



REPORTS OF VILLAGE OFFICIALS – DIR. ADMINISTRATIVE SERVICES

i. December 2012 Financial Report
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REPORT DATE: February 8, 2013

Enclosed is the preliminary financial report for the year ended December 31, 2012 with comparative data for 2011, 2010 and 2009 for the three utilities and the golf course. While the auditors just completed their fieldwork, they have not submitted to me any journal entries (adjustments) needed to close out 2012, so it is possible the numbers in these reports could change in the final audited financial statements.

I have been busy all week working with the auditors and I have not had time to do a detailed analysis of the enclosed reports. I can give you some general comments about these reports. The utilities are reporting a mix of results with the water utility reporting good results for 2012, the sewer utility reporting a loss and the storm water utility reporting net income at the lowest level since 2007.

The water utility is reporting \$537,472 of Income before Contributions for 2012. The PSC would allow the utility to earn as much as \$800,000 in keeping with the latest rate order established by the PSC in May 2012. Some good news for this utility is that total expenses and interest expense is lower than 2011. You may recall, the utility refinanced outstanding debt in 2011 by changing the debt from revenue debt to general obligation debt and lowering interest rates substantially. Also, some of the debt was paid off in 2011 with the original amortization schedule. In May 2012, the new water rates took affect causing revenues to increase for 2012.

The sewer utility had difficulties all year with billings from the Green Bay Metropolitan Sewage District (GBMSD). The billings were finally corrected but remained much higher than in 2011 resulting in a loss for 2012. The sewer utility had a general rate increase in 2013 for additional cost from the GBMSD but the utility may need another rate increase to allow for cost recovery of operating cost in 2012.

The storm water utility had a decent year but reported lower net income then in the recent past. The utility began capturing cost of brush pickup previous recorded in the General Fund which was the main cause for lower operating results. This utility will be monitored in 2013 to determine if a small rate increase will be warranted.

The golf course reported operating income of \$34,018 and transferred \$60,000 to the capital projects fund. The operating results were the best results since 2009. Rounds of golf played totaled 18,955 in 2012 compared by 13,745 in 2011 (with road construction), 18,114 in 2010 and 19,620 in 2009. Rounds played were very strong from spring through mid-summer. The rounds played slowed during late summer and early fall resulting in lower than anticipated rounds and revenue. Expenses for golf operations were lower than 2011 by \$31,336 and only \$1,534 higher than 2010. For 2013, staff will focus on increase participation in leagues, increasing play in late summer early fall and lowering expenses.

VILLAGE OF HOWARD, WISCONSIN
 Comparative Statements of Revenues, Expenses -
 Water, Sewer and Storm Water Utilities
 Years Ended December 31, 2012, 2011, 2010 and 2009
 (Unaudited)

	Water Utility			Sewer Utility			Storm Water					
	2012	2011	2010	2009	2012	2011	2010	2009	2012	2011	2010	2009
Operating Revenue												
Charges for service	\$ 4,956,862	\$ 4,418,797	\$ 4,203,694	\$ 4,319,810	\$ 2,412,192	\$ 2,091,759	\$ 1,925,073	\$ 1,821,700	\$ 737,552	\$ 701,851	\$ 686,809	\$ 679,264
Other	44,477	71,167	39,104	39,142	14,466	14,257	14,922	15,953	11,244	6,097	12,296	7,609
Total Operating Revenue	5,001,339	4,489,964	4,242,798	4,358,952	2,426,658	2,106,016	1,939,995	1,837,653	748,796	707,948	699,105	686,873
Operating Expenses												
Operation and maintenance	3,162,390	3,365,294	2,718,923	2,821,658	1,952,790	1,370,616	1,200,533	1,235,028	493,090	426,802	326,088	415,671
Administrative and general	350,441	415,014	342,856	314,931	315,608	296,815	312,046	315,974	-	-	-	-
Depreciation	550,519	479,705	461,075	457,458	275,199	278,325	271,439	276,049	208,851	197,532	194,329	189,977
Taxes (reported as Transfers in audit)	359,576	317,360	310,039	294,269	7,885	7,885	7,322	6,940	-	-	-	-
Annexation charge	-	-	-	-	9,017	9,017	9,017	9,016	-	-	-	-
Total Operating Expenses	4,422,926	4,577,373	3,832,893	3,888,316	2,560,499	1,962,658	1,800,357	1,843,007	701,941	624,334	520,417	605,648
Operating Income	578,413	(87,409)	409,905	470,636	(133,841)	143,358	139,638	(5,354)	46,855	83,614	178,688	81,225
Nonoperating Revenues (Expenses)												
Interest revenue	23,203	22,305	23,147	67,054	19,863	23,096	18,626	42,674	10,472	12,301	8,613	12,110
Other nonoperating income	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense and amortization	(64,144)	(106,205)	(152,168)	(168,126)	(8,708)	(17,349)	(26,484)	(32,678)	-	-	-	-
Total Nonoperating Revenues (Expenses)	(40,941)	(83,900)	(129,021)	(101,072)	11,155	5,747	(7,858)	9,996	10,472	12,301	8,613	12,110
Income before Contributions	537,472	(171,309)	280,884	369,564	(122,686)	149,105	131,780	4,642	57,327	95,915	187,301	93,335
Capital Contributions	199,688	602,551	669,349	32,302	34,610	235,471	234,762	1,065	207,147	46,624	487,862	20,944
Change in Net Assets	\$ 737,160	\$ 431,242	\$ 950,233	\$ 401,866	\$ (88,076)	\$ 384,576	\$ 366,542	\$ 5,707	\$ 264,474	\$ 142,539	\$ 675,163	\$ 114,279

Village of Howard
Village Greens Golf Course
Statement of Revenues and Expenses
Year Ended December 31, 2012, 2011, 2010 and 2009
(Unaudited - For Internal Use Only)

	2012	2011	2010	2009
Operating Revenues				
Restaurant revenues	\$ -	\$ 46,909	\$ 276,087	\$ 285,836
Rental of restaurant	26,800	20,000	-	-
Revenue from golf course	315,645	269,173	322,939	345,565
Total revenue	342,445	336,082	599,026	631,401
Operating Expenses				
Restaurant expenses	-	54,567	269,498	264,412
Golf course expenses	255,238	286,574	253,704	238,170
Administrative expenses	8,334	14,121	16,377	31,088
Depreciation	44,855	45,344	42,764	39,460
Total expenses	308,427	400,606	582,343	573,130
Operating income	34,018	(64,524)	16,683	58,271
Nonoperating Revenue				
Interest and other revenue	632	990	874	9,267
Other income	(1,870)	127,740	-	-
Transfer to other funds	(60,000)	(100,000)	(100,000)	(100,000)
Total Nonoperating Revenues	(61,238)	28,730	(99,126)	(90,733)
Net Income	\$ (27,220)	\$ (35,794)	\$ (82,443)	\$ (32,462)