison, Wisconsin  
March 13, 2013

**MANAGEMENT REPRESENTATIONS**



Village of Belleville  
24 W. Main Street  
P. O. Box 79

Telephone: 608-424-3341 • Fax: 608-424-3423

BELLEVILLE, WISCONSIN 53508

Baker Tilly Virchow Krause, LLP  
Ten Terrace Court  
P. O. Box 7398  
Madison, WI 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the Village of Belleville as of December 31, 2012 and for the year then ended and for the Belleville Utilities as of December 31, 2012 and 2011 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position 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 and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

*Financial Statements*

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government and the component unit required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No

events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

7. All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
8. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
9. Guarantees, whether written or oral, under which the Village is contingently liable, if any, have been properly recorded or disclosed.

*Information Provided*

10. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of Village Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
14. There are no known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
15. There are no known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
16. There are no known related parties or related party relationships and transactions of which we are aware.

*Other*

17. We have made available to you all financial records and related data.
18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have a process to track the status of audit findings and recommendations.
20. We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
22. The Village has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
23. We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
24. There are no:
- a. Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
  - c. Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
  - d. Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
25. In regards to the nonattest services performed by you listed below, we have 1) made all management decisions and performed all management functions; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
- a. Financial statement preparation
  - b. Adjusting journal entries
  - c. Compiled regulatory reports
- None of these non attest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.
26. The Village of Belleville has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
27. The Village of Belleville has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
28. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
29. The financial statements as presented omit the equity interest in the joint venture of the fire and emergency medical association. The financial statements include its component unit. There are no other joint ventures or other related organizations that require disclosure.
30. The financial statements properly classify all funds and activities.
31. All funds that meet the quantitative criteria in GAO Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

32. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
33. The Village of Belleville has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
34. Provisions for uncollectible receivables have been properly identified and recorded.
35. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
36. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
37. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
38. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
39. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized.
40. We have appropriately disclosed the Village of Belleville's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding how restricted and unrestricted fund balance is used when an expenditure is incurred for which both restricted and unrestricted fund balance is available, including the spending hierarchy for committed, assigned, and unassigned amounts.
41. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
42. With respect to the supplementary information, including the detailed schedule of revenues and other financing sources - budget to actual - general fund, detailed schedule of expenditures - budget to actual - general fund, combining balance sheet and statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds, and combining statement of net position - agency funds:
  - a. We acknowledge our responsibility for presenting the supplementary information, including the detailed schedule of revenues and other financing sources - budget to actual - general fund, detailed schedule of expenditures - budget to actual - general fund, combining balance sheet and statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds, and combining statement of net position - agency funds in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including the detailed schedule of revenues and other financing sources - budget to actual - general fund, detailed schedule of expenditures - budget to actual - general fund, combining balance sheet and statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds, and combining statement of net position - agency funds, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information, including the detailed schedule of revenues and other financing sources - budget to actual - general fund, detailed schedule of expenditures - budget to actual - general fund, combining balance sheet and statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds, and combining statement of net position - agency funds have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Sincerely,

Village of Belleville

Signed: Richard Ward

Signed: April Hill

Signed: \_\_\_\_\_

**VILLAGE OF BELLEVILLE**  
Belleville, Wisconsin

**FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2012

## VILLAGE OF BELLEVILLE

### TABLE OF CONTENTS As of and for the Year Ended December 31, 2012

---

	<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 - 11
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - Water and Sewer Utility	12
Statement of Cash Flows - Proprietary Fund - Water and Sewer Utility	13 - 14
Statement of Net Position - Proprietary Fund - Stormwater Utility	15
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - Stormwater Utility	16
Statement of Cash Flows - Proprietary Fund - Stormwater Utility	17
Statement of Assets and Liabilities - Agency Funds	18
Statement of Net Position - Component Unit	19
Statement of Revenues, Expenses and Changes in Net Position - Component Unit	20
Index to Notes to Financial Statements	21
Notes to Financial Statements	22 - 56
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	57

**VILLAGE OF BELLEVILLE**

**TABLE OF CONTENTS (cont.)  
As of and for the Year Ended December 31, 2012**

---

	<u>Page(s)</u>
Required Supplementary Information (cont.)	
Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Library Fund	58
Notes to Required Supplementary Information	59
Supplementary Information	
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund	60 - 61
Detailed Schedule of Expenditures - Budget and Actual - General Fund	62 - 63
Combining Balance Sheet - Nonmajor Governmental Funds	64 - 65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	66 - 67
Combining Statement of Assets and Liabilities - Agency Funds	68



**BAKER TILLY**

Baker Tilly-Vicchow Kreuze, LLP  
Ten Terrace Ct, PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6622  
fax 608 249 8532  
bakertilly.com

## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Belleville  
Belleville, Wisconsin

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

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

Page 1

To the Village Board  
Village of Belleville

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

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

***Qualified Opinion***

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

***Unmodified Opinions***

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

***Emphasis of Matter***

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

***Other Matters***

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

To the Village Board  
Village of Belleville

**Other Matters (cont.)**

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

*Baker Tilly Virchow Krause, LLP*  
Madison, Wisconsin  
March 13, 2013

## **MANAGEMENT'S DISCUSSION AND ANALYSIS** (UNAUDITED)

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

### **FINANCIAL HIGHLIGHTS**

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

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

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of four parts:

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

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

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

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

#### Government-wide Financial Statements

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

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

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

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

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

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Belleville, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements.

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

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

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

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

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

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

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

#### Notes to Financial Statements

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

#### Supplemental Information

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

### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

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

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

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

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

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

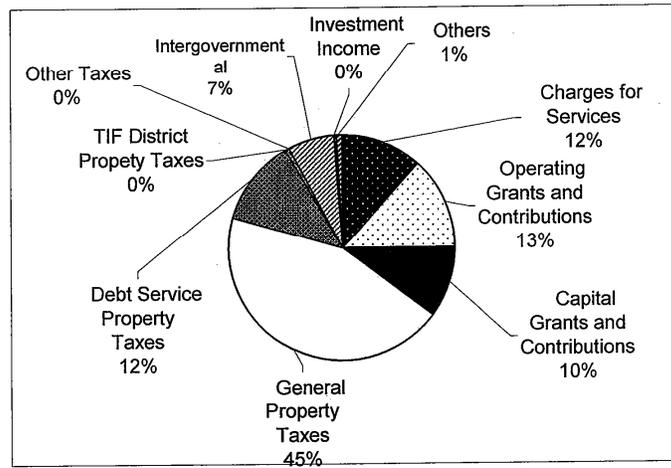
	Governmental Activities		Business-Type Activities		Total Activities	
	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>						
<b>Program Revenues</b>						
Charges for Services	314,534	214,569	1,228,496	1,099,080	1,543,030	1,313,649
Operating Grants and Contributions	362,250	366,197			362,250	366,197
Capital Grants and Contributions	279,716	1,158,605	776	786,607	280,492	1,945,212
<b>General Revenues</b>						
General Property Taxes	1,190,205	1,168,423			1,190,205	1,168,423
Debt Service Property Taxes	334,763	298,384			334,763	298,384
TIF District Property Taxes	11,323	5,354			11,323	5,354
Other Taxes	2,598	422			2,598	422
Intergovernmental	180,481	222,333			180,481	222,333
Investment Income	4,219	6,357	3,479	3,626	7,698	9,983
Others	24,003	53,002			24,003	53,002
<b>Total Revenues</b>	<b>2,704,092</b>	<b>3,493,646</b>	<b>1,232,751</b>	<b>1,889,313</b>	<b>3,936,843</b>	<b>5,382,959</b>
<b>EXPENSES</b>						
General Government	409,385	389,191			409,385	389,191
Public Safety	580,539	636,925			580,539	636,925
Public Works	699,491	907,146			699,491	907,146
Leisure Activities	633,738	403,512			633,738	403,512
Conservation and Development	203,509	415,140			203,509	415,140
Public Service Enterprises	14,849	18,020			14,849	18,020
Interest and Fiscal Charges	341,151	428,087			341,151	428,087
Water			250,252	269,447	250,252	269,447
Sewer			870,052	897,976	870,052	897,976
Stormwater			66,077	52,101	66,077	52,101
<b>Total Expenses</b>	<b>2,882,662</b>	<b>3,198,021</b>	<b>1,186,381</b>	<b>1,219,524</b>	<b>4,069,043</b>	<b>4,417,545</b>
Increase in Net Position Before Transfer	-178,570	295,625	46,370	669,789	-132,200	965,414
Transfers	15,989	1,911,550	-15,989	1,911,550	0	0
<b>Change in Net Position</b>	<b>-162,581</b>	<b>1,615,925</b>	<b>30,381</b>	<b>2,581,339</b>	<b>-132,200</b>	<b>965,414</b>
<b>ENDING NET POSITION</b>	<b>3,109,492</b>	<b>3,272,078</b>	<b>12,005,752</b>	<b>11,975,371</b>	<b>15,115,244</b>	<b>15,247,444</b>

*Governmental Activities:*

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

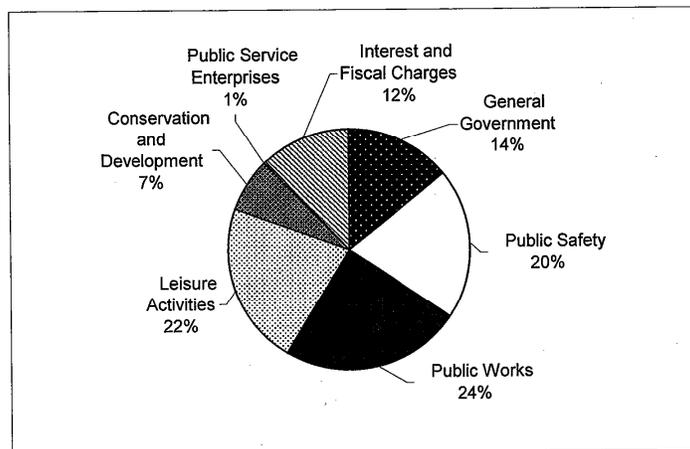
Taxes have been broken out into four categories: debt service property taxes (12%), general property taxes (45%), TIF district property taxes and other taxes which are each less than 1% of total revenues. The tax collected for debt service property taxes, which is 12% of total revenues, were collected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

Governmental Activity Revenues for 2012



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

### Governmental Activity Expense for 2012



### Village of Belleville's Capital Assets

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

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

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

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

### Debt Activity

#### Long-term Debt

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

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

### Comparison of Outstanding Debt by Activity

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

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

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

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

#### Current Portion of Outstanding Debt by Activity

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

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

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

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

The individual fund balances are as follows:

##### General Fund

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

### **Lake Restoration**

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

### **Other**

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

### **TIF District Funds**

In 2009, three TIF funds were created:

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

### **Capital Projects**

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

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

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

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

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

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

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

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

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

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

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

**VILLAGE OF BELLEVILLE**

STATEMENT OF NET POSITION  
As of December 31, 2012

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

See accompanying notes to financial statements.



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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2012

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

See accompanying notes to financial statements.

---

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

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

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

<u>\$ 413,350</u>	<u>\$ 4,300,462</u>
-------------------	---------------------

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, 2012**

---

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

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

See accompanying notes to financial statements.

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

Net change in fund balances - total governmental funds	\$	(361,664)
Amounts reported for governmental activities in the statement of net position are different because:		
<p>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.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		526,592
Some items reported as capital outlay are transferred to the business-type activities		(39,340)
Some items reported as capital outlay are not capitalized in the government-wide statements		(176,885)
Depreciation is reported in the government-wide financial statements		(284,507)
<p>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.</p>		
Developer charges		(13,965)
Pledges receivable		(98,145)
<p>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.</p>		
Debt issued		(1,710,000)
Principal repaid		1,879,177
<p>Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net position, these are deferred and reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Debt discount and issuance costs		41,800
Amortization		(8,088)
<p>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.</p>		
Compensated absences		12,638
Accrued interest on debt		69,806
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>(162,581)</u></b>

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

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

See accompanying notes to financial statements.

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

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

See accompanying notes to financial statements.

77

	Business-type Activities - Enterprise Fund	
	2012	2011
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 197,947	\$ 124,712
Adjustments to Reconcile Operating Income to Net Cash		
Flows From Operating Activities		
Depreciation	521,525	517,303
Depreciation charged to other funds	9,599	9,185
Changes in assets and liabilities		
Accounts receivable	(9,984)	3,560
Prepayments	(163)	143
Accounts payable and other liabilities	6,251	(12,811)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 725,175</b>	<b>\$ 642,092</b>

<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>		
Cash and investments - statement of net position	\$ 674,787	\$ 879,220
Restricted cash and investments - statement of net position	594,502	492,899
<b>CASH AND CASH EQUIVALENTS</b>	<b>\$ 1,269,289</b>	<b>\$ 1,372,119</b>

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

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

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

**VILLAGE OF BELLEVILLE**

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

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

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

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

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

In 2012, \$39,340 of capital asset additions were contributed by the municipality.  
 In 2011, \$2,181,064 of capital asset additions were contributed or transferred by developers and the municipality.

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

---

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

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

---

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

See accompanying notes to financial statements.

**VILLAGE OF BELLEVILLE**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**COMPONENT UNIT**  
For the Year Ended December 31, 2012

---

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

See accompanying notes to financial statements.

VILLAGE OF BELLEVILLE

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

---

NOTE	Page
I Summary of Significant Accounting Policies	22
A. Reporting Entity	22
B. Government-Wide and Fund Financial Statements	23
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	25
D. Assets, Liabilities, and Net Position or Equity	27
1. Deposits and Investments	27
2. Receivables	28
3. Inventories and Prepaid Items	29
4. Restricted Assets	29
5. Capital Assets	29
6. Other Assets	30
7. Compensated Absences	30
8. Long-Term Obligations/Conduit Debt	31
9. Claims and Judgments	31
10. Equity Classifications	32
11. Prior Period Information	33
II Reconciliation of Government-Wide and Fund Financial Statements	34
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	34
III Stewardship, Compliance, and Accountability	34
A. Budgetary Information	34
B. Excess Expenditures Over Appropriations	35
C. Deficit Balances	35
D. Limitations on the Village's Tax Levy	36
IV Detailed Notes on All Funds	36
A. Deposits and Investments	36
B. Receivables	37
C. Restricted Assets	38
D. Capital Assets	39
E. Interfund Receivables/Payables, Advances and Transfers	43
F. Long-Term Obligations	45
G. Lease Disclosures	50
H. Net Position/Fund Balances	50
I. Component Units	52
V Other Information	53
A. Employees' Retirement System	53
B. Risk Management	54
C. Commitments and Contingencies	54
D. Joint Ventures	55
E. Subsequent Events	56
F. Effect of New Accounting Standards on Current-Period Financial Statements	56

## VILLAGE OF BELLEVILLE

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

---

### NOTE 1 - 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 of Belleville. The reporting entity for the village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

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

##### *Belleville Community Development Authority*

The government-wide financial statements include the Belleville Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the village board. Wisconsin Statutes provide for circumstances whereby the village can impose its will on the CDA, and also create a potential financial benefit to or burden on the village. See Note IV.I. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2012. The CDA does not issue separate financial statements.

## VILLAGE OF BELLEVILLE

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

---

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

---

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

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

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

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

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

#### **Fund Financial Statements**

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

VILLAGE OF BELLEVILLE

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

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

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

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

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

The village reports the following major enterprise funds:

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

**VILLAGE OF BELLEVILLE**

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

---

**NOTE 1 - 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. 5  
Tax Incremental District (TID) No. 4                      Other Capital Projects

In addition, the village reports the following fund types:

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

Tax Collection  
Fire and EMS District

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

**Government-Wide Financial Statements**

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

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

## VILLAGE OF BELLEVILLE

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

---

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

---

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

##### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

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

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

VILLAGE OF BELLEVILLE

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

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

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

**Fund Financial Statements (cont.)**

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utility and stormwater utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**All Financial Statements**

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

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

**1. Deposits and Investments**

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

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

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

**VILLAGE OF BELLEVILLE**

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

---

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

---

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

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

- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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

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

See Note IV. A. for further information.

**2. Receivables**

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

Property tax calendar - 2012 tax roll:

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

## VILLAGE OF BELLEVILLE

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

---

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

---

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

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

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

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

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

##### *4. Restricted Assets*

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

##### *5. Capital Assets*

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

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

**VILLAGE OF BELLEVILLE**

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

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

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

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

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

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

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

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

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

**6. Other Assets**

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

**7. Compensated Absences**

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

VILLAGE OF BELLEVILLE

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

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

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

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources. All vacation and compensatory balances at December 31, 2012 are considered current, because the village considers all carryover balances to be used prior to the use of the subsequent year's accruals. Sick leave is considered non-current. Vested vacation, sick and compensatory time is not material to the enterprise funds.

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

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

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

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

***9. Claims and Judgments***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note V. C. on commitments and contingencies.

**VILLAGE OF BELLEVILLE**

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

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

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

**10. Equity Classifications**

**Government-Wide Statements**

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

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

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

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

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

**Fund Statements**

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

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

VILLAGE OF BELLEVILLE

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

---

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

---

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

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

**Fund Statements (cont.)**

- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the village that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

See Note IV. H. for further information.

**11. Prior Period Information**

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

VILLAGE OF BELLEVILLE

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

---

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

---

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

---

**A. BUDGETARY INFORMATION**

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

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

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

**VILLAGE OF BELLEVILLE**

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

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

**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

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

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

**C. DEFICIT BALANCES**

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

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

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

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

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

**VILLAGE OF BELLEVILLE**

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

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

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

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

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

**A. DEPOSITS AND INVESTMENTS**

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

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

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest-bearing transaction accounts through December 31, 2012. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit accounts (interest-bearing and noninterest-bearing) are insured for a total of \$250,000 beginning January 1, 2013. In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

**VILLAGE OF BELLEVILLE**

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

---

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

---

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

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

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

***Custodial Credit Risk***

**Deposits**

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

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

**Investments**

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

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

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

**B. RECEIVABLES**

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

**VILLAGE OF BELLEVILLE**

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

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

**B. RECEIVABLES (cont.)**

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

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

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

**Long-Term Debt Accounts**

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

**Equipment Replacement Account**

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

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

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

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

**VILLAGE OF BELLEVILLE**

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

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

**D. CAPITAL ASSETS**

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

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

Depreciation expense was charged to functions as follows:

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

**VILLAGE OF BELLEVILLE**

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

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

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

**Business-type Activities**

	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	<u>140,658</u>	<u>-</u>	<u>-</u>	<u>140,658</u>
Capital assets being depreciated				
Source of supply	8,057	-	-	8,057
Pumping	99,123	-	-	99,123
Water treatment	2,924	-	-	2,924
Transmission and distribution	5,136,270	46,977	3,144	5,180,103
General	38,174	-	-	38,174
Total Capital Assets Being Depreciated	<u>5,284,548</u>	<u>46,977</u>	<u>3,144</u>	<u>5,328,381</u>
Total Capital Assets	<u>5,425,206</u>	<u>46,977</u>	<u>3,144</u>	<u>5,469,039</u>
Less: Accumulated depreciation for General	<u>(706,975)</u>	<u>(112,465)</u>	<u>3,144</u>	<u>(816,296)</u>
Total Accumulated Depreciation	<u>(706,975)</u>	<u>(112,465)</u>	<u>3,144</u>	<u>(816,296)</u>
Net Capital Assets Being Depreciated	<u>4,577,573</u>	<u>(65,488)</u>	<u>-</u>	<u>4,512,085</u>
Net Water Capital Assets	<u>\$ 4,718,231</u>	<u>\$ (65,488)</u>	<u>\$ -</u>	<u>\$ 4,652,743</u>

VILLAGE OF BELLEVILLE

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

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

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

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

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

**VILLAGE OF BELLEVILLE**

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

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

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

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

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

Depreciation expense was charged to functions as follows:

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

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

**VILLAGE OF BELLEVILLE**

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

**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:

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

All amounts are due within one year.

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

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

***Advances***

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

**VILLAGE OF BELLEVILLE**

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

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

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

**Advances (cont.)**

The following is a schedule of interfund advances:

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

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

**Transfers**

The following is a schedule of interfund transfers:

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

**VILLAGE OF BELLEVILLE**

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

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

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

**Transfers (cont.)**

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

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

**F. LONG-TERM OBLIGATIONS**

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

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

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

**VILLAGE OF BELLEVILLE**

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

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

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

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

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

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

**VILLAGE OF BELLEVILLE**

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

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

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

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

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

**Revenue Debt**

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

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

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

**Business-type Activities Revenue Debt**

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

**VILLAGE OF BELLEVILLE**

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

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

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

**Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

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

**Special Assessment B-Bonds**

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

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

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

**VILLAGE OF BELLEVILLE**

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

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

**Other Debt Information**

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

A statutory mortgage lien upon the sewer utility's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The sewer utility's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

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

**Current Refunding**

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

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

**VILLAGE OF BELLEVILLE**

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

---

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

---

**G. LEASE DISCLOSURES**

The village has no material leases as lessee or lessor.

**H. NET POSITION/FUND BALANCES**

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

**Governmental Activities**

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

**Governmental Funds**

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

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

**VILLAGE OF BELLEVILLE**

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

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

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

**Governmental Funds (cont.)**

<b>Restricted</b>	
Major Funds	
Library Special Revenue Fund	
Library activities	\$ 96,829
Debt Service Fund	
Debt service activities	215,086
Lake Restoration Capital Projects Fund	
Lake restoration activities	<u>172,906</u>
Total	<u>\$ 484,821</u>
<b>Committed</b>	
Major Fund	
General Fund	
Budget carryovers	<u>\$ 53,557</u>
Nonmajor Fund	
Special Revenue Fund	
Cemetery	<u>\$ 51,733</u>
<b>Unassigned</b>	
Major Funds	
General fund	<u>\$ 100,258</u>
Nonmajor Funds	
Special Revenue Fund	
Waste management (deficit)	<u>\$ (77,241)</u>
Capital Projects Funds	
Tax Incremental District No. 3 (deficit)	\$ (222,947)
Tax Incremental District No. 4 (deficit)	(14,861)
Tax Incremental District No. 5 (deficit)	(16,127)
Other Capital Projects (deficit)	<u>(181,246)</u>
Total	<u>\$ (435,181)</u>

**VILLAGE OF BELLEVILLE**

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

---

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

---

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

**Business-type Activities**

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

**I. COMPONENT UNITS**

**BELLEVILLE COMMUNITY DEVELOPMENT AUTHORITY**

This report contains the Belleville Community Development Authority (CDA), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

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

VILLAGE OF BELLEVILLE

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

---

**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.

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

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

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

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

## VILLAGE OF BELLEVILLE

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

---

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

---

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

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

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

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

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

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

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

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

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

**VILLAGE OF BELLEVILLE**

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

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

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

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

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

**D. JOINT VENTURES**

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

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

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

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

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

**VILLAGE OF BELLEVILLE**

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

---

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

---

**E. SUBSEQUENT EVENTS**

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF BELLEVILLE**

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 895,474	\$ 895,474	\$ 897,910	\$ 2,436
Intergovernmental	287,483	287,483	341,782	54,299
Licenses and permits	15,750	15,750	16,368	618
Fines, forfeitures and penalties	27,000	27,000	19,680	(7,320)
Public charges for services	3,250	3,250	3,547	297
Investment income	3,500	3,500	3,299	(201)
Miscellaneous	45,092	45,092	45,808	716
Total Revenues	<u>1,277,549</u>	<u>1,277,549</u>	<u>1,328,394</u>	<u>50,845</u>
<b>EXPENDITURES</b>				
Current				
General government	345,181	369,943	396,146	(26,203)
Public safety	590,573	591,913	531,142	60,771
Public works	289,356	294,507	313,161	(18,654)
Leisure activities	125,989	131,463	184,995	(53,532)
Conservation and development	1,800	1,800	560	1,240
Capital Outlay	1,150	1,150	249	901
Debt Service	500	500	-	500
Total Expenditures	<u>1,354,549</u>	<u>1,391,276</u>	<u>1,426,253</u>	<u>(34,977)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,000)</u>	<u>(113,727)</u>	<u>(97,859)</u>	<u>15,868</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	52,000	52,000	55,329	3,329
Transfers out	-	-	(6,684)	(6,684)
Total Other Financing Sources	<u>52,000</u>	<u>52,000</u>	<u>48,645</u>	<u>(3,355)</u>
<b>Net Change in Fund Balance</b>	<b>(25,000)</b>	<b>(61,727)</b>	<b>(49,214)</b>	<b>12,513</b>
FUND BALANCE - Beginning of Year	<u>598,069</u>	<u>598,069</u>	<u>598,069</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ <u>573,069</u></b>	<b>\$ <u>536,342</u></b>	<b>\$ <u>548,855</u></b>	<b>\$ <u>12,513</u></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  
For the Year Ended December 31, 2012

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

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

VILLAGE OF BELLEVILLE

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

---

**BUDGETARY INFORMATION**

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

Excess expenditures over appropriations are as follows:

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

See independent auditors' report.

**SUPPLEMENTARY INFORMATION**

**VILLAGE OF BELLEVILLE**

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -  
GENERAL FUND  
For the Year Ended December 31, 2012

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

**VILLAGE OF BELLEVILLE**

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -  
GENERAL FUND  
For the Year Ended December 31, 2012

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

## VILLAGE OF BELLEVILLE

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

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

**VILLAGE OF BELLEVILLE**

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

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

**VILLAGE OF BELLEVILLE**

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

	Special Revenue Funds		Capital Projects Fund	
	Waste Management	Cemetery	Tax Incremental District No. 3	Tax Incremental District No. 4
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 6,134	\$ -	\$ -
Taxes receivable	161,951	-	108,468	-
Accounts receivable	176	575	-	-
Due from other funds	-	45,832	-	-
Prepaid items	55	159	-	-
<b>TOTAL ASSETS</b>	<b>\$ 162,182</b>	<b>\$ 52,700</b>	<b>\$ 108,468</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 961	\$ 808	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenues	161,951	-	108,468	-
Advances from other funds	76,456	-	222,947	14,861
<b>Total Liabilities</b>	<b>239,368</b>	<b>808</b>	<b>331,415</b>	<b>14,861</b>
<b>Fund Balances</b>				
Nonspendable	55	159	-	-
Committed	-	51,733	-	-
Unassigned (deficit)	(77,241)	-	(222,947)	(14,861)
<b>Total Fund Balances (Deficit)</b>	<b>(77,186)</b>	<b>51,892</b>	<b>(222,947)</b>	<b>(14,861)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 162,182</b>	<b>\$ 52,700</b>	<b>\$ 108,468</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>
\$ -	\$ -	\$ 6,134
-	90,000	360,419
-	-	751
-	-	45,832
-	-	214
<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 413,350</u>
\$ -	\$ -	\$ 1,769
-	181,246	181,246
-	90,000	360,419
<u>16,127</u>	-	<u>330,391</u>
<u>16,127</u>	<u>271,246</u>	<u>873,825</u>
-	-	214
-	-	51,733
<u>(16,127)</u>	<u>(181,246)</u>	<u>(512,422)</u>
<u>(16,127)</u>	<u>(181,246)</u>	<u>(460,475)</u>
<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 413,350</u>

**VILLAGE OF BELLEVILLE**

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

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

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

**VILLAGE OF BELLEVILLE**

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

---

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