STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.:708998

November 27, 2013

Village of Howard
2456 Glendale Avenue
Green Bay, WI 54307
Attention: Mr. Christopher Haltom, Director of Administrative Services

Re: ***US$7,830,000 Village of Howard, Wisconsin, General Obligation Community Development Bonds, Series 2013A, dated: December 30, 2013, due: December 1, 2033***

US$1,545,000 Village of Howard, Wisconsin, Taxable General Obligation Community Development Bonds, Series 2013B, dated: December 30, 2013, due: December 1, 2027

Dear Mr. Haltom:

Pursuant to your request for a Standard & Poor's Ratings Services ("Ratings Services") rating on the above-referenced obligations, Ratings Services has assigned a rating of "AA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes Ratings Services' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, Standard & Poor's must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. You understand that Ratings Services relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@standardandpoors.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

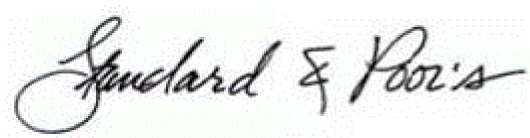
Please send hard copies to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,



Standard & Poor's Ratings Services

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enclosures
cc: Mr. Brendan Leonard
Ms. Deb Peterson

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Standard & Poor's Ratings Services
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Summary:

Howard Village, Wisconsin; General Obligation

Primary Credit Analyst:
Michael S Furla, Chicago (1) 312-233-7002; michael.furla@standardandpoors.com

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John A Kenward, Chicago (1) 312-233-7003; john.kenward@standardandpoors.com

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Summary:

Howard Village, Wisconsin; General Obligation

Credit Profile		
US$7.83 mil GO comnty dev bnds ser 2013A dtd 12/30/2013 due 12/01/2033		
Long Term Rating	AA/Stable	New
US$1.545 mil taxable GO comnty dev bnds ser 2013B dtd 12/30/2013 due 12/01/2027		
Long Term Rating	AA/Stable	New
Howard Vill GO		
Long Term Rating	AA/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating to Howard Village, Wis.' series 2013A general obligation (GO) community development bonds and series 2013B taxable GO community development bonds, based on our new local GO criteria. At the same time, Standard & Poor's affirmed its 'AA' long-term rating on the village's existing debt. The outlook on all ratings is stable.

The village intends to use tax increment district (TID) revenues to pay debt service on the bonds, however, the 2013A and 2013B bonds are ultimately secured by a pledge of the village's full faith credit and resources and an agreement to levy ad valorem property taxes without limitation as to rate or amount. The village intends to use bond proceeds to pay costs of community development projects in TIDs Nos.3 & 4.

The ratings reflect our assessment of the village's:

- Very strong budgetary flexibility, with 2012 audited reserves at 85.7% of general fund expenditures.
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures.
- Strong management conditions and good policies.
- Adequate economy, with average projected per capita effective buying income as a percent of the nation.
- Adequate budgetary performance (adjusted 2012 audited), with positive general fund operating results and a slight total governmental funds operating deficit.
- Weak debt and contingent liabilities position, primarily due to the village's high net direct debt as a percentage of total governmental funds revenue.

Very strong budget flexibility

In our opinion the village's budgetary flexibility remains very strong, with reserves above 60% of expenditures for the past several years and no plans to significantly spend them down. The village anticipates reserves for 2013 will be in line with 2012 levels. For audited fiscal 2012, reserves were $5.5 million or 85.7% of operating expenditures. The village carries high reserves in compliance with its formal reserve policy to maintain at least 25% to 40% of operating expenditures in reserve. For fiscal 2013, the district estimates a $100,000 surplus in the general fund, but plans to spend down reserves by approximately $600,000 on a state trust fund loan. After this draw, the village is still expected to have reserves above 75% of operating general fund expenditures.

Very strong liquidity

Supporting the village's finances is liquidity we consider very strong, with total government available cash greater than 110% of total governmental funds expenditures and debt service. We believe the village has strong access to external liquidity. The village has issued GO debt multiple times within the past decade.

Strong management conditions

We view the village's management conditions as strong, with good financial practices. The village uses three years of historical data when forecasting expenses, and management provides the board with monthly reports on its budget to actuals. The village also utilizes a five-year capital plan in addition to a formal reserve target to maintain 25% to 40% of expenditures, to which the village has historically adhered. The village also maintains investment and debt policies that mirror state guidelines.

Adequate economy

We consider Howard Village's economy adequate, primarily due to average income levels and market value per capita. The village has projected per capita effective buying income of 98.8% of the U.S. Market value per capita decreased by 2.2% in 2010 and 2.9% in 2011 before stabilizing in 2012, and most recently increased by 4.2% to $76,851 in 2013. Assessed value (AV) also stabilized and increased by 3.4% to $1.46 million in fiscal 2013. County unemployment has tracked lower than that of the nation, at 7.9% for 2012. Strengthening the local economy is its participation in the Green Bay MSA.

Adequate budgetary performance

The village's budgetary performance has been adequate in our view with a surplus of 3.3% and a deficit of 2.3% for the general fund and total governmental funds, respectively. Management attributes this performance to conservative budgeting practices. Regarding adjustments, payment in lieu of transfers (PILOTs) from the water enterprise fund to the general fund were accounted for as general fund and total governmental funds revenue, and backed out of transfers.

Weak debt and contingent liability profile

In our opinion, the village's debt and contingent liability profile is weak, with total governmental funds debt service at 11.7% of total governmental funds expenditures, and with net direct debt above 110% of total governmental fund revenue. The village has no additional debt plans at this time.

All eligible village employees participate in the multiple employer defined-benefit pension plan administered by the Wisconsin Retirement System. The village made all pension contributions to the plan as required by state statute, totaling $261,000, and the village was responsible for contributing $133,000 or 1.3% of total governmental funds expenditures in fiscal 2012.

Adequate institutional framework

We consider the Institutional Framework score for Wisconsin cities and villages as adequate. See the Institutional Framework Overview: Wisconsin Local Governments.

Outlook

The stable outlook reflects our view of the village's continued maintenance of deep financial reserves that are supported by good management practices. We do not anticipate changing the rating during our two-year outlook horizon due to our expectation that the village will maintain high reserve levels and continue to adhere to management's policies. The village's participation in the Green Bay MSA further supports the rating. 3, 5, 102,114

Related Criteria And Research

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- USPF Criteria: Financial Management Assessment, June 27, 2006

Related Research

- U.S. State And Local Government Credit Conditions Forecast, Oct. 1, 2013
- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.