

**VILLAGE OF HOWARD, WISCONSIN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2011**

Prepared by:

Christopher A. Haltom, CPA  
Executive Director of Administrative Services

## **INTRODUCTORY SECTION**

**VILLAGE OF HOWARD, WISCONSIN**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2011

Table of Contents

	<u>Page No.</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1 - 6
Elected and Appointed Officials and Consultants	7
Certificate of Achievement for Excellence in Financial Reporting	8
Organizational Chart	9
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report on Basic Financial Statements	10 - 11
Management's Discussion and Analysis	12 - 20
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Assets	21
Statement of Activities	22 - 23
Fund Financial Statements	
Balance Sheet - Governmental Funds	24 - 25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	26 - 27
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	28
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tax Incremental District No. 2 Special Revenue Fund	29
Statement of Net Assets - Proprietary Funds	30 - 31
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	32
Statement of Cash Flows - Proprietary Funds	33 - 34
Statement of Net Assets - Fiduciary Funds	35
Notes to Basic Financial Statements	36 - 53

**VILLAGE OF HOWARD, WISCONSIN**

December 31, 2011

Table of Contents

	<u>Page No.</u>
<b>SUPPLEMENTAL INFORMATION</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	54 - 55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	56 - 57
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Community Development Special Revenue Fund	58
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	59
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Improvements Capital Projects Fund	60
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tax Incremental District No. 3 Capital Projects Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tax Incremental District No. 4 Capital Projects Fund	62
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tax Incremental District No. 5 Capital Projects Fund	63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tax Incremental District No. 6 Capital Projects Fund	64
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Park Development Capital Projects Fund	65
Schedule of Changes in Assets and Liabilities - Fiduciary Fund - Property Tax Agency Fund	66
<b>STATISTICAL SECTION</b>	
Net Assets by Component	67
Changes in Net Assets	68 - 69
Fund Balances, Governmental Funds	70
Changes in Fund Balances, Governmental Funds	71
Assessed and Equalized Valuations of Taxable Property	72
Property Tax Rates - Direct and Overlying Governments	73
Ten Largest Taxpayers	74
Property Tax Levies and Collections	75

VILLAGE OF HOWARD, WISCONSIN

December 31, 2011

Table of Contents

	<u>Page No.</u>
<b>STATISTICAL SECTION (Continued)</b>	
Ratios of Outstanding Debt by Type	76
Ratio of Net General Obligation Debt to Assessed Value and Net General Obligation Debt Per Capita	77
Computation of Direct and Overlapping Debt and Ratio to Assessed Value and Per Capita Debt	78
Computation of Legal Debt Margin	79
Combined Water and Sewer Utilities Revenue Bond Coverage	80
Demographic Statistics	81
Principal Employers in Howard and Principal Employers in Green Bay Area	82
Full-time Equivalent Village Government Employees by Function	83
Operating Indicators by Function/Program	84
Capital Assets Statistics by Function/Program	85
<b>ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	86 - 87



2456 Glendale Avenue • P.O. Box 12207 • Green Bay, Wisconsin 54313

February 20, 2012

Citizens of Howard,  
Members of the Village Board, Village of Howard, Wisconsin:

The comprehensive annual financial report (CAFR) for the Village of Howard, Wisconsin, for the year ended December 31, 2011, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Village. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position, results of operations and cash flows, where applicable, of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Village's organization chart, awards received and a list of principal officials. The financial section includes the management discussion and analysis, the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the basic financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes government-wide financial statements and all of the funds and account groups of the Village of Howard, Wisconsin. The funds and entities related to the Village included in our comprehensive annual financial report are controlled by or dependent upon the Village. Determination of "controlled by or dependent upon" is based on the criteria as outlined in GASB Statement 14, "Defining the Governmental Reporting Entity." The criteria deal with existence as an organized entity, governmental character, and substantial autonomy.

In my opinion, this report was prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after making adjustments for new governmental accounting pronouncements, if any. The report meets all legal reporting requirements and is intended to present a comprehensive summary of significant financial data in a readable format.

## **ACCOUNTING SYSTEM AND FINANCIAL POLICIES**

The accounting records for the general government of the Village are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. The enterprise funds' accounting records are maintained on the accrual basis.

Internal controls over financial records are a major part of continued development and modification of the accounting system. Internal controls are designed to provide reasonable assurance that (1) assets are safeguarded against loss or theft from unauthorized use and (2) that reliability of financial records are maintained. Reasonable assurance means that the cost of the control should not exceed the benefit gained and the evaluation of costs and benefits is subjective and subject to estimates and judgments by management.

All internal control evaluations occur within the framework above. I believe the Village's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Village has many financial policies that affect the current period financial statements, such as; (1) policies that govern the development of the annual budget, (2) expending budgeted funds, (3) reporting of financial activities to elected officials (budgetary controls) and (4) other financial policies. The annual budget of the Village lists many of these policies. The most significant financial policy affecting this CAFR (other than the adopted budget) would be the debt policy which states "no borrowing will be made to finance current operations and expenditures and no new borrowing will occur for any capital project unless a revenue source to pay the future debt service is identified, such as TID debt." Because the Village has minimal interest costs and pays cash for reconstruction projects (both governmental and enterprise funds), the Village has been able to maintain a steadily decreasing property tax rate, keep enterprise funds user fees as low as possible and maintain healthy fund balances.

## **PROFILE OF THE GOVERNMENT**

The Village government is under the administration of the Village Administrator who is appointed by the Board. The Board is made up of Village President, elected at-large to a three-year term, and eight Trustees, elected to terms of two years on the basis of ward representation. Administrative officials, such as the Administrator, Executive Director of Administrative Services, Executive Director of Community Development, Public Works Director and other department directors are appointed by the President and confirmed by the Board.

The Village provides a full range of municipal services in accordance with state statutes, Village ordinances and citizen needs. This includes public safety, highway and streets, sanitation, public health, culture-recreation, economic development, public improvements, planning and zoning, general administrative, golf course, water utility, sewer utility services and storm water utility.

While the 2011 budget allowed for 40 full-time employees, the Village ended the year with only 37 full-time employees. Howard's Public Safety department provides its citizens with complete police, fire, and rescue protection. The Village contracts with Brown County for police services that include 360 hours of police protection each week and investigative services. The Fire Department maintains a volunteer force of about 45 persons with a full-time chief, part-time assistant chief and three paid on-call fire fighters. Two fire stations, appropriately located, provide quick and easy access to any part of the Village. Rescue services are contracted with County Rescue and provided on a 24 hour basis with 911 emergency calling available.

## General Information

The area was discovered in 1634 by French voyager, Jean Nicolet. The Town of Howard was established in 1835 and slowly developed along the Duck Creek as a center for mail delivery, farming, quarrying and lumbering. By 1856, a school was operating and the Town of Howard became well known for its Duck Creek stone quarries.

By 1959, the population had grown and the Town of Howard became incorporated as the Village of Howard. Residential, commercial and industrial growth has steadily continued since that time, creating a dynamic suburban community on Green Bay's northwest side.

## VILLAGE'S ECONOMIC CONDITION

The Village is ideally located in Northeastern Wisconsin, in an area called the Great Lakes Economic Region. This is an industrial area of highly skilled labor, centers of business and commerce and very profitable consumer markets. Howard is bordered on the east by the City of Green Bay to the south is the Village of Hobart and to the north are the Village of Suamico and Town of Pittsfield. The Village is approximately 215 miles north of Chicago, 115 miles north of Milwaukee, 132 miles northeast of Madison and 285 miles east of Minneapolis.

The economic condition of the Northeastern Wisconsin area remains strong as noted by the residential and commercial development within the Village over the past 20 years. Continued growth is expected in the near future but at a much slower pace the past 20 years. Unemployment dropped in 2011 to 6.3% (for the Green Bay Metro Area) after climbing during 2009 to reach 7.3% of the workforce.

## Major Employers

Although many Village residents commute to jobs throughout the Green Bay area, the Village itself also has several large employers, including those listed below:

<u>Employer</u>	<u>Product/Service</u>	<u>Number of Employees</u>
United Healthcare	Insurance	1,852
Howard-Suamico School District	Education	583
Sanimax Corp.	Manufacturer of various products (feed, soap)	202
Fleet Farm	Retail store	195
Klemm Tank Lines	Trucking	184
Alive N Kickin	Manufacturer	150
Department of Natural Resources	State Agency	150
Stock Lumber	Lumber company	140
Wipfli LLP	Accounting firm	120
Woodman's Food Market	Retail sales of food	101

Other major employers in the Green Bay area include Humana Inc. (3,146), Schneider National Inc. (3,094), the Oneida Tribe of Indians of Wisconsin (2,916), Green Bay Public Schools (2,655), Georgia-Pacific (2,600 employees), Bellin Health (1,998), Aurora Health Care (1,703), St. Vincent Hospital (1,637), American Foods Group (1,591), and WPS Resource (1,573). *Source: Green Bay Press-Gazette article in August 28, 2009 issue.*

## Recent and Proposed Development

Since 1990, the Village has seen substantial growth in residential, multi-family and commercial construction. Much of the construction was in the form of new dwelling units accounting for over 3,300 units constructed. New commercial units constructed since 1990 total over 400 units. There were also significant alterations in the form of additions and reconstruction projects completed since 1990. The total estimated construction cost of all projects since 1990 exceeded \$626 million. Since 2000, new construction/redevelopment on Velp Avenue, a major corridor of the Village, has exceeded \$22 million. Another major corridor, Cardinal Lane, is beginning to see commercial development with over \$9.3 million in commercial construction in the past four years.

The largest new business within the Village during the 1990's was United Healthcare (formerly American Medical Security, Inc.) which is an insurance company and located within Tax Incremental District No. 2 (TID #2). United is our largest taxpayer and employer. Woodman's Food Market, the second largest taxpayer, opened for business in September 2000 after completing construction of over one mile of new roadway to be used for future commercial business sites. (See statistical section for complete list of largest taxpayers.) EKA Chemical, located within the industrial park, began operations in 2002 and added over \$5 million in valuation to the tax base during 2002.

The Village has developed a plan for a new village center or downtown area located between Cardinal Lane, Riverview Drive and Hillcrest Heights. The center will be an area of mixed use development to include a public square in the center, retail shops and a mix of residential and retail multi-storied buildings. TID #3 was created in 2006 to help finance the village center construction. A new multi-unit apartment building was completed in 2011 with an estimated value of \$1.4 million.

The Village has created TID #4 in an area around the intersection of US Highway 41 and State Highway 29; in June 2011, the Village entered into an agreement with Menard, Inc. to construct an \$8 million retail store within TID #4. The Village created two other TID Districts for development along US Highway 41 at Velp Avenue (TID #5) and at Lineville Road (TID #6). In TID #5 during 2011, the Village entered into an agreement with a local business to construct a \$1.5 million apartment complex. In TID #6 in July 2011, the Village entered into an agreement with Amerex Corporation to construct a \$3.5 million manufacturing plant that will create 25 new jobs with the new facility.

## Labor Force Data for Brown County (Green Bay MSA)

	Total Civilian Labor Force	Unemployment Rates	
		MSA	State
2011 December	169,643	6.3%	6.6%
2010 December	170,378	6.6%	7.1%
2009 December	168,870	7.7%	8.3%
2008 December	169,800	5.7%	5.8%
2007 December	169,717	4.5%	4.6%
2006 December	170,445	4.5%	4.5%
2005 December	169,163	4.7%	4.5%
2004 December	167,693	4.5%	4.6%
2003 December	147,800	4.3%	5.2%
2002 December	142,500	4.7%	4.9%

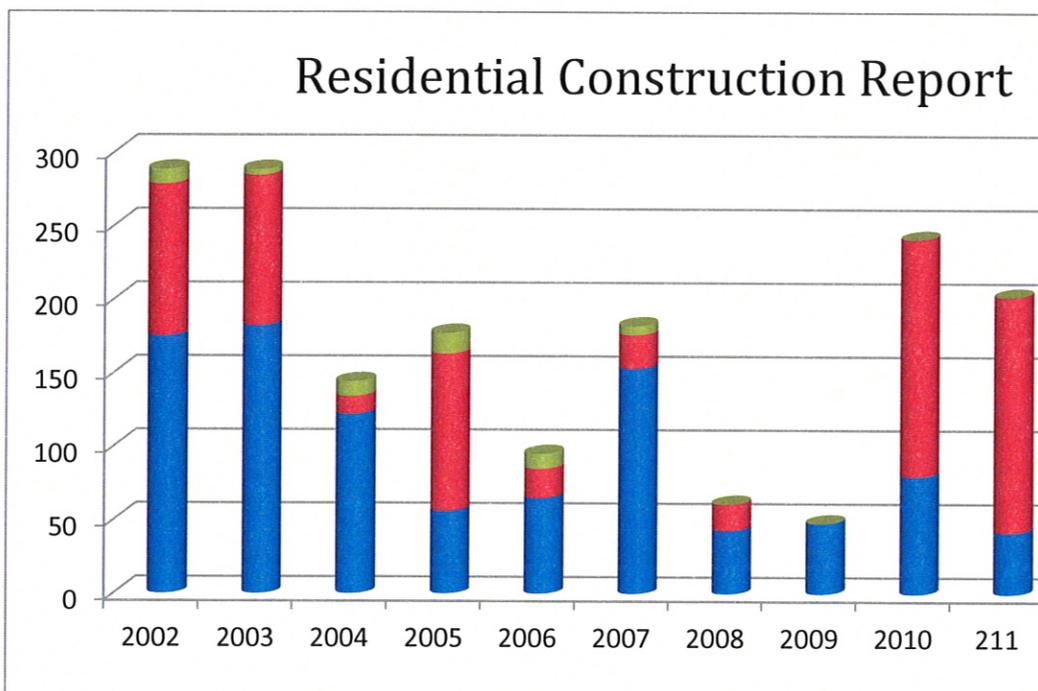
Source: Wisconsin Department of Workforce Development

## Future Outlook

With the Village of Howard adopting a Comprehensive Plan that meets the State of Wisconsin's Smart Growth statute requirements, projected growth is now defined substantially by ordinance. Residential growth in recent years has slowed from 100-190 new single family units per year (prior to 2008) to 40-80 units. With the recent downturn in the U.S. and global economies, Howard too has noticed less activity in new development. Future growth is not expected to increase to the 100 or more single family units until 2014 or later. See the chart below for last ten years of residential growth.

An area of growth for the past two years has been in multi-family units. In 2010, the Village added 161 multi-family units and in 2011 there were 160 multi-family units added. The multi-family number of units is expected to exceed 100 units in 2012.

The Village Board, through the Comprehensive Plan, is committed to balanced growth to accommodate expansion of residential, commercial and industrial development. Additionally, planned growth areas are sequenced to efficiently schedule road and utility improvements to maximize the increase in the tax base of the Village while minimizing the infrastructure investment.



The chart above indicates the number and type of building permits issued for residential construction for the past ten years. As represented in the chart, the Village has experienced tremendous growth in the residential building. Although the year 2001 is no longer included in the graph above, the year was a record year for new single family home starts of 190 units. Since 2003, the rate of growth in new single family homes has slowed (except in 2007).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This transmittal letter contains general information about the Village, the current and historic economic environment, acknowledgements, charts and other summaries of information that could assist a reader in understanding more about the village. The reader should also be aware of the Management's Discussion and Analysis (MD&A) section of this CAFR. Included within the MD&A is additional financial information that include financial highlights, reporting on the Village as a whole, information on net assets for the governmental activities and business-type activities, changes in net assets, governmental activities, Village funds, outstanding debt at year-end, capital assets and other financial information. The information found in the MD&A can be valuable to any reader of the CAFR in gaining a better understanding of the financial position of the Village.

### AWARDS AND ACKNOWLEDGEMENTS

#### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Howard for its comprehensive annual financial report for the fiscal year ended December 31, 2010. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

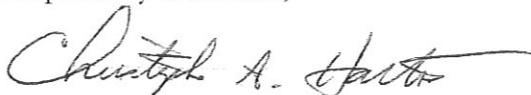
A Certificate of Achievement is valid for a period of one year only. The Village of Howard has received the Certificate of Achievement for the past eighteen years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The Village of Howard also participates in the GFOA's Distinguished Budget Presentation Award program and received the award for the annual budget for the fiscal year beginning January 1, 2011. The Village has received the GFOA budget award for the past seventeen years and we believe the 2012 budget will obtain the award.

#### Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the administrative services department as well as the much valued assistance from our auditors. We would also like to thank the Village Board for their interest and support in planning and conducting the financial operations of the Village in a responsible, progressive manner.

Respectfully submitted,



CHRISTOPHER A. HALTOM, CPA  
Director of Administrative Services/Clerk/Treasurer

**Village of Howard, Wisconsin  
Elected and Appointed Officials and Consultants**

**Elected Officials**

Burt R. McIntyre	President
Ronald Bredael	Trustee Wards 1 & 2
James Widiger	Trustee Wards 3 & 4
Cathy Hughes	Trustee Wards 5 & 6
George Speaker	Trustee Wards 7 & 8
Jim Lemorande	Trustee Wards 9 & 10
Ray Suennen	Trustee Wards 11 & 12
David Steffen	Trustee Wards 13, 14 & 18
Dan Deppeler	Trustee Wards 15 - 17
Gregg Schreiber	Municipal Judge

**Appointed Officials**

Paul Evert	Administrator
Geoffrey Farr, PE	Director of Public Works
Christopher A. Haltom, CPA	Director of Admin. Services/Treasurer/Clerk
David Weise	Director of Community Development
Ed Janke	Director of Public Safety
(vacant)	Director of Engineering
Dennis Duffy, Attorney	Village Attorney (Contracted)
Mike Denor	Assessor (Contracted)

**Certified Public Accountants**

Schenck SC, Green Bay, Wisconsin

**Bond Counsel**

Foley & Lardner, Milwaukee, Wisconsin

**Financial Consultants**

Ehlers & Associates, Brookfield, Wisconsin

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Howard  
Wisconsin

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Dandison*

President

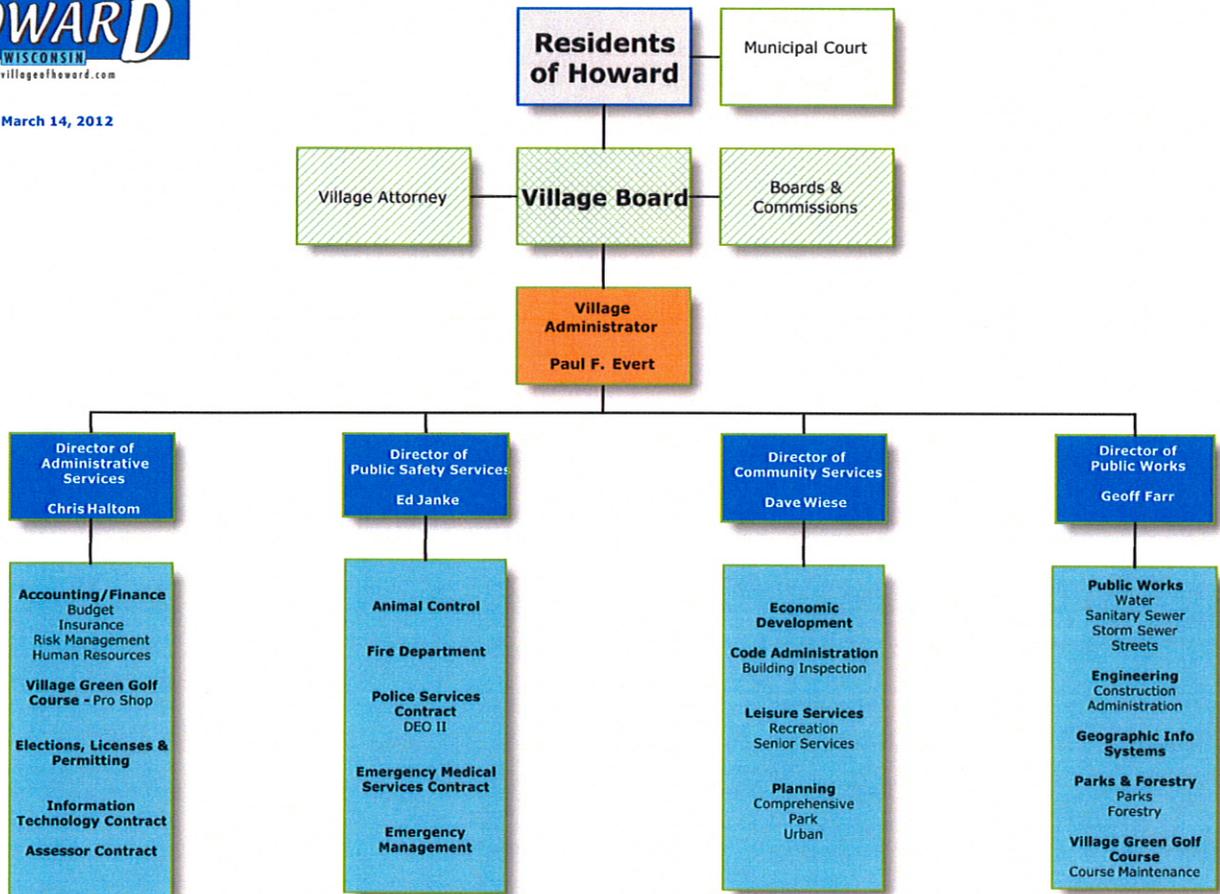
*Jeffrey R. Emer*

Executive Director



Updated: March 14, 2012

### Village Team - Organizational Flowchart Village of Howard, Wisconsin



**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the Village Board  
Village of Howard, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Howard, Wisconsin ("the Village") as of and for the year ended December 31, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Howard, Wisconsin's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and Tax Incremental District No. 2 for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A.4.j, the Village has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2012, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not part of the 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, economic, 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 response 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements as a whole. The introductory section, the financial information listed in the table of contents as supplemental information, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Certified Public Accountants  
Green Bay, Wisconsin  
February 20, 2012



2456 Glendale Avenue • P.O. Box 12207 • Green Bay, Wisconsin 54313

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Village of Howard's financial performance gives an overview of the Village's financial activities for the year ended December 31, 2011. The analysis should be read in conjunction with the transmittal letter pages 1-6 and the Village's financial statements that begin on page 20.

### FINANCIAL HIGHLIGHTS

- The Village's governmental activities net assets increased by \$800,000 or about 1.7% at December 31, 2011. The business-type activities net assets increased by \$1.0 million or 1.7%. The combined primary governmental net assets increased by \$1.8 million.
- During 2011, the Village had expenses that totaled \$16.6 million of which \$9.3 million were for governmental activities and \$7.3 million were for business-type activities.
- The General Fund reported an increase in fund balance of \$286,157 which was excellent news given most municipalities throughout the country were reporting decreases in 2011. The General Fund has reported increases in 14 out of the last 18 years; the only years reporting deficits occurred when large fund transfers were made to other funds.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 21-23) provide information about activities of the Village as a whole and present a longer-term view of the Village's finances (also known as the government-wide statements). Fund financial statements start on page 24. For governmental activities, these statements (known as fund financial statements) tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as an agent for the benefit of overlying taxing jurisdictions.

### REPORTING THE VILLAGE AS A WHOLE

#### The Statement of Net Assets and the Statement of Activities

Our analysis of the Village as a whole begins on page 21. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's financial activities?" The Statement of Net Assets and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Cost of infrastructure assets (including bridges, roads, sidewalks and donated items) are being reported as assets of the Village.

These two statements report the Village's net assets and changes in them. You can think of the Village's net assets – the difference between assets and liabilities – as one way to measure the Village's financial health, or financial position. The net assets are reported on one day in time, typically the last day of the year. Over time, increases or decreases in the Village's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Village's property tax base (reported in the last section of the CAFR) and the condition of the Village's infrastructure, to assess the overall health of the Village.

We believe the Village is better off as a whole as a result of the 2011 financial activities reported on the following pages.

In the Statement of Net Assets and the Statement of Activities, we divide the Village into two kinds of activities:

- Governmental activities – Most of the Village’s basic services are reported here, including the police, fire, public works, community development (which includes recreation activities), general administration and capital projects. Property taxes, special assessments, state and federal grants (intergovernmental revenue), investment earnings and charges for services finance most of these activities.
- Business-type activities – The Village charges a fee to customers to help cover all or most of the cost of certain services provided. The Village’s water, sewer and storm water utilities and golf course are reported here.

## REPORTING THE VILLAGE’S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

The fund financial statements begin on page 24 and provide detailed information about the most significant funds – not the Village as a whole. Some funds are required to be established by bond covenants and others by regulatory bodies. Also, many other funds are established by the Village Board to help control and manage money for particular purposes or to show the Village is meeting legal responsibilities. The Village’s two kinds of funds – governmental and proprietary – use different types of accounting approaches.

- *Governmental funds* – Most of the Village’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The accounting method used for reporting these funds is called the modified accrual method of accounting, which measures cash and all other financial resources that can readily be converted to cash. The governmental fund statements report a detailed short-term view of the Village’s governmental operations and the basic services provided. Governmental fund information assists the reader in determining the availability of resources for the near future to finance programs of the Village. The differences between the governmental fund reporting and the government-wide reports are described in reconciliations on the fund financial statements.
- *Proprietary funds* – These funds report the activity of the Village’s enterprise funds and one internal service fund. Enterprise funds are established when charges made to customers of the service pay for a substantial portion of the service. Also, enterprise funds are established to report activity that is financed with debt that is secured solely by a pledge of net revenues of the activity. In Wisconsin, the Public Service Commission (PSC) oversees activities of various utilities, such water and gas utilities. The Village’s water utility falls within the authority of the PSC which requires a separate set of accounting records be maintained for establishing fees to charge customers.

## THE VILLAGE AS A WHOLE

The Village's combined net assets increased during 2011 by \$1.8 million. The combined increase came from an increase of \$800,000 in governmental activities and an increase of \$1.0 million in business-type activities. The table below reports a summary of the Statement of Net Assets.

**Table 1**  
**NET ASSETS**  
**(In Millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 16.1	\$ 15.6	\$ 7.3	\$ 7.5	\$ 23.4	\$ 23.1
Capital assets	<u>42.0</u>	<u>42.8</u>	<u>53.8</u>	<u>53.3</u>	<u>95.8</u>	<u>96.1</u>
Total assets	<u>58.1</u>	<u>58.4</u>	<u>61.1</u>	<u>60.8</u>	<u>119.2</u>	<u>119.2</u>
Long-term liabilities	1.6	2.7	1.7	2.5	3.3	5.2
Other liabilities	<u>7.7</u>	<u>7.7</u>	<u>1.1</u>	<u>1.0</u>	<u>8.8</u>	<u>8.7</u>
Total liabilities	<u>9.3</u>	<u>10.4</u>	<u>2.8</u>	<u>3.5</u>	<u>12.1</u>	<u>13.9</u>
Net assets;						
Invested in capital assets, net of debt	39.4	39.3	51.9	50.2	91.3	89.5
Restricted	1.0	1.0	-	.2	1.0	1.2
Unrestricted	<u>8.4</u>	<u>7.7</u>	<u>6.4</u>	<u>6.9</u>	<u>14.8</u>	<u>14.6</u>
Total net assets	<u>\$ 48.8</u>	<u>\$48.0</u>	<u>\$ 58.3</u>	<u>\$57.3</u>	<u>\$ 107.1</u>	<u>\$105.3</u>

The governmental activities net assets increased by 1.6%, increasing to \$48.8 million in 2011 from \$48.0 million in 2010. The Village pays for reconstruction projects and capital equipment purchases with cash. Current and other assets increased by \$.5 million while depreciation of capital assets contributed to the decreasing capital assets by \$.8 million. Long-term liabilities decreased by \$1.1 million as debt was repaid in accordance with debt schedules in 2011.

The business-type activities net assets increased by 1.7%, increasing to \$58.3 million in 2011 from \$57.3 million in 2010. Long-term liabilities decreased \$.8 million (due to scheduled debt payments and utilizing cash reserves as part of a refinancing to lower debt balances) and increases in capital assets were contributing factors for the increase in net assets for business-type activities.

The following table is a brief summary of the reported changes in net assets:

**Table 2**  
**Changes in Net Assets**  
(in Millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ .6	\$ 1.0	\$ 7.8	\$ 7.5	\$ 8.4	\$ 8.5
Operating grants and contributions	1.3	1.0	-	-	1.3	1.0
Capital grants and contributions	.3	1.4	.8	1.3	1.1	2.7
General revenues:						
Property taxes	5.6	6.0	-	-	5.6	6.0
Grants and contributions	.8	.8	-	-	.8	.8
Other revenues	<u>1.0</u>	<u>.7</u>	<u>-</u>	<u>-</u>	<u>1.0</u>	<u>.7</u>
Total revenues	<u>9.6</u>	<u>10.9</u>	<u>8.6</u>	<u>8.8</u>	<u>18.2</u>	<u>19.7</u>
<b>Program expenses</b>						
General government	1.1	1.9	-	-	1.1	1.9
Public safety	2.8	2.6	-	-	2.8	2.6
Public works	4.7	3.6	-	-	4.7	3.6
Community development	.5	.6	-	-	.5	.6
Interest on long-term debt	.1	.2	-	-	.1	.2
Water	-	-	4.4	3.7	4.4	3.7
Sewer	-	-	1.9	1.8	1.9	1.8
Storm water	-	-	.6	.5	.6	.5
Golf	<u>-</u>	<u>-</u>	<u>.4</u>	<u>.6</u>	<u>.4</u>	<u>.6</u>
Total expenses	<u>9.2</u>	<u>8.9</u>	<u>7.3</u>	<u>6.6</u>	<u>16.5</u>	<u>15.5</u>
Excess revenue over expenses before transfers	.4	2.0	1.3	2.2	1.7	4.2
Transfers in (out)	<u>.4</u>	<u>.3</u>	<u>(.4)</u>	<u>(.3)</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease) in net assets</b>	<u>.8</u>	<u>2.3</u>	<u>.9</u>	<u>1.9</u>	<u>1.7</u>	<u>4.2</u>
Net assets, beginning	<u>48.0</u>	<u>45.7</u>	<u>57.4</u>	<u>55.5</u>	<u>105.4</u>	<u>101.2</u>
<b>Net assets, ending</b>	<u>\$ 48.8</u>	<u>\$ 48.0</u>	<u>\$ 58.3</u>	<u>\$ 57.4</u>	<u>\$ 107.1</u>	<u>\$ 105.4</u>

The Village's total revenue in 2011 decreased by \$1.5 million compared to 2010 (or about 7.6%). There was an increase in operating grants and contributions of \$.3 million (due primarily to receiving a grant for public safety – fire equipment in 2011), a decrease in capital grants and contribution of \$1.6 million (due to lower grants in 2011 related to road reconstruction and storm water facilities) and a decrease in property taxes of \$.4 million (primarily a result of lower taxes within the TIDs for 2011).

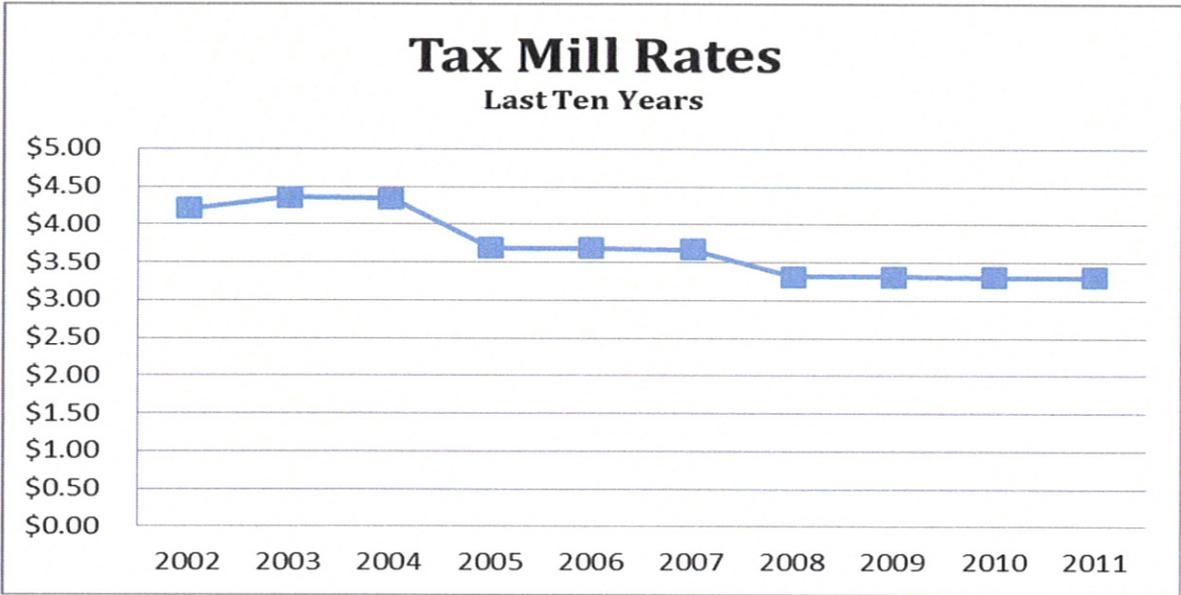
The total expenses increased by \$1.0 million in 2011 or about 6.4% when compared to 2010. There were several changes in expenses from 2010 to 2011; general government decreased by \$.8 million, public works increased by \$1.1 million, public safety increased by \$.2 million, water utility increased by \$.7 million and several other items had a net decrease of \$.2 million.

**Governmental Activities**

The Village’s revenue for the 2011 governmental activities totaled \$9.6 million and decreased by \$1.3 million from 2010 (or an 11.9% decrease). The governmental activities expenses totaled \$9.2 million in 2011 increasing by \$.3 million from 2010 (or 3.3% increase). The resulting change in net assets for governmental activities was an increase of \$.8 million. In 2010, net assets increased by \$2.3 million for governmental activities. The 2011 and 2010 net increases were a result of revenues exceeding expenses.

The Village has established a few budget policies that helped the overall financial position increase in 2011. First, the Village has budgeted for new growth from residential and commercial properties each the past 20 years. The growth in subdivisions lots has allowed for substantial growth in new housing over that period of time. The growth has allowed the Village to establish a policy of freezing and/or declining the tax mill rate since 1994. The lower tax rate has helped fuel the growth in residential housing starts. The Village has also adopted a policy to pay cash for infrastructure and fixed asset replacements without borrowing, thereby decreasing interest costs to the taxpayers. Graph 1 below is a line graph of the tax mill rate (village portion only) for all taxable property within the Village of Howard over the past ten years:

**Graph 1**



The cost of all governmental activities for 2011 was \$9.2 million compared to \$8.9 million in 2010. Taxpayers paid \$5.6 million of the total expenses in 2011, of which \$1.2 million was from tax incremental financing district (TIF) leaving \$4.4 million paid from general taxpayers (outside of the TIF boundary). The Statement of Activities, located on pages 22 and 23, reports program revenues used to offset expenses totaled \$.6 million while grants and contributions totaled \$1.6 million.

Table 3 below reports the cost of governmental programs for the four largest functions as well as each program's net cost (total cost less revenues generated by the activities). The net cost reports the financial burden that was placed on the Village's taxpayers by each of these departments.

**Table 3**  
**Governmental Activities**  
**(in thousands)**

	<u>Total Cost of Services</u>		<u>Net Revenue (Cost) of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Public works	\$ 4,668	\$ 3,611	\$ (3,357)	\$ (1,255)
Public safety	2,764	2,611	(2,062)	(2,194)
General administration	1,124	1,956	(1,061)	(1,660)
Community development	558	637	(373)	(299)
Interest on debt	<u>141</u>	<u>157</u>	<u>(141)</u>	<u>(157)</u>
<b>Totals</b>	<u>\$ 9,255</u>	<u>\$ 8,972</u>	<u>\$ (6,994)</u>	<u>\$ (5,565)</u>

### Business-type Activities

Revenues from the Village's business-type activities (see Table 2) totaled \$8.6 million in 2011 and \$8.8 million in 2010. Capital grants and contributions were down \$.5 million (storm water project reimbursements) and charges for services were up \$.3 million due to higher water and sewer rates in 2011.

Expenses of the business-type activities increased by \$.7 million in 2011; expenses totaled \$7.3 million in 2011 and \$6.6 million in 2010. Expenses increased because of higher costs to purchase water and treat sewage.

### THE VILLAGE'S FUNDS

The governmental funds (as presented on page 24 for the balance sheet) reported a combined fund balance of \$7.6 million or a \$.8 million increase from the previous year. The General Fund continues to report a healthy fund balance of \$3.0 million. The Capital Improvement Fund has a fund balance of about \$2.4 million that is assigned for future projects; the fund balance will fluctuate from year to year based on the reconstruction projects and the equipment purchased made each year as current resources are used to pay for such projects. In 2011, the Capital Improvement fund balance increased by \$300,555.

Capital projects are funded by current resources as borrowing is designated for TIF projects or, as a last resort, for funding critical needs. The major projects and equipment funded with current and existing resources in 2011 were for the following:

- Road resurfacing projects totaled \$348,200 in 2011.
- Installation of sidewalks for safe routes to school program totaled \$82,200 in 2011.
- Velp Avenue road and lighting project totaled \$525,200 in 2011.
- Funding of new equipment totaled \$356,000 in 2011.

## General Fund Budgetary Highlights

The General Fund actual total revenue amount exceeded the budgeted total revenue by \$164,069 (primarily due to more multi-family construction and recycling revenue than expected). The total budgeted expenditures for the General Fund were less than the actual expenditures by \$204,728. The General Fund net change in fund balance was \$286,157 which was \$386,157 better than the original budget amount.

## MAJOR FUNDS ANALYSIS, DEBT ADMINISTRATION AND CAPITAL ASSETS

### Debt Service Fund and Debt Administration

The Debt Service Fund has a small fund balance of \$3,425 and is not a major fund. Current resources, primarily from property tax revenues and transfers from TID No. 2, are used to pay current debt payments. The most significant transaction within this fund in 2011 was the transferring in of funds to pay debt from TID No. 2.

At year end, the Village had \$4.4 million in outstanding general obligation debt, up from the \$3.5 million balance in the previous year (see Table 4). The Village paid \$812,000 in debt principal payments in 2011 but refinanced revenue bonds of the utilities and converted this debt into general obligation debt in the amount of \$1.7 million. With the revenue debt refinancing, there are no outstanding revenue bonds as of December 31, 2011. The sewer utility's remaining debt of \$294,349 is a note to the Green Bay Metropolitan Sewage District for payment of the village's cost associated with the installation of a 1990s sanitary sewer interceptor.

The general obligation debt is limited by state statute to 5% of the equalized valuation of the Village. The Village's debt is well below the \$67.1 million legal debt limit. The general obligation bonds have been rated AA by Standard & Poor's and the mortgage revenue debt has been rated A2 by Moody's Investor Service. See Note C.6 on page 49 for more details on debt.

**Table 4**  
**Outstanding Debt at Year-End**  
**(in Millions)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General Obligation Bonds and Notes (backed by the Village)	\$2.7	\$3.5	\$1.7	-	\$4.4	\$3.5
Mortgage Revenue Bonds and Notes	—	—	—	\$3.0	—	\$3.0
Totals	<u>\$2.7</u>	<u>\$3.5</u>	<u>\$1.7</u>	<u>\$3.0</u>	<u>\$4.4</u>	<u>\$6.5</u>

### Tax Incremental Financing District #2

TID No. 2 is a major fund of the Village. The major construction phase of the TID had been completed (September 2002) but with changes in state law, additional expenditures are allowed within this TID. In 2011, this fund collected tax increment, special assessments, state payment for computer exemptions and interest income and incurred expenditures for administrative costs and transfers to the Debt Service Fund. In 2011, revenues collected from the TID totaled \$1.1 million, of which 95.2% came from property taxes. The TID must cease to exist at the earlier of repayment of the cost of the TID or the end of the statutory life which is 2019. The TID obtained a project plan amendment in 2009 to allow for tax increment to be transferred to TID #4, a non-performing TID, to allow for the transferring of funds until the year 2015. Fund balance in this TID is now at \$490,375 at December 31, 2011.

## Capital Improvements Fund

The Capital Improvements Fund is another major fund of the Village. This fund is used to account for cost of infrastructure road reconstruction projects, resurfacing projects, sidewalk installations, new subdivisions and equipment purchases. At year end, the fund balance of the fund was \$2.4 million compared with \$2.1 million the previous year. Fund balance within this fund fluctuates as funds become available for reconstruction projects and equipment purchases. Fund balances increases while funds are being saved up for the major purchases and reconstruction projects. Fund balance decreases in years the major purchases and reconstructions are made at an amount that exceeds revenues of the fund (primarily property taxes).

Revenues for Capital Improvement Funds totaled \$1.6 million compared with \$1.8 million in the previous year. Primary source of revenue within this fund in 2011 was \$.9 million in taxes. Other sources of revenue in this fund are public charges for services of \$.1 million, special assessments of \$.1 million and grants from the state of \$.3 million.

## Capital Assets

At the end of 2011, the Village had \$95.8 million invested in capital assets. This amount represents a decrease of \$.2 million from the previous year primarily due to depreciation expense being more than purchasing equipment, new construction and reconstruction projects. These capital assets are comprised of equipment, land, buildings, various infrastructure items and other items as detailed in Table 5 below. The Village strives to maintain infrastructure in good working condition as evidenced by a PASER road rating of 6.7 (out of 10.0 scale) in 2007. A significant portion of Village owned equipment is well below the useful life and not fully depreciated. The increased investment in capital assets also indicates a strong financial position for the Village. See Note C.3 on page 46 for more details of the following table:

**Table 5**  
**Capital Assets at Year-End**  
**(Net of Depreciation, in Millions)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and other non-depreciated	\$ 6.3	\$ 6.3	\$ 2.0	\$ 2.0	\$ 8.3	\$ 8.3
Buildings & Improvements	6.3	6.3	1.3	1.3	7.6	7.6
Equipment	2.7	2.8	1.3	1.3	4.0	4.1
Sidewalks	3.2	3.2	-	-	3.2	3.2
Bridge & culverts	1.0	1.0	-	-	1.0	1.0
Roadway	22.5	23.2	-	-	22.5	23.2
Utility infrastructure	-	-	49.2	48.6	49.2	48.6
<b>Totals</b>	<b><u>\$42.0</u></b>	<b><u>\$42.8</u></b>	<b><u>\$53.8</u></b>	<b><u>\$53.2</u></b>	<b><u>\$95.8</u></b>	<b><u>\$96.0</u></b>

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

As explained in the transmittal letter, the Village has seen good growth in residential and commercial development over the past 20 years. The growth has slowed and is expected to remain slow into the near future. Growth and the lack of growth, provide opportunities and challenges for the Village Board and staff in preparing budgets and establishing customer rates.

The Village assessor prepares valuations for new residential and commercial development in May of each year. The valuations derived in this process are used for determining tax rates established in December of each year. For each budget prepared, the growth has already been determined for the year, so projections for the next year's budget tax rate are accurate. Projecting future tax rates require more estimating.

The State of Wisconsin passed a law in 2009 that limited the rate of growth within state municipalities to the larger of 3.0% or the rate of growth in property values (excluding increases needed for existing debt repayments) for 2011 budget year. The state has had similar laws since 2005. Since 1994, the Village has a budget policy that limits the tax levy increase to the rate of growth in property values. The Village's 2011 budget increased the tax levy by \$98,950 which was below the maximum allowed. State law modified this levy limit law for the 2012 budget and made the new growth in property taxes the greater of 0.0% or new growth percentage. The Village was able to increase property tax levy in 2012 by \$88,600.

The water utility is part of the Central Brown County Water Authority (Authority) primarily because the Village's water supply contains elements that must be treated (according to the EPA) and the projected inadequacy of the water supply. The treatment costs were projected to be about \$2 million per well. The aquifer storing our water supply was projected to contain about 10-15 years water supply for the area. The Authority obtains water from the City of Manitowoc (who obtains water from Lake Michigan). The water is treated before transmission and meets EPA's guidelines. The cost of such a system has caused increases in customer rates increasing 43% in 2005, 29% in 2006 and 40.6% in 2007. No increase is occurred in 2008. The Village lowered rates by 4% in 2009 and maintained these rates through 2010. The rates increased by 6.8% in 2011 due to higher cost of purchased water and the Village is seeking a 13% increase in 2012.

The sewer utility performed a rate study in 2010 that required an increase of 7.2% which was the first increase to non-industrial customer rates since 2004. Sewage cost increases from the Green Bay Metropolitan Sewage District in 2011 cause another increase of 5.8%.

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

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Village's Administrative Services Department, at Village of Howard, 2456 Glendale Avenue, Post Office Box 12207, Green Bay, Wisconsin, 54307-2207.

## **BASIC FINANCIAL STATEMENTS**

VILLAGE OF HOWARD, WISCONSIN

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 10,512,611	\$ 4,141,857	\$ 14,654,468
Receivables			
Taxes	3,063,164	-	3,063,164
Accounts	112,289	1,063,069	1,175,358
Special assessments	1,024,501	1,818,255	2,842,756
Loans	814,639	-	814,639
Due from other governments	534,631	-	534,631
Inventories and prepaid items	-	81,751	81,751
Deferred charges	15,816	191,485	207,301
Capital assets, nondepreciable			
Land	6,321,933	1,971,666	8,293,599
Construction in progress	26,004	20,517	46,521
Capital assets, depreciable			
Land improvements	2,507,488	1,131,762	3,639,250
Buildings and improvements	5,570,453	694,616	6,265,069
Machinery and equipment	5,216,683	3,286,505	8,503,188
Infrastructure	40,472,046	59,798,600	100,270,646
Less: Accumulated depreciation	(18,045,612)	(13,014,743)	(31,060,355)
<b>TOTAL ASSETS</b>	<b>58,146,646</b>	<b>61,185,340</b>	<b>119,331,986</b>
<b>LIABILITIES</b>			
Accounts payable	547,995	760,742	1,308,737
Accrued and other current liabilities	314,585	35,150	349,735
Accrued interest payable	41,445	20,683	62,128
Due to other governments	10,545	-	10,545
Unearned revenues	5,633,335	-	5,633,335
Long-term obligations			
Due within one year	1,166,189	297,427	1,463,616
Due in more than one year	1,661,404	1,756,074	3,417,478
<b>TOTAL LIABILITIES</b>	<b>9,375,498</b>	<b>2,870,076</b>	<b>12,245,574</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	39,379,378	51,899,574	91,278,952
Restricted for			
Debt service	3,425	-	3,425
Community development	1,027,492	-	1,027,492
Unrestricted	8,360,853	6,415,690	14,776,543
<b>TOTAL NET ASSETS</b>	<b>\$ 48,771,148</b>	<b>\$ 58,315,264</b>	<b>\$ 107,086,412</b>

The notes to the basic financial statements are an integral part of this statement.

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General administration	\$ 1,124,592	\$ 64,142	\$ -	\$ -
Public safety	2,763,614	394,494	304,957	2,100
Public works	4,668,221	91,882	980,304	238,778
Community development	557,703	92,209	-	92,741
Interest on debt	141,098	-	-	-
<b>Total Governmental Activities</b>	<u>9,255,228</u>	<u>642,727</u>	<u>1,285,261</u>	<u>333,619</u>
<b>Business-type Activities</b>				
Water utility	4,366,218	4,489,964	-	602,551
Sewer utility	1,980,817	2,106,016	-	235,471
Storm water utility	624,334	707,948	-	46,624
Golf course	400,607	462,386	-	-
<b>Total Business-type Activities</b>	<u>7,371,976</u>	<u>7,766,314</u>	<u>-</u>	<u>884,646</u>
<b>Total</b>	<u>\$ 16,627,204</u>	<u>\$ 8,409,041</u>	<u>\$ 1,285,261</u>	<u>\$ 1,218,265</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Other taxes

Federal and state grants and other contributions  
not restricted to specific functions

Interest and investment earnings

Miscellaneous

Gain on sale of asset

Transfers

Total general revenues and transfers

Change in net assets

Net assets - January 1

Net assets - December 31

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total

\$ (1,060,450)	\$ -	\$ (1,060,450)
(2,062,063)	-	(2,062,063)
(3,357,257)	-	(3,357,257)
(372,753)	-	(372,753)
(141,098)	-	(141,098)
<u>(6,993,621)</u>	<u>-</u>	<u>(6,993,621)</u>

-	726,297	726,297
-	360,670	360,670
-	130,238	130,238
-	61,779	61,779
<u>-</u>	<u>1,278,984</u>	<u>1,278,984</u>

<u>(6,993,621)</u>	<u>1,278,984</u>	<u>(5,714,637)</u>
--------------------	------------------	--------------------

4,303,755	-	4,303,755
1,319,865	-	1,319,865
11,420	-	11,420
816,472	-	816,472
97,812	59,502	157,314
805,496	-	805,496
2,200	-	2,200
417,360	(417,360)	-
<u>7,774,380</u>	<u>(357,858)</u>	<u>7,416,522</u>

780,759	921,126	1,701,885
<u>47,990,389</u>	<u>57,394,138</u>	<u>105,384,527</u>

<u>\$ 48,771,148</u>	<u>\$ 58,315,264</u>	<u>\$ 107,086,412</u>
----------------------	----------------------	-----------------------

**VILLAGE OF HOWARD, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2011

	General	Tax Incremental District No. 2	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 5,328,275	\$ 928,105	\$ 2,238,222	\$ 2,018,009	\$ 10,512,611
Receivables					
Taxes	1,878,605	525,841	506,757	151,961	3,063,164
Accounts	38,005	-	74,284	-	112,289
Special assessments	-	1,979	896,318	126,204	1,024,501
Loans	-	-	15,333	799,306	814,639
Due from other funds	-	-	224,727	-	224,727
Due from other governments	-	-	534,631	-	534,631
<b>TOTAL ASSETS</b>	<b>\$ 7,244,885</b>	<b>\$ 1,455,925</b>	<b>\$ 4,490,272</b>	<b>\$ 3,095,480</b>	<b>\$ 16,286,562</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 486,543	\$ -	\$ 61,452	\$ -	\$ 547,995
Due to other funds	-	-	-	224,727	224,727
Accrued and other current liabilities	259,692	-	157,008	484	417,184
Deposits	-	-	-	7,113	7,113
Due to other governments	10,545	-	-	-	10,545
Deferred revenues	3,477,041	965,550	1,841,307	1,203,968	7,487,866
<b>Total Liabilities</b>	<b>4,233,821</b>	<b>965,550</b>	<b>2,059,767</b>	<b>1,436,292</b>	<b>8,695,430</b>
<b>Fund Balances</b>					
<b>Restricted</b>					
Community development	-	-	-	228,186	228,186
Retirement of long-term debt	-	-	-	3,425	3,425
Tax incremental district	-	490,375	-	1,410,713	1,901,088
Park development	-	-	-	332,912	332,912
<b>Assigned</b>					
Capital projects	-	-	2,430,505	-	2,430,505
<b>Unassigned, reported in</b>					
General fund	3,011,064	-	-	-	3,011,064
Capital projects funds	-	-	-	(316,048)	(316,048)
<b>Total Fund Balances</b>	<b>3,011,064</b>	<b>490,375</b>	<b>2,430,505</b>	<b>1,659,188</b>	<b>7,591,132</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,244,885</b>	<b>\$ 1,455,925</b>	<b>\$ 4,490,272</b>	<b>\$ 3,095,480</b>	<b>\$ 16,286,562</b>

(Continued)

VILLAGE OF HOWARD, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2011

Reconciliation to the Statement of Net Assets

Total Fund Balances as shown on previous page \$ 7,591,132

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 42,068,995

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.

Special assessments	1,024,501
Loans receivable	814,639
Court fines receivable	15,391

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Notes payable	\$ (2,689,617)
Compensated absences	(28,264)
Deferred charges - bond issues	15,816
Accrued interest on long-term obligations	(41,445)
	<u>(2,743,510)</u>

Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 21)

\$ 48,771,148

The notes to the basic financial statements are an integral part of this statement.

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2011

	General	Tax Incremental District No. 2	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 3,442,720	\$ 1,044,887	\$ 856,273	\$ 294,978	\$ 5,638,858
Special assessments	-	2,087	137,984	-	140,071
Intergovernmental	1,691,904	43,657	294,172	72,065	2,101,798
Licenses and permits	384,467	-	-	92,741	477,208
Fines and forfeits	206,137	-	-	-	206,137
Public charges for services	169,852	-	118,651	-	288,503
Miscellaneous	480,439	6,368	178,683	165,199	830,689
<b>Total Revenues</b>	<b>6,375,519</b>	<b>1,096,999</b>	<b>1,585,763</b>	<b>624,983</b>	<b>9,683,264</b>
<b>Expenditures</b>					
<b>Current</b>					
General administration	858,785	3,266	414,558	411,819	1,688,428
Public safety	2,495,409	-	225,170	-	2,720,579
Public works	2,563,786	-	423,592	8,388	2,995,766
Community development	488,742	-	-	15,290	504,032
<b>Debt service</b>					
Principal	-	-	-	811,896	811,896
Interest and fiscal charges	-	-	-	114,212	114,212
Capital outlay	-	-	657,140	111,028	768,168
<b>Total Expenditures</b>	<b>6,406,722</b>	<b>3,266</b>	<b>1,720,460</b>	<b>1,472,633</b>	<b>9,603,081</b>
<b>Excess of Revenues Over (Under)</b>					
Expenditures	(31,203)	1,093,733	(134,697)	(847,650)	80,183
<b>Other Financing Sources (Uses)</b>					
Transfers in	317,360	-	435,252	827,770	1,580,382
Transfers out	-	(827,770)	-	-	(827,770)
<b>Total Other Financing Sources (Uses)</b>	<b>317,360</b>	<b>(827,770)</b>	<b>435,252</b>	<b>827,770</b>	<b>752,612</b>
<b>Net Change in Fund Balances</b>	<b>286,157</b>	<b>265,963</b>	<b>300,555</b>	<b>(19,880)</b>	<b>832,795</b>
<b>Fund Balances - January 1</b>	<b>2,724,907</b>	<b>224,412</b>	<b>2,129,950</b>	<b>1,679,068</b>	<b>6,758,337</b>
<b>Fund Balances - December 31</b>	<b>\$ 3,011,064</b>	<b>\$ 490,375</b>	<b>\$ 2,430,505</b>	<b>\$ 1,659,188</b>	<b>\$ 7,591,132</b>

(Continued)

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2011

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page \$ 832,795

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets reported as capital outlay in governmental fund statements	\$ 768,168	
Depreciation expense reported in the statement of activities	(1,440,191)	
		(672,023)

In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.

Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	\$ (16,300)	
Net loss on disposition reported on the statement of activities	(25,903)	
		(42,203)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased by:

5,769

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

208,204

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:		811,896
---	--	---------

Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.

2,411

The Village's internal service fund is reported with governmental activities.

Current year expenses exceeded revenues by:		(335,252)
---	--	-----------

Debt issue costs and loss on advance refunding are reported in the governmental funds as an expenditure. In the statement of activities, these costs are capitalized and amortized over the life of the debt.

(30,838)

Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see pages 22 - 23)

\$ 780,759

The notes to the basic financial statements are an integral part of this statement.

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,439,140	\$ 3,439,140	\$ 3,442,720	\$ 3,580
Intergovernmental	1,722,210	1,722,210	1,691,904	(30,306)
Licenses and permits	295,600	295,600	384,467	88,867
Fines and forfeits	183,300	183,300	206,137	22,837
Public charges for services	180,100	180,100	169,852	(10,248)
Miscellaneous	391,100	391,100	480,439	89,339
<b>Total Revenues</b>	<b>6,211,450</b>	<b>6,211,450</b>	<b>6,375,519</b>	<b>164,069</b>
<b>Expenditures</b>				
<b>Current</b>				
General administration	932,750	932,750	858,785	73,965
Public safety	2,526,800	2,526,800	2,495,409	31,391
Public works	2,638,700	2,638,700	2,563,786	74,914
Community development	513,200	513,200	488,742	24,458
<b>Total Expenditures</b>	<b>6,611,450</b>	<b>6,611,450</b>	<b>6,406,722</b>	<b>204,728</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>(31,203)</b>	<b>368,797</b>
<b>Other Financing Sources</b>				
Transfers in	300,000	300,000	317,360	17,360
<b>Net Change in Fund Balance</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>286,157</b>	<b>386,157</b>
<b>Fund Balance - January 1</b>	<b>2,724,907</b>	<b>2,724,907</b>	<b>2,724,907</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 2,624,907</b>	<b>\$ 2,624,907</b>	<b>\$ 3,011,064</b>	<b>\$ 386,157</b>

The notes to the basic financial statements are an integral part of this statement.

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Tax Incremental District No. 2 Special Revenue Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,049,000	\$ 1,049,000	\$ 1,044,887	\$ (4,113)
Special assessments	-	-	2,087	2,087
Intergovernmental	44,000	44,000	43,657	(343)
Miscellaneous	1,000	1,000	6,368	5,368
Total Revenues	<u>1,094,000</u>	<u>1,094,000</u>	<u>1,096,999</u>	<u>2,999</u>
Expenditures				
Current				
General administration	2,000	2,000	3,266	(1,266)
Excess of Revenues Over Expenditures	<u>1,092,000</u>	<u>1,092,000</u>	<u>1,093,733</u>	<u>1,733</u>
Other Financing Uses				
Transfers out	<u>(1,077,770)</u>	<u>(1,077,770)</u>	<u>(827,770)</u>	<u>250,000</u>
Net Change in Fund Balance	14,230	14,230	265,963	251,733
Fund Balance - January 1	<u>224,412</u>	<u>224,412</u>	<u>224,412</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 238,642</u>	<u>\$ 238,642</u>	<u>\$ 490,375</u>	<u>\$ 251,733</u>

The notes to the basic financial statements are an integral part of this statement.

VILLAGE OF HOWARD, WISCONSIN

Statement of Net Assets

Proprietary Funds

December 31, 2011

	Business-type Activities - Enterprise Funds				Total
	Water Utility	Sewer Utility	Storm Water Utility	Non-Major Golf Course	
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 1,484,541	\$ 1,289,584	\$ 1,234,800	\$ 132,932	\$ 4,141,857
Receivables					
Accounts	474,280	370,550	86,801	2,865	934,496
Special assessments	619,381	-	517,910	-	1,137,291
Other	128,573	-	-	-	128,573
Inventories	64,764	16,987	-	-	81,751
<b>Total Current Assets</b>	<b>2,771,539</b>	<b>1,677,121</b>	<b>1,839,511</b>	<b>135,797</b>	<b>6,423,968</b>
Noncurrent Assets					
Receivables					
Special assessments	-	680,964	-	-	680,964
Deferred charges	191,485	-	-	-	191,485
Capital assets, nondepreciable					
Land	15,984	19,307	-	1,936,375	1,971,666
Construction in progress	20,217	300	-	-	20,517
Capital assets, depreciable					
Land improvements	-	-	596,498	535,264	1,131,762
Buildings	331,216	79,116	-	284,284	694,616
Machinery and equipment	1,867,563	667,457	279,825	471,660	3,286,505
Infrastructure	24,747,148	21,342,221	13,709,231	-	59,798,600
Less: Accumulated depreciation	(5,717,776)	(4,104,738)	(2,739,950)	(452,279)	(13,014,743)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>21,264,352</b>	<b>18,003,663</b>	<b>11,845,604</b>	<b>2,775,304</b>	<b>53,888,923</b>
<b>Total Noncurrent Assets</b>	<b>21,455,837</b>	<b>18,684,627</b>	<b>11,845,604</b>	<b>2,775,304</b>	<b>54,761,372</b>
<b>TOTAL ASSETS</b>	<b>24,227,376</b>	<b>20,361,748</b>	<b>13,685,115</b>	<b>2,911,101</b>	<b>61,185,340</b>

(Continued)

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Net Assets (Continued)  
Proprietary Funds  
December 31, 2011

	Business-type Activities - Enterprise Funds				Total
	Water Utility	Sewer Utility	Storm Water Utility	Non-major Golf Course	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	502,146	239,606	12,114	6,876	760,742
Accrued and other current liabilities	20,856	7,194	4,578	2,522	35,150
Accrued interest	12,740	7,943	-	-	20,683
Compensated absences	20,975	16,719	-	-	37,694
Current portion of annexation charges	-	69,733	-	-	69,733
Current portion of long term debt	190,000	-	-	-	190,000
<b>Total Current Liabilities</b>	<b>746,717</b>	<b>341,195</b>	<b>16,692</b>	<b>9,398</b>	<b>1,114,002</b>
Noncurrent Liabilities					
GO notes	1,505,000	-	-	-	1,505,000
Annexation charges	-	224,616	-	-	224,616
Compensated absences	17,597	8,861	-	-	26,458
<b>Total Noncurrent Liabilities</b>	<b>1,522,597</b>	<b>233,477</b>	<b>-</b>	<b>-</b>	<b>1,756,074</b>
<b>TOTAL LIABILITIES</b>	<b>2,269,314</b>	<b>574,672</b>	<b>16,692</b>	<b>9,398</b>	<b>2,870,076</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	19,569,352	17,709,314	11,845,604	2,775,304	51,899,574
Unrestricted	2,388,710	2,077,762	1,822,819	126,399	6,415,690
<b>TOTAL NET ASSETS</b>	<b>\$ 21,958,062</b>	<b>\$ 19,787,076</b>	<b>\$ 13,668,423</b>	<b>\$ 2,901,703</b>	<b>\$ 58,315,264</b>

The notes to the basic financial statements are an integral part of this statement.

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility	Non-major	Total	
				Golf Course		
Operating Revenues						
Charges for services	\$ 4,418,797	\$ 2,091,759	\$ 701,851	\$ 316,083	\$ 7,528,490	\$ -
Other	71,167	14,257	6,097	146,303	237,824	-
Total Operating Revenues	<u>4,489,964</u>	<u>2,106,016</u>	<u>707,948</u>	<u>462,386</u>	<u>7,766,314</u>	<u>-</u>
Operating Expenses						
Personal services	438,146	331,624	208,616	186,289	1,164,675	-
Contractual services	72,073	1,211,938	94,720	16,044	1,394,775	-
Utilities	19,903	2,988	-	18,368	41,259	-
Repairs and maintenance	149,023	20,365	65,147	31,209	265,744	-
Other supplies and expenses	3,101,163	109,211	58,319	103,353	3,372,046	-
Depreciation	479,705	278,325	197,532	45,344	1,000,906	-
Total Operating Expenses	<u>4,260,013</u>	<u>1,954,451</u>	<u>624,334</u>	<u>400,607</u>	<u>7,239,405</u>	<u>-</u>
Operating Income	<u>229,951</u>	<u>151,565</u>	<u>83,614</u>	<u>61,779</u>	<u>526,909</u>	<u>-</u>
Nonoperating Revenues (Expenses)						
Interest income	22,305	23,906	12,301	990	59,502	-
Interest expense	(81,246)	(13,693)	-	-	(94,939)	-
Amortization of debt discount	(24,959)	(12,673)	-	-	(37,632)	-
Total Nonoperating Revenues (Expenses)	<u>(83,900)</u>	<u>(2,460)</u>	<u>12,301</u>	<u>990</u>	<u>(73,069)</u>	<u>-</u>
Income Before Contributions and Transfers	<u>146,051</u>	<u>149,105</u>	<u>95,915</u>	<u>62,769</u>	<u>453,840</u>	<u>-</u>
Capital contributions	602,551	235,471	46,624	-	884,646	-
Transfers out	(317,360)	-	-	(100,000)	(417,360)	(335,252)
Change in Net Assets	<u>431,242</u>	<u>384,576</u>	<u>142,539</u>	<u>(37,231)</u>	<u>921,126</u>	<u>(335,252)</u>
Net Assets - January 1	<u>21,526,820</u>	<u>19,402,500</u>	<u>13,525,884</u>	<u>2,938,934</u>	<u>57,394,138</u>	<u>335,252</u>
Net Assets - December 31	<u>\$ 21,958,062</u>	<u>\$ 19,787,076</u>	<u>\$ 13,668,423</u>	<u>\$ 2,901,703</u>	<u>\$ 58,315,264</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement.

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2011

	Business-type Activities -		
	Water Utility	Sewer Utility	Storm Water Utility
Cash Flows from Operating Activities			
Cash received from user charges	\$ 4,713,354	\$ 2,125,752	\$ 704,038
Cash payments to suppliers	(2,936,314)	(1,264,925)	(208,307)
Cash payments to employees	(433,892)	(329,145)	(206,333)
Net Cash Provided by Operating Activities	<u>1,343,148</u>	<u>531,682</u>	<u>289,398</u>
Cash Flows from Noncapital Financing Activities			
Transfer to other funds	<u>(317,360)</u>	-	-
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(405,692)	(241,589)	-
Capital contributions received	35,942	14,012	59,274
Proceeds from issuance of long-term debt	1,695,000	-	-
Bond issuance costs paid	(132,596)	-	-
Principal payments on long-term debt	(2,568,867)	(167,462)	-
Interest payments on long-term debt	(117,439)	(17,294)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,493,652)</u>	<u>(412,333)</u>	<u>59,274</u>
Cash Flows from Investing Activities			
Interest income received	<u>22,305</u>	<u>23,906</u>	<u>12,301</u>
Change in Cash and Cash Equivalents	(445,559)	143,255	360,973
Cash and Cash Equivalents - January 1	<u>1,930,100</u>	<u>1,146,329</u>	<u>873,827</u>
Cash and Cash Equivalents - December 31	<u>\$ 1,484,541</u>	<u>\$ 1,289,584</u>	<u>\$ 1,234,800</u>
Reconciliation to Statement of Net Assets			
Cash and investments in current assets	<u>\$ 1,484,541</u>	<u>\$ 1,289,584</u>	<u>\$ 1,234,800</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 229,951	\$ 151,565	\$ 83,614
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	479,705	278,325	197,532
Changes in assets and liabilities			
Accounts receivable	223,390	19,736	(3,910)
Inventories	5,236	(1,096)	-
Accounts payable	424,250	80,673	9,879
Accrued and other current liabilities	(19,384)	2,479	2,283
Net Cash Provided by Operating Activities	<u>\$ 1,343,148</u>	<u>\$ 531,682</u>	<u>\$ 289,398</u>
Noncash Investing, Capital and Financing Activities			
Contributions of capital assets	<u>\$ 602,551</u>	<u>\$ 235,471</u>	<u>\$ 46,624</u>

The notes to the basic financial statements are an integral part of this statement.

Enterprise Funds		Governmental Activities - Internal Service Fund
Non-major	Total	
Golf Course		
\$ 459,521	\$ 8,002,665	\$ -
(167,255)	(4,576,801)	-
(186,295)	(1,155,665)	-
<u>105,971</u>	<u>2,270,199</u>	<u>-</u>
<u>(100,000)</u>	<u>(417,360)</u>	<u>(335,252)</u>
(101,717)	(748,998)	-
-	109,228	-
-	1,695,000	-
-	(132,596)	-
-	(2,736,329)	-
-	(134,733)	-
<u>(101,717)</u>	<u>(1,948,428)</u>	<u>-</u>
<u>990</u>	<u>59,502</u>	<u>-</u>
(94,756)	(36,087)	(335,252)
<u>227,688</u>	<u>4,177,944</u>	<u>335,252</u>
<u>\$ 132,932</u>	<u>\$ 4,141,857</u>	<u>\$ -</u>
<u>\$ 132,932</u>	<u>\$ 4,141,857</u>	<u>\$ -</u>
\$ 61,779	\$ 526,909	\$ -
45,344	1,000,906	-
(2,865)	236,351	-
12,817	16,957	-
(8,709)	506,093	-
(2,395)	(17,017)	-
<u>\$ 105,971</u>	<u>\$ 2,270,199</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 884,646</u>	<u>\$ -</u>

VILLAGE OF HOWARD, WISCONSIN

Statement of Net Assets

Fiduciary Fund

December 31, 2011

	Property Tax Agency Fund
ASSETS	
Cash and investments	\$ 9,431,030
Receivables	
Taxes	<u>11,325,799</u>
TOTAL ASSETS	<u>\$ 20,756,829</u>
LIABILITIES	
Due to other governments	<u>\$ 20,756,829</u>

The notes to the basic financial statements are an integral part of this statement.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Village of Howard, Wisconsin ("the Village"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below:

1. Reporting Entity

The Village is a municipal corporation governed by an elected president and eight-member board. In accordance with generally accepted accounting principles, the basic financial statements are required to include the Village (the primary government) and any separate component units that have a significant operational or financial relationship with the Village. The following circumstances set forth the Village's financial accountability for a legally separate organization:

- a. The Village 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 impose specific financial burdens on, the Village.
- b. The Village may be financially accountable if an organization is fiscally dependent on the Village regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The Village has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement Nos. 14 and 39.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. 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

The general fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

TAX INCREMENTAL DISTRICT NO. 2

The tax incremental district no. 2 is a special revenue fund that accounts for property tax increments and other revenues generated within the District. These revenues finance transfers to the Village's debt service fund to retire debt that has been issued in prior years to finance District improvements.

CAPITAL IMPROVEMENTS CAPITAL PROJECT FUND

The capital improvements fund accounts for financial resources generated primarily from property taxes and developer contributions used for the acquisition or construction of major capital facilities.

The Village reports the following major enterprise funds:

WATER UTILITY

The water utility accounts for the financing of the construction, operation, and maintenance of the Village owned water facilities. The Village contracts with Central Brown County Water Authority for purchase of water.

SEWER UTILITY

The sewer utility accounts for financing of the construction, operation, and maintenance of the Village owned sewage facilities. The Village contracts with Green Bay Metropolitan Sewage District for treatment.

STORM WATER UTILITY

The storm water utility accounts for the financing of the construction, operation, and maintenance of the Village owned storm water facilities.

The Village reports the following non-major enterprise fund:

GOLF COURSE

The golf course accounts for the financing of the construction, operation, and maintenance of the municipal golf course and clubhouse.

Additionally, the government reports the following fund types:

An *internal service fund* accounts for employee health, dental and short-term disability costs provided to Village employees. The fund charges departments for these costs on a cost reimbursement basis.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Village accounts for property taxes collected on behalf of other governments in an *agency fund*.

The Village implemented GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*" for the year ended December 31, 2011. The Village reports the following special revenue funds, including the purpose and significant revenue source:

Funds	Purpose	Significant Revenue
Tax Incremental District No. 2	To account for tax increments to be used to retire outstanding debt related to the District	Tax increments
Community Development	To account for the Village's revolving loan program	Loan receivable payments

3. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Village's only fiduciary fund is an agency fund which does not have a measurement focus since it is used only to hold funds for other taxing jurisdictions.

Property taxes, licenses, and interest associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues in the current period. All other revenues are considered to be measurable and available only when cash is received by the government.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Village's water and sanitary sewer functions and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 Village's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

4. Assets, Liabilities and Net Assets or Equity

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with an original maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

Any residual balance outstanding between governmental and business-type activities at year end is reported as internal balances on the statement of net assets.

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by fund balance reserve amounts to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by fund balance reserve amounts to indicate that they do not represent spendable available financial resources.

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Governmental activities capital assets are defined by the Village as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year. Business-type capital assets are defined by the Village as assets with an initial individual cost of \$2,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	40-75	50
Buildings and improvements	30-50	20-50
Machinery and equipment	5-25	5-20
Infrastructure	20-100	30-100

g. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

h. Deferred Revenue

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 or for resources that have been received, but not yet recognizable.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

For the year ended December 31, 2011, the Village implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which fund balance amounts can be spent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of Village management. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Amount of net assets that are subject to restrictions that are imposed 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.
- Unrestricted net assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to November 20 of each year, the Village administrator submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all Village funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the governmental and proprietary funds.
- d. Expenditures may not exceed appropriations by fund and function. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
- e. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2011.

2. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2011 as follows:

Funds	Function	Funding	Excess Expenditures
Special Revenue Fund			
Tax incremental district no. 2	General government	Available fund balance	\$ 1,266
Capital Projects Funds			
Capital improvements	Public safety	Insurance recoveries	137,170
Park development fund	Community development	Available fund balance	15,290
Tax incremental district no. 3	Public works	Future tax revenues	239
Tax incremental district no. 3	Debt service	Future tax revenues	341
Tax incremental district no. 4	General administration	Available fund balance	5,284
Tax incremental district no. 4	Public works	Available fund balance	8,149
Tax incremental district no. 5	General administration	Future tax revenues	11,937
Tax incremental district no. 6	General administration	Future tax revenues	19,135

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)**

3. Deficit Fund Balances

The following funds had deficit fund balances as of December 31, 2011:

Funds	Deficit Fund Balance
Capital Projects Funds	
Tax incremental district no. 3	\$ 137,189
Tax incremental district no. 5	53,916
Tax incremental district no. 6	124,943

The Village anticipates funding the above deficits from future revenues and tax increments of the funds.

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

1. Cash and Investments

The Village maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool. Investments in the private-purpose trust fund and employee benefit trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act".

The carrying amount of the Village's cash and investments totaled \$24,085,498 on December 31, 2011 as summarized below:

Petty cash and cash on hand	\$ 350
Deposits with financial institutions	20,136,080
Investments	3,949,068
	<u>\$ 24,085,498</u>

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 14,654,468
Fiduciary fund	
Agency fund	9,431,030
	<u>\$ 24,085,498</u>

Deposits and investments of the Village are subject to various risks. Presented below is a discussion of the Village's deposits and investments and the related risks.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Deposits with Financial Institutions

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. In addition, the Village's non-interest bearing transaction accounts are fully insured through December 31, 2012. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2011, \$11,578,614 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits and collateralized with securities held by the pledging financial institution or its trust department or agent in the Village's name.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of year end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Federal Home Loan Mortgage Corporation	\$ 998,140	\$ -	\$ 998,140	\$ -	\$ -
State and Municipal Bonds Wisconsin Local Government Investment Pool	2,949,802	-	451,256	1,079,273	1,419,273
	1,126	-	-	-	1,126
<b>Totals</b>	<b>\$ 3,949,068</b>	<b>\$ -</b>	<b>\$ 1,449,396</b>	<b>\$ 1,079,273</b>	<b>\$ 1,420,399</b>

Concentration of Credit Risk

The investment policy of the Village contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total
Village of Abbotsford	Bond	\$ 1,162,818	28.7%
Federal Home Loan Mortgage Corporation	Bond	998,140	24.7%
City of Oconto Water Utility	Bond	676,812	16.7%
Village of Weston	Bond	402,460	9.9%
City of Oshkosh	Bond	375,542	9.3%

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Village manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. It is the Village's policy that each investment may not have a maturity more than seven years.

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Home Loan Mortgage Corporation	\$ 998,140	\$ -	\$ -	\$ -	\$ 998,140
State and Municipal Bonds	2,949,802	1,238,534	836,812	-	874,456
Wisconsin Local Government Investment Pool	1,126	1,126	-	-	-
<b>Totals</b>	<b>\$ 3,949,068</b>	<b>\$ 1,239,660</b>	<b>\$ 836,812</b>	<b>\$ -</b>	<b>\$ 1,872,596</b>

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$1,126 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2011, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

The Village bills its own property taxes and also levies and bills taxes for the School Districts of Howard-Suamico and Pulaski, Brown County, Northeast Wisconsin Technical College and the State of Wisconsin. The Brown County Treasurer collects property taxes billed by the Village in accordance with a contract between the County and the Village.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

3. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,321,933	\$ -	\$ -	\$ 6,321,933
Construction in progress	-	26,004	-	26,004
Total capital assets, not being depreciated	<u>6,321,933</u>	<u>26,004</u>	<u>-</u>	<u>6,347,937</u>
Capital assets, being depreciated:				
Land improvements	2,386,795	120,693	-	2,507,488
Buildings and improvements	5,570,453	-	-	5,570,453
Machinery and equipment	5,127,245	191,071	101,633	5,216,683
Infrastructure	40,118,421	430,400	76,775	40,472,046
Subtotals	<u>53,202,914</u>	<u>742,164</u>	<u>178,408</u>	<u>53,766,670</u>
Less accumulated depreciation for:				
Land improvements	415,825	50,696	-	466,521
Buildings and improvements	1,235,727	83,615	-	1,319,342
Machinery and equipment	2,365,114	231,239	66,507	2,529,846
Infrastructure	12,724,960	1,074,641	69,698	13,729,903
Subtotals	<u>16,741,626</u>	<u>1,440,191</u>	<u>136,205</u>	<u>18,045,612</u>
Total capital assets, being depreciated, net	<u>36,461,288</u>	<u>(698,027)</u>	<u>42,203</u>	<u>35,721,058</u>
Governmental activities capital assets, net	<u>\$ 42,783,221</u>	<u>\$ (672,023)</u>	<u>\$ 42,203</u>	<u>42,068,995</u>
Less related long-term debt outstanding				<u>2,689,617</u>
Invested in capital assets, net of related debt				<u>\$ 39,379,378</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,971,666	\$ -	\$ -	\$ 1,971,666
Construction in progress	-	20,517	-	20,517
Total capital assets, not being depreciated	<u>1,971,666</u>	<u>20,517</u>	<u>-</u>	<u>1,992,183</u>
Capital assets, being depreciated:				
Land improvements	1,105,062	26,700	-	1,131,762
Buildings and improvements	694,616	-	-	694,616
Machinery and equipment	3,446,729	102,349	262,573	3,286,505
Infrastructure	58,547,985	1,382,797	189,974	59,740,808
Subtotals	<u>63,794,392</u>	<u>1,511,846</u>	<u>452,547</u>	<u>64,853,691</u>
Less accumulated depreciation for:				
Land improvements	71,374	10,324	-	81,698
Buildings and improvements	386,570	17,318	-	403,888
Machinery and equipment	2,108,108	178,417	259,438	2,027,087
Infrastructure	9,897,197	794,847	189,974	10,502,070
Subtotals	<u>12,463,249</u>	<u>1,000,906</u>	<u>449,412</u>	<u>13,014,743</u>
Total capital assets, being depreciated, net	<u>51,331,143</u>	<u>510,940</u>	<u>3,135</u>	<u>51,838,948</u>
Business-type activities capital assets, net	<u>\$ 53,302,809</u>	<u>\$ 531,457</u>	<u>\$ 3,135</u>	<u>53,831,131</u>
Less related long-term debt outstanding				<u>1,989,349</u>
Invested in capital assets, net of related debt				<u>\$ 51,841,782</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Depreciation expense was charged to functions of the Village as follows:

Governmental activities	
General administration	\$ 51,270
Public safety	115,496
Public works	1,192,771
Community development	80,654
Total depreciation expense - governmental activities	<u>\$ 1,440,191</u>
Business-type activities	
Water utility	\$ 479,705
Sewer utility	278,325
Storm water utility	197,532
Golf course	45,344
Total depreciation expense - business-type activities	<u>\$ 1,000,906</u>

4. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2011 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
Capital Improvements Fund	\$ 224,727	\$ -
Capital Projects Funds		
Tax incremental district no. 3	-	45,868
Tax incremental district no. 5	-	53,916
Tax incremental district no. 6	-	124,943
Totals	<u>\$ 224,727</u>	<u>\$ 224,727</u>

Interfund transfers for the year ended December 31, 2011 were as follows:

Transfer In	Transfer Out	Purpose	Amount
<b>Governmental Funds</b>			
General	Water Utility	Payment in lieu of tax	\$ 317,360
Debt Service	Tax Incremental District No. 2	Retirement of debt	827,770
Capital Improvements	Internal Service Fund	Close Internal Service Fund	335,252
Capital Improvements	Golf Course	Distribution of surplus funds	100,000
Total Governmental Funds			<u>\$ 1,580,382</u>
Government fund transfers in			\$ 1,580,382
Less: Fund eliminations			(1,163,022)
Total Transfers - Government-wide Statement of Activities			<u>\$ 417,360</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

5. Deferred Revenues

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

	Unavailable	Unearned
Subsequent year tax levy receivable		
General fund	\$ -	\$ 3,456,033
Tax incremental district no. 2	-	963,571
Tax incremental district no. 3	-	185,367
Tax incremental district no. 4	-	6,091
Debt service fund	-	87,000
Capital improvements	-	928,600
Special assessments		
Tax incremental district no. 2	1,979	-
Tax incremental district no. 6	126,204	-
Capital improvements	896,318	-
Loans receivable		
Community development	814,639	-
Court fines receivable		
General fund	15,391	-
Grants and other revenues received prior to meeting all eligibility requirements	-	6,673
Totals Governmental Funds	<u>\$ 1,854,531</u>	<u>\$ 5,633,335</u>

Postponed special assessments are generally collectible on annual installments of ten years while certain others have been deferred until the property is sold or placed in service. Future collections on special assessments in the tax incremental district will be used to finance debt payments for general obligation debt issued to finance the District's project plan expenditures.

The loans receivable of \$814,639 in the community development fund represents loans made to local businesses. The loan program was initially funded by intergovernmental grants received by the Village. Repayment of principal and interest on the loans is recorded as revenue in the fund and is used to finance additional loans.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2011:

	Outstanding 1/1/11	Issued	Retired	Outstanding 12/31/11	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Notes	\$ 3,518,356	\$ -	\$ 811,896	\$ 2,706,460	\$ 1,056,477
Less unamortized refunding loss	(30,318)	-	(13,475)	(16,843)	-
Total General Obligation Debt	3,488,038	-	798,421	2,689,617	1,056,477
Compensated absences	156,385	91,061	109,470	137,976	109,712
Governmental activities Long-term obligations	<u>\$ 3,644,423</u>	<u>\$ 91,061</u>	<u>\$ 907,891</u>	<u>\$ 2,827,593</u>	<u>\$ 1,166,189</u>
<b>Business-type activities:</b>					
General Obligation Debt					
Bonds	\$ -	\$ 1,695,000	\$ -	\$ 1,695,000	\$ 190,000
Mortgage revenue bonds	2,660,000	-	2,660,000	-	-
Compensated absences	64,462	44,813	45,123	64,152	37,694
Annexation charges	370,677	-	76,328	294,349	69,733
Business-type activities Long-term obligations	<u>\$ 3,095,139</u>	<u>\$ 1,739,813</u>	<u>\$ 2,781,451</u>	<u>\$ 2,053,501</u>	<u>\$ 297,427</u>

Total interest paid during the year on long-term debt totaled \$247,406.

Advance Refunding

During 2011, the Village advance refunded water and sewer system revenue bonds, series 2001 and 2002. The Village issued \$1,695,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$871,945 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$132,159.

At December 31, 2011, \$1,845,000 of outstanding water and sewer system revenue bonds are considered defeased.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

General Obligation Debt

The Village has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt service requirements are direct obligations and pledge the full faith and credit of the Village. General obligation debt outstanding on December 31, 2011 totaled \$4,401,460 and was comprised of the following issues:

Bonds

\$1,695,000 issued 8/4/11; \$125,000 to \$205,000 due annually through 2022;  
interest 0.90% to 2.90% \$ 1,695,000

Notes

\$4,655,000 issued 7/15/04; \$740,000 to \$1,005,000 due annually through 2013;  
interest 1.5% to 3.89% 1,995,000

\$783,356 issued 06/15/10; \$66,477 to \$92,840 due annually through 2020;  
interest 4.25% 711,460

Total Notes 2,706,460

Total Outstanding General Obligation Debt \$ 4,401,460

Annual principal and interest maturities of the outstanding general obligation debt of \$4,401,460 on December 31, 2011 are detailed below:

Year Ended December 31	Governmental Activities		Business Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,056,477	\$ 86,825	\$ 190,000	\$ 37,537	\$ 1,246,477	\$ 124,362
2013	1,074,385	46,507	205,000	28,185	1,279,385	74,692
2014	72,334	24,463	205,000	26,033	277,334	50,496
2015	75,408	21,389	125,000	24,093	200,408	45,482
2016	78,563	18,234	125,000	22,280	203,563	40,514
2017-2021	349,293	37,893	695,000	68,480	1,044,293	106,373
2022	-	-	150,000	2,175	150,000	2,175
	<u>\$ 2,706,460</u>	<u>\$ 235,311</u>	<u>\$ 1,695,000</u>	<u>\$ 208,783</u>	<u>\$ 4,401,460</u>	<u>\$ 444,094</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2011 was \$62,673,705 as follows:

Equalized valuation of the Village	\$ 1,341,434,800
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	67,071,740
Total outstanding general obligation debt applicable to debt limitation	\$ 4,401,460
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>3,425</u>
Net outstanding general obligation debt applicable to debt limitation	<u>4,398,035</u>
Legal Margin for New Debt	<u>\$ 62,673,705</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annexation Charges

The Village's sewer utility uses Green Bay Metropolitan Sewerage District (GBMSD) to treat its sewage. The Village has purchased capacity in interceptors owned by Green Bay Metropolitan Sewerage District. Annual principal maturities of the outstanding annexation charge of \$294,349 on December 31, 2011 are as detailed below:

Year Ended December 31	Business-type Activities		
	Principal	Interest	Total
2012	\$ 69,733	\$ 10,590	\$ 80,323
2013	72,242	8,081	80,323
2014	74,841	5,482	80,323
2015	77,533	2,790	80,323
	<u>\$ 294,349</u>	<u>\$ 26,943</u>	<u>\$ 321,292</u>

7. Minimum Fund Balance Policy

The Village has also adopted a minimum fund balance policy of 35% of subsequent year budgeted expenditures for the general fund. These funds are to be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2012 General Fund Expenditures	\$ 6,611,350
Minimum Fund Balance %	(x) 35%
Minimum Fund Balance Amount	<u>\$ 2,313,973</u>

The Village's unassigned general fund balance of \$3,011,064 is above the range of the above minimum fund balance amount.

**NOTE D - OTHER INFORMATION**

1. Retirement Commitments

All eligible Village employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees hired before July 1, 2011 and expected to work over 600 hours a year (440 hours for teachers and educational support employees) or hired on or after July 1, 2011 and expected to work over 1200 hours a year (880 hours for teachers and educational support employees) are eligible to participate in the WRS. Covered employees in the General/Teacher/ Educational Support Personnel category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Village employees covered by the WRS for the year ended December 31, 2011 was \$2,236,595; the employer's total payroll was \$2,665,753. The total required contribution for the year ended December 31, 2011 was \$264,961, which consisted of \$237,781, or 10.63% of payroll from the employer and \$27,180, or 1.22% of payroll from employees. Total contributions for the years ending December 31, 2010 and 2009 were \$256,440 and \$258,268 respectively, equal to the required contributions for each year.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE D - OTHER INFORMATION (Continued)**

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 year's 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 or after April 24, 1998 are immediately vested.

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

2. Tax Incremental District

The Village currently maintains separate special revenue and capital projects funds to account for Tax Incremental District's (TID) which were created in prior years in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base were used to finance District improvements, including principal and interest on general obligation debt issued by the Village to finance such improvements. All eligible project expenditures for District No. 2 have been completed. Therefore, a special revenue fund is maintained to account for tax increment and other revenues used to finance principal and interest payments on outstanding general obligation debt applicable to the District. Districts No. 3, 4, 5 and 6 are currently implementing their construction plans and are accounted for in capital project funds.

Since creation of the above District, the Village has provided various financing sources to the TIDs and has also recorded eligible TID project costs in other funds of the Village. The foregoing amounts are not recorded as liabilities in the TID funds but can be recovered by the Village from any future excess tax increment revenues. Detail of the amounts recoverable by the Village as of December 31, 2011 from future tax increment revenues follows:

	TID No. 2	TID No. 3	TID No. 4	TID No. 5	TID No. 6	Total
Net Unreimbursed Project Costs	\$ 1,114,420	\$ 137,190	\$ (810,714)	\$ 1,775,514	\$ 124,943	\$ 2,341,353

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts.

3. Risk Management

The Village is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The Village retained a portion of the risks through a medical, dental and short-term disability self-insurance program for medical and dental insurance. Effective April 1, 2008, the Village purchased commercial insurance for these and other risks. The Village is still self-insured for short-term disability coverage and purchase commercial insurance for the other risks. Insurance settlements have not exceeded insurance coverage in any of the past three years nor has there been any significant reduction in insurance coverage compared to the prior year.

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE D - OTHER INFORMATION (Continued)**

4. Conduit Debt Obligations

From time to time, the Village has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Village, the State, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2011, there were no longer any Industrial Revenue Bonds outstanding as the bond holder refinanced the outstanding debt during 2011.

5. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2011 budget year, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the Village's January 1 equalized value as a result of net new construction or 3.0% per year. The actual limit for the Village for the 2011 budget was 3.0%. For the 2012 budget year, Wisconsin statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2012 budget was 1.41%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

## **SUPPLEMENTAL INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

A special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects or private-purpose trust) that are legally restricted to expenditures for specific purposes. The Village utilizes a special revenue fund to record financial transactions pertaining to the following activity:

#### Community Development

To account for transactions of the Village's community development block grant loan program. Additional loans are made as previous loans are repaid.

### **DEBT SERVICE FUND**

The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

### **CAPITAL PROJECTS FUNDS**

A capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The Village utilizes capital project funds to record financial transactions pertaining to the following activities:

#### Tax Incremental District No. 3

To account for transactions of the Village's Tax Incremental District No. 3.

#### Tax Incremental District No. 4

To account for transactions of the Village's Tax Incremental District No. 4.

#### Tax Incremental District No. 5

To account for transactions of the Village's Tax Incremental District No. 5.

#### Tax Incremental District No. 6

To account for transactions of the Village's Tax Incremental District No. 6.

#### Park Development

To account for financial resources generated from park impact fees and developer contributions used for the acquisition or construction of park facilities.

**VILLAGE OF HOWARD, WISCONSIN**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2011

	Special Revenue		Capital Projects	
	Community Development	Debt Service	Tax Increment District No. 3	Tax Increment District No. 4
<b>ASSETS</b>				
Cash and investments	\$ 228,670	\$ 42,947	\$ -	\$ 1,413,480
Receivables				
Taxes	-	47,478	101,159	3,324
Special assessments	-	-	-	-
Loans	799,306	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,027,976</b>	<b>\$ 90,425</b>	<b>\$ 101,159</b>	<b>\$ 1,416,804</b>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
Liabilities				
Accrued and other current liabilities	\$ 484	\$ -	\$ -	\$ -
Deposits	-	-	7,113	-
Due to other funds	-	-	45,868	-
Deferred revenues	799,306	87,000	185,367	6,091
<b>Total Liabilities</b>	<b>799,790</b>	<b>87,000</b>	<b>238,348</b>	<b>6,091</b>
Fund Balances (Deficit)				
Restricted				
Community development	228,186	-	-	-
Retirement of long-term debt	-	3,425	-	-
Tax incremental district	-	-	-	1,410,713
Park development	-	-	-	-
Unassigned, reported in				
Capital projects	-	-	(137,189)	-
<b>Total Fund Balances (Deficit)</b>	<b>228,186</b>	<b>3,425</b>	<b>(137,189)</b>	<b>1,410,713</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,027,976</b>	<b>\$ 90,425</b>	<b>\$ 101,159</b>	<b>\$ 1,416,804</b>

Capital Projects (Continued)			Total Nonmajor Governmental Funds
Tax Increment District No. 5	Tax Increment District No. 6	Park Development	
\$ -	\$ -	\$ 332,912	\$ 2,018,009
-	-	-	151,961
-	126,204	-	126,204
-	-	-	799,306
<u>\$ -</u>	<u>\$ 126,204</u>	<u>\$ 332,912</u>	<u>\$ 3,095,480</u>

\$ -	\$ -	\$ -	\$ 484
-	-	-	7,113
53,916	124,943	-	224,727
-	126,204	-	1,203,968
<u>53,916</u>	<u>251,147</u>	<u>-</u>	<u>1,436,292</u>

-	-	-	228,186
-	-	-	3,425
-	-	-	1,410,713
-	-	332,912	332,912
(53,916)	(124,943)	-	(316,048)
<u>(53,916)</u>	<u>(124,943)</u>	<u>332,912</u>	<u>1,659,188</u>
<u>\$ -</u>	<u>\$ 126,204</u>	<u>\$ 332,912</u>	<u>\$ 3,095,480</u>

**VILLAGE OF HOWARD, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2011

	Special Revenue		Capital Projects	
	Community Development	Debt Service	Tax Increment District No. 3	Tax Increment District No. 4
<b>Revenues</b>				
Taxes	\$ -	\$ 80,000	\$ 194,978	\$ -
Intergovernmental	-	-	4,326	64,547
Licenses and permits	-	-	-	-
Miscellaneous	109,104	9,750	-	13,300
<b>Total Revenues</b>	<b>109,104</b>	<b>89,750</b>	<b>199,304</b>	<b>77,847</b>
<b>Expenditures</b>				
Current				
General administration	275,432	-	922	8,284
Public works	-	-	239	8,149
Community development	-	-	-	-
Debt service				
Principal	-	811,896	-	-
Interest and fiscal charges	-	112,671	1,541	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>275,432</b>	<b>924,567</b>	<b>2,702</b>	<b>16,433</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(166,328)</b>	<b>(834,817)</b>	<b>196,602</b>	<b>61,414</b>
<b>Other Financing Sources</b>				
Transfers in	-	827,770	-	-
<b>Net Change in Fund Balances</b>	<b>(166,328)</b>	<b>(7,047)</b>	<b>196,602</b>	<b>61,414</b>
<b>Fund Balances (Deficit) - January 1</b>	<b>394,514</b>	<b>10,472</b>	<b>(333,791)</b>	<b>1,349,299</b>
<b>Fund Balances (Deficit) - December 31</b>	<b>\$ 228,186</b>	<b>\$ 3,425</b>	<b>\$ (137,189)</b>	<b>\$ 1,410,713</b>

Capital Projects (Continued)			Total Nonmajor Governmental Funds
Tax Increment District No. 5	Tax Increment District No. 6	Park Development	
\$ -	\$ -	\$ 20,000	\$ 294,978
2,046	1,146	-	72,065
-	-	92,741	92,741
-	-	33,045	165,199
2,046	1,146	145,786	624,983
12,437	114,744	-	411,819
-	-	-	8,388
-	-	15,290	15,290
-	-	-	811,896
-	-	-	114,212
-	-	111,028	111,028
12,437	114,744	126,318	1,472,633
(10,391)	(113,598)	19,468	(847,650)
-	-	-	827,770
(10,391)	(113,598)	19,468	(19,880)
(43,525)	(11,345)	313,444	1,679,068
\$ (53,916)	\$ (124,943)	\$ 332,912	\$ 1,659,188

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Community Development Special Revenue Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 91,800	\$ 91,800	\$ 109,104	\$ 17,304
Expenditures				
Current				
General administration	396,000	396,000	275,432	120,568
Net Change in Fund Balance	(304,200)	(304,200)	(166,328)	137,872
Fund Balance - January 1	394,514	394,514	394,514	-
Fund Balance - December 31	\$ 90,314	\$ 90,314	\$ 228,186	\$ 137,872

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Debt Service Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Miscellaneous	9,700	9,700	9,750	50
Total Revenues	<u>89,700</u>	<u>89,700</u>	<u>89,750</u>	<u>50</u>
Expenditures				
Debt service				
Principal	811,899	811,899	811,896	3
Interest and fiscal charges	112,671	112,671	112,671	-
Total Expenditures	<u>924,570</u>	<u>924,570</u>	<u>924,567</u>	<u>3</u>
Excess of Revenues Over (Under) Expenditures	<u>(834,870)</u>	<u>(834,870)</u>	<u>(834,817)</u>	<u>53</u>
Other Financing Sources				
Transfers in	<u>827,700</u>	<u>827,700</u>	<u>827,770</u>	<u>70</u>
Net Change in Fund Balance	(7,170)	(7,170)	(7,047)	123
Fund Balance - January 1	<u>10,472</u>	<u>10,472</u>	<u>10,472</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 3,302</u>	<u>\$ 3,302</u>	<u>\$ 3,425</u>	<u>\$ 123</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Capital Improvements Capital Projects Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 855,500	\$ 855,500	\$ 856,273	\$ 773
Special assessments	75,000	75,000	137,984	62,984
Intergovernmental	227,000	227,000	294,172	67,172
Public charges for services	300,600	300,600	118,651	(181,949)
Miscellaneous	17,500	17,500	178,683	161,183
<b>Total Revenues</b>	<b>1,475,600</b>	<b>1,475,600</b>	<b>1,585,763</b>	<b>110,163</b>
<b>Expenditures</b>				
Current				
General administration	1,343,000	1,343,000	414,558	928,442
Public safety	88,000	88,000	225,170	(137,170)
Public works	557,500	557,500	423,592	133,908
Capital outlay	1,084,500	1,084,500	657,140	427,360
<b>Total Expenditures</b>	<b>3,073,000</b>	<b>3,073,000</b>	<b>1,720,460</b>	<b>1,352,540</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,597,400)</b>	<b>(1,597,400)</b>	<b>(134,697)</b>	<b>1,462,703</b>
<b>Other Financing Sources</b>				
Transfers in	435,200	435,200	435,252	52
<b>Net Change in Fund Balance</b>	<b>(1,162,200)</b>	<b>(1,162,200)</b>	<b>300,555</b>	<b>1,462,755</b>
<b>Fund Balance - January 1</b>	<b>2,129,950</b>	<b>2,129,950</b>	<b>2,129,950</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 967,750</b>	<b>\$ 967,750</b>	<b>\$ 2,430,505</b>	<b>\$ 1,462,755</b>

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Tax Incremental District No. 3 Capital Projects Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 195,000	\$ 195,000	\$ 194,978	\$ (22)
Intergovernmental	3,000	3,000	4,326	1,326
Total Revenues	<u>198,000</u>	<u>198,000</u>	<u>199,304</u>	<u>1,304</u>
Expenditures				
Current				
General administration	1,000	1,000	922	78
Public works	-	-	239	(239)
Debt service				
Interest on interfund advance	1,200	1,200	1,541	(341)
Total Expenditures	<u>2,200</u>	<u>2,200</u>	<u>2,702</u>	<u>(502)</u>
Net Change in Fund Balance	195,800	195,800	196,602	802
Fund Balance (Deficit) - January 1	<u>(333,791)</u>	<u>(333,791)</u>	<u>(333,791)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (137,991)</u>	<u>\$ (137,991)</u>	<u>\$ (137,189)</u>	<u>\$ 802</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Tax Incremental District No. 4 Capital Projects Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 64,547	\$ 51,547
Miscellaneous	-	-	13,300	13,300
Total Revenues	13,000	13,000	77,847	64,847
Expenditures				
Current				
General administration	3,000	3,000	8,284	(5,284)
Public works	-	-	8,149	(8,149)
Total Expenditures	3,000	3,000	16,433	(13,433)
Net Change in Fund Balance	10,000	10,000	61,414	51,414
Fund Balance - January 1	1,349,299	1,349,299	1,349,299	-
Fund Balance - December 31	\$ 1,359,299	\$ 1,359,299	\$ 1,410,713	\$ 51,414

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Tax Incremental District No. 5 Capital Projects Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 2,046	\$ 46
Expenditures				
Current				
General administration	800	800	12,437	(11,637)
Net Change in Fund Balance	1,200	1,200	(10,391)	(11,591)
Fund Balance (Deficit) - January 1	(43,525)	(43,525)	(43,525)	-
Fund Balance (Deficit) - December 31	<u>\$ (42,325)</u>	<u>\$ (42,325)</u>	<u>\$ (53,916)</u>	<u>\$ (11,591)</u>

**VILLAGE OF HOWARD, WISCONSIN**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Tax Incremental District No. 6 Capital Projects Fund  
 For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,000	\$ 1,000	\$ 1,146	\$ 146
Miscellaneous	-	-	-	-
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,146</u>	<u>146</u>
Expenditures				
General administration	<u>250</u>	<u>250</u>	<u>114,744</u>	<u>(114,494)</u>
Net Change in Fund Balance	750	750	(113,598)	(114,348)
Fund Balance (Deficit) - January 1	<u>(11,345)</u>	<u>(11,345)</u>	<u>(11,345)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (10,595)</u>	<u>\$ (10,595)</u>	<u>\$ (124,943)</u>	<u>\$ (114,348)</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Park Development Capital Projects Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Licenses and permits	183,100	183,100	92,741	(90,359)
Miscellaneous	25,000	25,000	33,045	8,045
Total Revenues	<u>228,100</u>	<u>228,100</u>	<u>145,786</u>	<u>(82,314)</u>
Expenditures				
Current				
Community development	-	-	15,290	(15,290)
Capital outlay	160,000	160,000	111,028	48,972
Total Expenditures	<u>160,000</u>	<u>160,000</u>	<u>126,318</u>	<u>33,682</u>
Net Change in Fund Balance	68,100	68,100	19,468	(48,632)
Fund Balance - January 1	<u>313,444</u>	<u>313,444</u>	<u>313,444</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 381,544</u>	<u>\$ 381,544</u>	<u>\$ 332,912</u>	<u>\$ (48,632)</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Changes in Assets and Liabilities - Fiduciary Fund  
Property Tax Agency Fund  
For the Year Ended December 31, 2011

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
<b>ASSETS</b>				
Cash and investments	\$ 9,153,248	\$ 14,711,027	\$ 14,433,245	\$ 9,431,030
Receivables				
Taxes	11,368,535	20,756,829	20,799,565	11,325,799
<b>TOTAL ASSETS</b>	<u>\$ 20,521,783</u>	<u>\$ 35,467,856</u>	<u>\$ 35,232,810</u>	<u>\$ 20,756,829</u>
 <b>LIABILITIES</b>				
Due to other governments	<u>\$ 20,521,783</u>	<u>\$ 20,756,829</u>	<u>\$ 20,521,783</u>	<u>\$ 20,756,829</u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION

This section of the Village of Howard's comprehensive annual financial report presents detailed information as a

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	67-71
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	72-75
<b>Debt Capacity</b>  These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the ability to issue additional debt in the future.	76-80
<b>Demographic and Economic Information</b> These schedule offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	81-82
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the village's financial report relates to the services the Village provides and the activities performed. The Village of Howard implemented GASB 34 in 2004; schedules presenting government-wide information include information beginning in 2004.	83-85
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

Schedule 1

Village of Howard, Wisconsin  
 Net Assets by Component  
 Last Eight Years  
 (accrual basis of accounting)

	Year Ending December 31							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	\$ 30,122,282	\$ 26,089,460	\$ 29,566,748	\$ 32,689,793	\$ 36,072,726	\$ 38,547,937	\$ 39,295,183	\$ 39,379,378
Restricted	1,309,913	1,345,029	1,062,533	1,102,782	1,048,315	1,030,191	1,031,182	1,030,917
Unrestricted	6,968,999	8,189,793	8,577,881	8,105,930	6,939,437	6,176,674	7,664,024	8,360,853
Total governmental activities net assets	\$ 38,401,194	\$ 35,624,282	\$ 39,207,162	\$ 41,898,505	\$ 44,060,478	\$ 45,754,802	\$ 47,990,389	\$ 48,771,148
Business-type activities								
Invested in capital assets, net of related debt	\$ 28,449,048	\$ 43,242,500	\$ 44,557,792	\$ 46,081,375	\$ 47,478,515	\$ 47,783,439	\$ 50,272,132	\$ 51,899,574
Restricted	330,491	335,330	181,633	187,497	197,693	205,813	214,282	-
Unrestricted	6,580,827	6,531,644	6,247,589	6,466,882	7,263,405	7,474,881	6,907,724	6,415,690
Total business-type activities net assets	\$ 35,360,366	\$ 50,109,474	\$ 50,987,014	\$ 52,735,754	\$ 54,939,613	\$ 55,464,133	\$ 57,394,138	\$ 58,315,264
Primary government								
Invested in capital assets, net of related debt	\$ 58,571,330	\$ 69,331,960	\$ 74,124,540	\$ 78,771,168	\$ 83,551,241	\$ 86,331,376	\$ 89,567,315	\$ 91,278,952
Restricted	1,640,404	1,680,359	1,244,166	1,290,279	1,246,008	1,236,004	1,245,464	1,030,917
Unrestricted	13,549,826	14,721,437	14,825,470	14,572,812	14,202,842	13,651,555	14,571,748	14,776,543
Total primary government net assets	\$ 73,761,560	\$ 85,733,756	\$ 90,194,176	\$ 94,634,259	\$ 99,000,091	\$ 101,218,935	\$ 105,384,527	\$ 107,086,412

**Schedule 2**

**Village of Howard, Wisconsin  
Changes in Net Assets  
Last Eight Years**  
(accrual basis of accounting)

	Year Ending December 31							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
Governmental activities:								
General government	\$ 1,046,829	\$ 893,385	\$ 1,484,829	\$ 1,133,800	\$ 1,382,707	\$ 1,257,626	\$ 1,955,969	\$ 1,124,592
Public safety	2,309,387	1,949,738	2,364,338	2,203,515	2,665,384	2,434,628	2,611,273	2,763,614
Public works	3,474,702	2,568,577	3,369,035	5,171,780	3,696,044	3,931,735	3,611,093	4,668,221
Community development	585,002	766,354	739,542	1,002,733	668,293	678,144	637,115	557,703
Interest on debt	477,955	421,889	376,902	336,586	258,309	213,497	156,774	141,098
Total governmental activities expenses	7,893,875	6,599,943	8,334,646	9,848,414	8,670,737	8,515,630	8,972,224	9,255,228
Business-type activities:								
Water	1,290,574	1,946,028	2,847,297	4,219,635	3,589,368	3,759,595	3,667,703	4,366,218
Sewer	1,562,590	1,784,350	1,689,174	2,289,764	1,663,577	1,875,683	1,826,843	1,980,817
Stormwater	-	512,541	580,053	585,645	585,968	605,647	520,419	624,334
Golf course	462,112	498,257	532,348	559,684	562,453	573,130	582,341	400,607
Total business-type activities expenses	3,315,276	4,741,176	5,648,872	7,654,728	6,401,366	6,814,055	6,597,306	7,371,976
Total primary government expenses	\$ 11,209,151	\$ 11,341,119	\$ 13,983,518	\$ 17,503,142	\$ 15,072,103	\$ 15,329,685	\$ 15,569,530	\$ 16,627,204
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
Fines and forfeitures	\$ 170,819	\$ 150,312	\$ 136,832	\$ 130,258	\$ 170,649	\$ 168,453	\$ 189,839	\$ 206,137
Building, zoning permits and fees	144,990	107,749	103,681	119,737	115,575	69,466	112,117	136,324
Recreation program fees and rentals	74,321	88,562	88,760	122,179	118,883	112,782	98,143	90,127
All other charges for services	70,867	97,678	62,291	85,596	118,002	123,033	630,056	210,139
Operating grants and contributions	1,096,193	1,177,918	1,147,803	1,114,195	1,114,661	1,074,270	1,016,966	1,285,261
Capital grants and contributions	4,139,001	4,360,910	2,129,762	1,035,452	734,144	677,618	1,360,473	333,619
Total governmental activities program revenue	5,696,191	5,983,129	3,669,129	2,607,417	2,371,914	2,225,622	3,407,594	2,261,607
Business-type activities:								
Charges for service								
Water	1,753,859	2,464,971	3,216,781	4,609,760	4,811,779	4,358,953	4,242,799	4,489,964
Sewer	1,729,232	1,944,082	1,917,606	2,576,564	2,155,709	1,856,272	1,939,995	2,106,016
Stormwater	-	585,348	538,509	552,400	707,103	707,817	699,105	707,948
Golf course	591,970	611,301	637,020	671,646	643,632	631,401	598,526	462,386
Capital grants and contributions	1,701,045	4,703,805	154,601	1,105,529	523,537	33,367	1,253,258	884,646
Total business-type activities program revenue	5,776,106	10,309,507	6,464,517	9,515,899	8,841,760	7,587,810	8,733,683	8,650,960
Total primary government program revenues	\$ 11,472,297	\$ 16,292,636	\$ 10,133,646	\$ 12,123,316	\$ 11,213,674	\$ 9,813,432	\$ 12,141,277	\$ 10,912,567

(Continued on next page.)

**Village of Howard, Wisconsin**  
**Changes in Net Assets**  
**Last Eight Years**  
(accrual basis of accounting)

	Year Ending December 31							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses (from previous page)</b>								
Governmental activities	\$ 7,893,875	\$ 6,587,198	\$ 8,334,646	\$ 9,848,414	\$ 8,670,737	\$ 8,515,630	\$ 8,972,224	\$ 9,255,228
Business-type activities	3,315,276	4,741,176	5,648,872	7,654,728	6,401,366	6,814,055	6,597,306	7,371,976
Total primary government expenses	11,209,151	11,328,374	13,983,518	17,503,142	15,072,103	15,329,685	15,569,530	16,627,204
<b>Program Revenues (from previous page)</b>								
Governmental activities	5,696,191	5,983,129	3,669,129	2,607,417	2,371,914	2,225,622	3,407,594	2,261,607
Business-type activities	5,776,106	10,309,507	6,464,517	9,515,899	8,841,760	7,587,810	8,733,683	8,650,960
Total primary government program revenues	11,472,297	16,292,636	10,133,646	12,123,316	11,213,674	9,813,432	12,141,277	10,912,567
<b>Net (Expense)/Revenue</b>								
Governmental activities	(2,197,684)	(604,069)	(4,665,517)	(7,240,997)	(6,298,823)	(6,290,008)	(5,564,630)	(6,993,621)
Business-type activities	2,460,830	5,568,331	815,645	1,861,171	2,440,394	773,755	2,136,377	1,278,984
<b>Total primary government net revenue</b>	<b>263,146</b>	<b>4,964,262</b>	<b>(3,849,872)</b>	<b>(5,379,826)</b>	<b>(3,858,429)</b>	<b>(5,516,253)</b>	<b>(3,428,253)</b>	<b>(5,714,637)</b>
<b>General Revenue and Other Changes in Net Assets</b>								
Governmental activities								
Taxes								
Property taxes, levied for general purposes	3,544,682	3,378,772	3,574,643	3,695,810	3,935,655	3,975,443	4,327,214	4,303,755
Property taxes, levied for debt services	1,672,076	1,633,422	1,627,758	1,668,907	1,803,389	1,916,031	1,630,277	1,319,865
Other taxes	16,828	11,844	30,955	10,895	13,719	11,572	9,960	11,420
Unrestricted grants and contributions	1,064,116	1,054,915	1,014,373	992,194	950,182	913,973	815,699	816,472
Interest and investment earnings	145,060	372,137	608,616	736,012	361,603	225,683	92,501	97,812
Miscellaneous	387,034	393,019	1,189,306	2,319,213	823,499	542,978	665,020	805,496
Gain (loss) on sale of asset(s)	92,852	(12,747)	-	150,211	194,290	18,311	1,413	2,200
Transfers in (out)	330,621	(9,004,205)	182,002	359,098	378,459	380,341	258,133	417,360
Total governmental activities	7,253,269	(2,172,843)	8,227,653	9,932,340	8,460,796	7,984,332	7,800,217	7,774,380
Business-type activities								
Interest and investment earnings	86,566	176,570	243,897	246,667	141,924	130,606	51,261	59,502
Miscellaneous	-	-	-	-	-	500	500	-
Transfers in (out)	(330,621)	9,004,205	(182,002)	(359,098)	(378,459)	(380,341)	(258,133)	(417,360)
Total business-type activities	(244,055)	9,180,775	61,895	(112,431)	(236,535)	(249,235)	(206,372)	(357,858)
Total primary government	7,009,214	7,007,932	8,289,548	9,819,909	8,224,261	7,735,097	7,593,845	7,416,522
<b>Changes in Net Assets</b>								
Governmental activities	5,055,585	(2,776,912)	3,562,136	2,691,343	2,161,973	1,694,324	2,235,587	780,759
Business-type activities	2,216,775	14,749,106	877,540	1,748,740	2,203,859	524,520	1,930,005	921,126
Total primary government	\$ 7,272,360	\$ 11,972,194	\$ 4,439,676	\$ 4,440,083	\$ 4,365,832	\$ 2,218,844	\$ 4,165,592	\$ 1,701,885

Schedule 3

Village of Howard, Wisconsin  
Fund Balances, Governmental Funds,  
Last Ten Years  
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Designated	1,379,000	1,397,580	1,351,000	1,337,500	1,729,965	1,879,000	2,292,299	2,499,687	2,666,400	-
Undesignated	770,491	804,926	995,245	1,650,622	1,350,346	413,299	294,874	143,252	58,507	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	2,149,491	2,202,506	2,346,245	2,988,122	3,080,311	2,292,299	2,587,173	2,642,939	2,724,907	3,011,064
All Other Governmental Funds										
Reserved	19,182	45,727	369,834	612,481	828,769	1,975,988	2,257,544	1,419,890	1,584,183	-
Unreserved, reported in										
Special revenue funds	424,361	594,076	578,573	541,699	620,341	777,742	644,302	562,307	394,514	-
Capital projects funds	2,515,114	3,681,215	2,986,466	3,447,927	3,791,869	2,619,157	678,437	849,259	2,054,733	-
Restricted	-	-	-	-	-	-	-	-	-	2,465,611
Assigned	-	-	-	-	-	-	-	-	-	2,430,505
Unassigned	-	-	-	-	-	-	-	-	-	(316,048)
Total all other governmental funds	\$2,958,657	\$4,321,018	\$3,934,873	\$4,602,107	\$5,240,979	\$5,372,887	\$3,580,283	\$2,831,456	\$4,033,430	\$4,580,068

Note: For this Schedule and Schedule 4, Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Project Funds.  
The prior years were not restated for the new categories of fund balance from GASB Statement 54.

**Schedule 4**

**Village of Howard, Wisconsin**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
 (modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes	\$ 4,907,457	\$ 5,257,317	\$ 5,237,053	\$ 5,025,279	\$ 5,234,353	\$ 5,376,556	\$ 5,753,866	\$ 5,904,554	\$ 5,973,824	\$ 5,638,858
Special assessments	888,915	597,661	412,250	601,655	305,560	200,246	195,683	205,564	84,813	140,071
Intergovernmental	2,060,957	2,382,519	2,425,046	2,403,833	2,849,702	2,247,176	2,312,599	2,055,161	2,181,586	2,101,798
Charges for services	1,132,374	1,777,270	3,618,873	3,929,955	1,386,126	423,239	352,178	712,196	573,641	288,503
Licenses and permits	296,218	497,857	296,155	280,691	346,973	130,820	163,985	327,257	190,309	477,208
Fines and forfeits	149,513	166,560	179,694	162,373	137,347	454,209	436,473	169,110	755,484	206,137
Miscellaneous	809,860	977,755	803,487	775,045	1,813,881	3,217,383	1,480,121	693,684	768,522	830,689
<b>Total revenues</b>	<b>10,245,294</b>	<b>11,656,939</b>	<b>12,972,558</b>	<b>13,178,831</b>	<b>12,073,942</b>	<b>12,049,629</b>	<b>10,694,905</b>	<b>10,067,526</b>	<b>10,528,179</b>	<b>9,683,264</b>
<b>Expenditures</b>										
General administration	\$ 830,784	\$ 935,845	\$ 972,531	\$ 1,061,813	\$ 1,574,379	\$ 1,067,230	\$ 1,325,974	\$ 1,104,825	\$ 1,398,099	\$ 1,688,428
Public safety	1,919,197	2,045,682	2,145,383	1,807,444	2,224,392	2,376,424	2,419,062	2,285,910	2,487,415	2,720,579
Public works	1,497,607	1,564,419	1,639,911	1,457,571	1,571,756	1,686,253	1,767,351	2,757,068	3,162,767	2,995,766
Culture and recreation	492,419	572,062	588,039	607,122	669,589	754,140	687,693	-	-	-
Community development	-	-	-	-	-	-	-	604,738	555,659	504,032
Economic development	11,820	-	84,173	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	3,250,000	1,270,812	1,205,000	1,305,000	1,405,000	2,175,000	1,205,000	2,420,000	620,000	811,896
Interest	549,385	591,727	533,556	392,405	350,348	310,902	254,377	209,206	113,661	114,212
Bond issuance costs	19,360	-	-	-	-	-	-	-	-	-
Capital outlay	8,867,659	4,630,515	5,030,653	5,587,007	3,642,719	4,694,882	4,889,838	1,759,181	2,086,840	768,168
<b>Total expenditures</b>	<b>17,438,231</b>	<b>11,611,062</b>	<b>12,199,246</b>	<b>12,218,362</b>	<b>11,438,183</b>	<b>13,064,831</b>	<b>12,549,295</b>	<b>11,140,928</b>	<b>10,424,441</b>	<b>9,603,081</b>
Excess of revenues over (under) expenditures	(7,192,937)	45,877	773,312	960,469	635,759	(1,015,202)	(1,854,390)	(1,073,402)	103,738	80,183
<b>Other Financing Sources (Uses)</b>										
Transfers in	1,154,894	1,422,425	1,671,607	1,789,008	1,750,645	3,375,454	1,421,421	3,942,521	1,868,108	1,580,382
Transfers out	(1,094,894)	(1,462,425)	(1,340,986)	(1,441,265)	(1,668,643)	(3,016,356)	(1,042,982)	(3,562,180)	(1,471,260)	(827,770)
Long-term debt issued	4,845,000	1,425,000	4,655,000	-	-	-	-	-	783,356	-
Payment to escrow agent on refunded debt	-	(1,423,934)	(4,592,906)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,905,000</b>	<b>(38,934)</b>	<b>392,715</b>	<b>347,743</b>	<b>82,002</b>	<b>359,098</b>	<b>378,459</b>	<b>380,341</b>	<b>1,180,204</b>	<b>752,612</b>
<b>Net change in fund balances</b>	<b>\$ (2,287,937)</b>	<b>\$ 6,943</b>	<b>\$ 1,166,027</b>	<b>\$ 1,308,212</b>	<b>\$ 717,761</b>	<b>\$ (656,104)</b>	<b>\$ (1,475,931)</b>	<b>\$ (693,061)</b>	<b>\$ 1,283,942</b>	<b>\$ 832,795</b>
Debt service as a percentage of noncapital expenditures	44.6%	26.7%	24.3%	24.3%	22.0%	23.0%	16.4%	28.0%	8.8%	10.5%

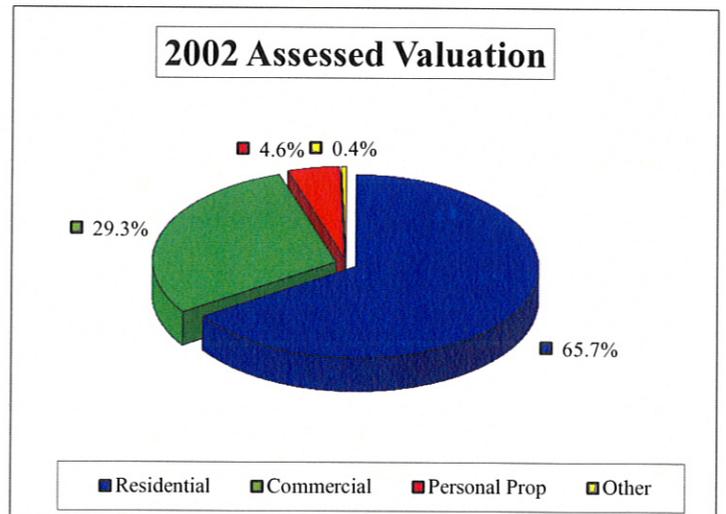
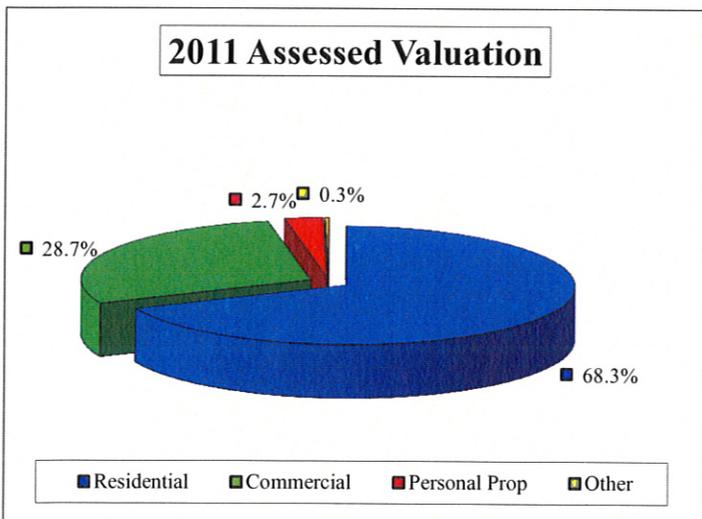
Schedule 5

**Village of Howard, Wisconsin**  
Assessed and Equalized Valuations of Taxable Property  
Last Ten Fiscal Years

Year	Assessed Valuations				Total Assessed Valuation	Total Equalized Valuation	Ratio-Total Assessed to Equalized Valuations	Total Direct Tax Rate
	Residential	Commercial and Manufacturing	Personal Property	All Other Classes				
2002	\$ 582,795,300	\$ 259,655,600	\$ 40,732,000	\$ 3,870,800	\$ 887,053,700	\$ 925,493,100	95.85%	\$4.80
2003	\$ 619,333,100	\$ 274,055,800	\$ 43,537,700	\$ 3,787,300	\$ 940,713,900	\$ 1,009,916,900	93.15%	\$4.20
2004	\$ 737,372,600	\$ 303,657,100	\$ 41,847,200	\$ 3,725,700	\$ 1,086,602,600	\$ 1,079,209,100	100.69%	\$4.32
2005	\$ 773,102,700	\$ 316,303,700	\$ 44,175,400	\$ 3,306,600	\$ 1,136,888,400	\$ 1,181,043,700	96.26%	\$4.33
2006	\$ 811,585,400	\$ 324,019,500	\$ 41,931,860	\$ 3,594,900	\$ 1,181,131,660	\$ 1,296,020,200	91.14%	\$3.69
2007	\$ 909,967,300	\$ 383,073,900	\$ 42,915,300	\$ 3,918,600	\$ 1,339,875,100	\$ 1,341,938,500	99.85%	\$3.67
2008	\$ 930,259,500	\$ 384,647,100	\$ 43,980,000	\$ 3,814,100	\$ 1,362,700,700	\$ 1,395,675,400	97.64%	\$3.32
2009	\$ 944,927,100	\$ 389,817,000	\$ 44,554,800	\$ 3,926,000	\$ 1,383,224,900	\$ 1,412,174,200	97.95%	\$3.31
2010	\$ 953,575,800	\$ 393,753,600	\$ 40,846,900	\$ 3,947,300	\$ 1,392,123,600	\$ 1,381,526,100	100.77%	\$3.32
2011	\$ 966,964,900	\$ 406,284,300	\$ 38,008,600	\$ 3,775,600	\$ 1,415,033,400	\$ 1,341,434,800	105.49%	\$3.31

Note: The 2007 and 2004 assessed valuations reflect the changes made due to reassessments (market adjustment type) in those years. The Total Direct Tax Rate are per \$1,000 of assessed value. Assessed and equalized values were as of January 1 of the year listed. The tax rate represents the tax rate for property taxes due and payable in the calendar year listed.

Source: Equalized Valuations were derived from Wisconsin Department of Revenue.



**Schedule 6**

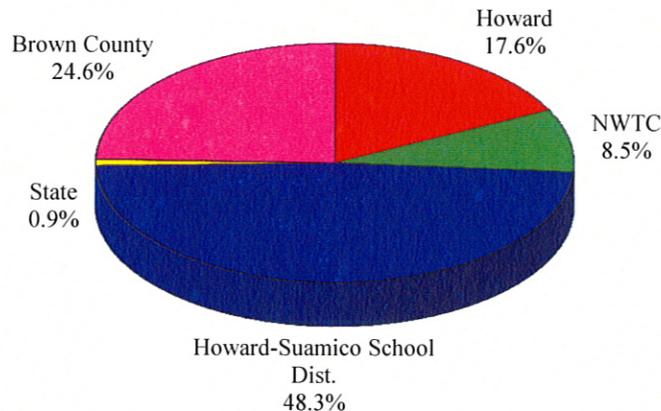
**Village of Howard, Wisconsin**  
**Property Tax Rates - Direct and Overlying Governments**  
**Last Ten Fiscal Years**

Fiscal Year/ Tax Roll Year	Village of Howard				Overlapping Rates							
	Basic Rate	General Obligation Debt Rate	Total Rate	Percent of Total Tax Bill	Howard-Suamico School District		Northeast Wisconsin Vocational Technical College District		Brown County		State of Wisconsin	
					Rate	Percent	Rate	Percent	Rate	Percent	Rate	Percent
2002/2001	\$ 3.97	\$ 0.39	\$ 4.36	19.2%	\$ 10.72	47.2%	\$ 1.52	6.7%	\$ 5.88	25.9%	\$ 0.22	1.0%
2003/2002	\$ 3.97	\$ 0.39	\$ 4.36	21.0%	\$ 9.31	44.9%	\$ 1.60	7.7%	\$ 5.26	25.4%	\$ 0.20	1.0%
2004/2003	\$ 3.98	\$ 0.36	\$ 4.34	20.5%	\$ 9.26	43.8%	\$ 1.69	8.0%	\$ 5.64	26.7%	\$ 0.21	1.0%
2005/2004	\$ 3.32	\$ 0.37	\$ 3.69	17.6%	\$ 9.89	47.1%	\$ 1.68	8.0%	\$ 5.54	26.4%	\$ 0.21	1.0%
2006/2005	\$ 3.32	\$ 0.37	\$ 3.69	19.5%	\$ 8.73	46.1%	\$ 1.52	8.0%	\$ 4.82	25.4%	\$ 0.19	1.0%
2007/2006	\$ 3.32	\$ 0.35	\$ 3.67	19.1%	\$ 8.78	45.7%	\$ 1.61	8.4%	\$ 4.98	25.9%	\$ 0.19	1.0%
2008/2007	\$ 3.07	\$ 0.25	\$ 3.32	18.3%	\$ 8.50	46.9%	\$ 1.47	8.1%	\$ 4.67	25.8%	\$ 0.17	0.9%
2009/2008	\$ 3.07	\$ 0.24	\$ 3.31	18.1%	\$ 8.50	46.5%	\$ 1.52	8.3%	\$ 4.79	26.2%	\$ 0.17	0.9%
2010/2009	\$ 3.31	\$ -	\$ 3.31	17.8%	\$ 8.79	47.2%	\$ 1.57	8.4%	\$ 4.77	25.6%	\$ 0.17	0.9%
2011/2010	\$ 3.25	\$ 0.06	\$ 3.31	17.6%	\$ 9.08	48.3%	\$ 1.60	8.5%	\$ 4.62	24.6%	\$ 0.17	0.9%

Note: The rates stated above are per thousand dollar of assessed valuation. The effect of rounding may result in different calculated amounts. Reassessments (market adjustment type) are performed once every three years and has the effect of lowering the tax rates for each jurisdiction. Reassessments were performed in 2001, 2004 and 2007 tax roll years.

In 2007, the State of Wisconsin passed legislature that would limit a municipality's tax levy increases in the years 2008 and 2007. In 2009, a similar state bill was passed that continued the limits for 2009 and 2010. The limit would allow growth in the tax levy of either 2.0% or the rate of growth in the municipality, whichever is larger. Howard's limit in 2010 is 2.0%. Prior to the 2006 budget, there were no limits on increases in the tax rate. The limit excludes tax levy increases for debt payments.

**2010/2009 Tax Rates Per Thousand**  
**Percentages of Property Tax Bill**



Schedule 7

Village of Howard, Wisconsin  
 Ten Largest Taxpayers  
 Current Year and Nine Years Ago

Taxpayer / Ownership	2011 Assessed Valuation	Rank	Percentage of Total Assessments	2002 Assessed Valuation	Rank	Percentage of Total Assessments
United Health Group <i>Insurance company</i>	\$ 38,037,900	1	2.69%	\$ 44,676,600	1	5.04%
Woodman's Food Market <i>Groceries</i>	\$ 14,349,700	2	1.01%	\$ 18,738,900	2	2.11%
Elana LLC <i>Apartment complex</i>	\$ 13,822,700	3	0.98%	\$ 12,848,300	3	1.45%
Mills Property, Inc. <i>Retail outlet</i>	\$ 9,601,900	4	0.68%	\$ 5,882,100	6	0.66%
Omnova Solutions <i>Manufacturing</i>	\$ 8,736,300	5	0.62%	\$ 10,272,800	4	1.16%
G D C Packerland LLC <i>Warehousing</i>	\$ 8,275,800	6	0.58%	\$ 7,230,500	5	0.82%
Watermolen - Sole Proprietor <i>Apartment buildings</i>	\$ 8,012,800	7	0.57%	-	-	-
Comfort Suites & Rock Gardens <i>Hotel/restaurant</i>	\$ 7,831,600	8	0.55%	\$ 5,121,400	8	0.58%
Wirthington Estates <i>Apartments</i>	\$ 6,358,200	9	0.45%	-	-	-
B&D Warehousing <i>Warehousing</i>	\$ 6,225,300	10	0.44%	\$ 5,232,500	7	0.59%
M - K Investors LLC <i>Manufacturing</i>	-	-	-	\$ 5,047,100	9	0.57%
Gustmans Family LTD <i>Auto Dealership</i>	-	-	-	\$ 4,253,000	10	0.48%
<b>Total</b>	<b>\$ 121,252,200</b>		<b>8.57%</b>	<b>\$ 110,003,100</b>		<b>13.45%</b>

Note: Omnova Solutions is a manufacturing facility that has always been assessed by the State of Wisconsin. During 2004, Omnova appealed the assessed valuation on their property and were granted a reduction of about \$4 million in a lower valuation.

M-K Investors LLC and the Gustmans Family LTD are still both operating in Howard with substantial valuations. Neither property has a large enough value to be placed into the Top 10 list for 2011.

Watermolen was operating in 2002 with substantial valuation but was not in the top 10 list.

Schedule 8

**Village of Howard, Wisconsin**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

Fiscal Year/ Tax Roll	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collection In Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002/2001	\$ 17,153,189	\$ 17,148,046	99.97%	4,729	\$ 17,152,775	100.00%
2003/2002	\$ 18,759,353	\$ 18,754,159	99.97%	4,009	\$ 18,758,168	99.99%
2004/2003	\$ 20,376,912	\$ 20,353,177	99.88%	21,410	\$ 20,374,587	99.99%
2005/2004	\$ 20,579,903	\$ 20,577,578	99.99%	1,873	\$ 20,579,451	100.00%
2006/2005	\$ 21,602,313	\$ 21,584,509	99.92%	2,658	\$ 21,599,655	99.99%
2007/2006	\$ 22,707,706	\$ 22,689,902	99.92%	1,329	\$ 22,691,231	99.93%
2008/2007	\$ 24,177,750	\$ 24,143,787	99.86%	30,310	\$ 24,174,097	99.98%
2009/2008	\$ 24,928,799	\$ 24,900,573	99.89%	1,058	24,899,515	99.88%
2010/2009	\$ 25,736,128	\$ 25,704,313	99.88%	4,138	25,708,451	99.89%
2011/2010	\$ 26,141,298	\$ 26,109,483	99.88%	N/A	N/A	N/A

Note: In August of each year, the Village settles with the County Treasurer for 100% of all real property taxes; afterward, only unpaid personal property taxes remain the responsibility of the Village for collections.

Schedule 9

Village of Howard, Wisconsin  
 Ratios of Outstanding Debt by Type  
 Last Ten Years

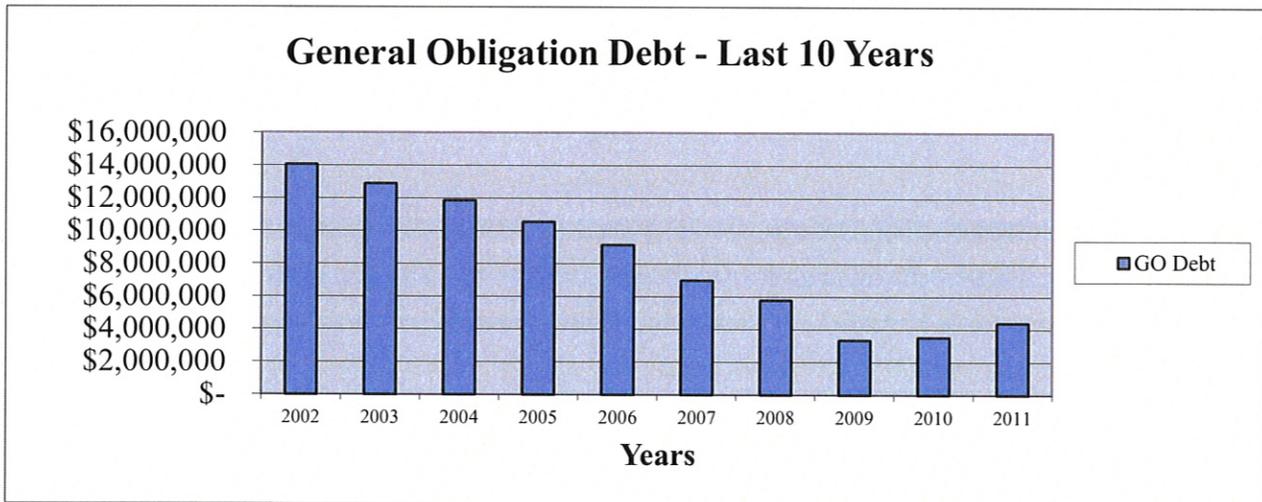
Year	(1) Governmental Activities	(2) Business-Type Activities					(1 + 2)		
	Outstanding General Obligation Debt	Water and Sewer Revenue Bonds	Other Sewer Fund Debt	Total Water and Sewer Debt	Average Number of Customers	Ratio of Revenue Bonds to Average No. Customers	Total Primary Government Debt	Ratio to Total Assessed Value	Per Capita
2002	\$ 14,065,811	\$ 5,920,000	\$ 903,618	\$ 6,823,618	4,663	\$ 1,463.35	\$ 20,889,429	1.56%	\$ 1,453.08
2003	\$ 12,890,000	\$ 5,560,000	\$ 843,868	\$ 6,403,868	4,888	\$ 1,310.12	\$ 19,293,868	1.44%	\$ 1,290.82
2004	\$ 11,865,000	\$ 5,190,000	\$ 782,297	\$ 5,972,297	5,129	\$ 1,164.42	\$ 17,837,297	1.33%	\$ 1,172.89
2005	\$ 10,560,000	\$ 4,810,000	\$ 718,829	\$ 5,528,829	5,367	\$ 1,030.15	\$ 16,088,829	1.20%	\$ 1,039.67
2006	\$ 9,155,000	\$ 4,410,000	\$ 653,405	\$ 5,063,405	5,481	\$ 923.81	\$ 14,218,405	1.06%	\$ 898.19
2007	\$ 6,980,000	\$ 4,005,000	\$ 585,952	\$ 4,590,952	5,612	\$ 818.06	\$ 11,570,952	0.86%	\$ 730.95
2008	\$ 5,775,000	\$ 3,575,000	\$ 516,396	\$ 4,091,396	5,721	\$ 715.15	\$ 9,866,396	0.72%	\$ 618.00
2009	\$ 3,355,000	\$ 3,125,000	\$ 444,661	\$ 3,569,661	5,885	\$ 606.57	\$ 6,924,661	0.50%	\$ 429.84
2010	\$ 3,518,356	\$ 2,660,000	\$ 370,677	\$ 3,030,677	5,944	\$ 509.87	\$ 6,549,033	0.47%	\$ 376.40
2011	\$ 4,401,460	\$ -	\$ 294,349	\$ 294,349	5,992	\$ 49.12	\$ 4,695,809	0.33%	\$ 264.88

\*\*\*

\*\*\* 2011 G.O. debt includes \$1,965,000 of water utility G.O. debt because revenue bonds were refinanced as G.O. bonds in 2011.

\*\* See Schedule 5 for total assessed value.

\* See Schedule 14 for population data.



Schedule 10

**Village of Howard, Wisconsin**  
**Ratio of Net General Obligation Debt to Assessed Value and**  
**Net General Obligation Debt Per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Total General Obligation Debt	Less: Sinking Fund	Net General Obligation Debt	Ratio to Assessed Value	Net General Obligation Debt Per Capita
				**	*
2002	\$ 14,065,811	\$ 129,869	\$ 13,935,942	1.57%	\$ 969.39
2003	\$ 12,890,000	\$ 45,727	\$ 12,844,273	1.37%	\$ 859.32
2004	\$ 11,865,000	\$ 57,021	\$ 11,807,979	1.09%	\$ 776.43
2005	\$ 10,560,000	\$ 77,918	\$ 10,482,082	0.92%	\$ 677.36
2006	\$ 9,155,000	\$ 87,953	\$ 9,067,047	0.77%	\$ 575.50
2007	\$ 6,980,000	\$ 105,714	\$ 6,874,286	0.50%	\$ 434.26
2008	\$ 5,775,000	\$ 35,781	\$ 5,739,219	0.42%	\$ 362.55
2009	\$ 3,355,000	\$ 10,421	\$ 3,344,579	0.24%	\$ 207.61
2010	\$ 3,518,356	\$ 10,472	\$ 3,507,884	0.25%	\$ 201.61
2011	\$ 4,401,460	\$ 3,425	\$ 4,398,035	0.31%	\$ 248.08

\* See Schedule 14 for population information.

\*\* See Schedule 5 for assessed values.

Source: Population was derived from the Wisconsin Department of Administration estimates, except for the 2010 population that was derived from the U.S. census.

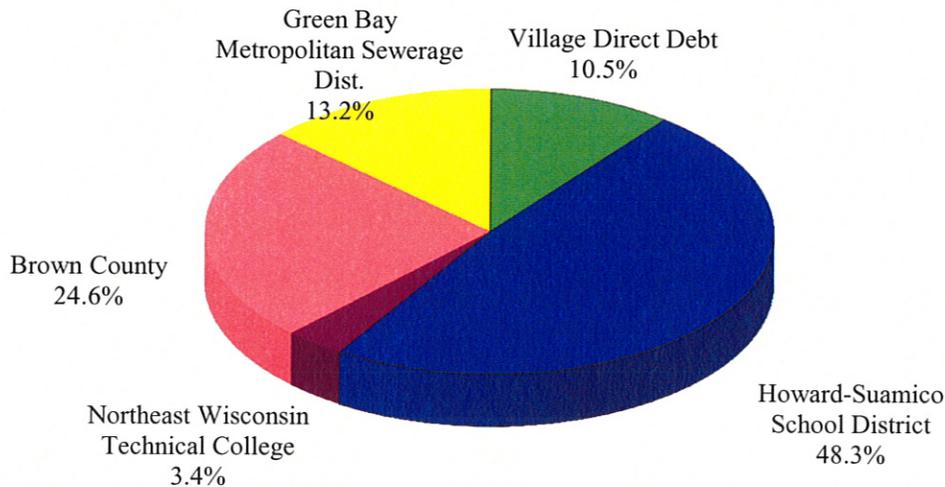
Schedule 11

**Village of Howard, Wisconsin**  
 Computation of Direct and Overlapping Debt and  
 Ratio to Assessed Value and Per Capita Debt  
 December 31, 2011

	Total Net Debt	Village Share		Ratio to Assessed Value
		Percentage	Amount	
<b>Direct Debt:</b>				
General Obligation Debt	\$4,398,035	100.00%	\$4,398,035	0.31%
Village Direct Debt			<u>\$4,398,035</u>	
<b>Overlapping Debt:</b>				
Howard-Suamico School District	\$35,290,000	57.47%	\$20,281,163	1.43%
Northeast Wisconsin Technical College	\$40,200,000	3.55%	\$1,425,122	0.10%
Brown County	\$142,240,000	7.25%	\$10,312,400	0.73%
Green Bay Metropolitan Sewerage Dist.	\$64,290,670	8.63%	\$5,548,285	0.39%
Total Overlapping Debt			<u>\$37,566,970</u>	
Total Direct and Overlapping Debt			<u>\$41,965,005</u>	

Source: Obtained data for overlapping debt from the related entity's financial department. The Village share percentage was obtained from each jurisdictions tax levy reports as allocated by equalized valuations, except for the Green Bay Metropolitan Sewerage District percentage was obtained from them.

**Breakdown of Direct and Overlapping Debt  
 As of December 31, 2011**



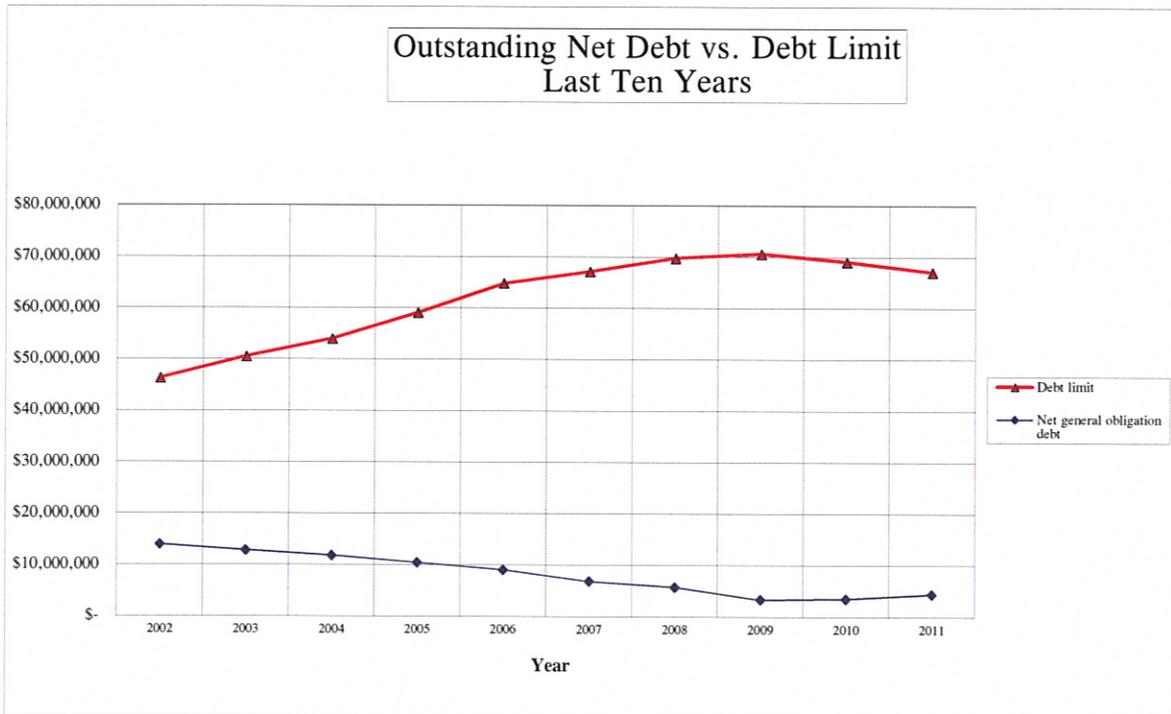
Schedule 12

Village of Howard, Wisconsin  
 Computation of Legal Debt Margin  
 December 31, 2011

Equalized Value, January 1	<u>\$ 1,341,434,800</u>
Debt Limit (5% of Equalized Value)	\$67,071,740
General Obligation Debt	\$4,401,460
Less: Amount in Debt Service Sinking Fund	<u>3,425</u>
Net General Obligation Debt	<u>4,398,035</u>
Legal Debt Margin	<u><u>\$62,673,705</u></u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 46,274,655	\$ 50,495,845	\$ 53,960,455	\$ 59,052,185	\$ 64,801,010	\$ 67,096,925	\$ 69,783,770	\$ 70,608,710	\$ 69,076,305	\$ 67,071,740
Net general obligation debt	13,935,942	12,844,273	11,807,979	10,482,082	9,067,047	6,874,286	5,739,219	3,344,579	3,507,884	4,398,035
Legal debt margin	<u>\$ 32,338,713</u>	<u>\$ 37,651,572</u>	<u>\$ 42,152,476</u>	<u>\$ 48,570,103</u>	<u>\$ 55,733,963</u>	<u>\$ 60,222,639</u>	<u>\$ 64,044,551</u>	<u>\$ 67,264,131</u>	<u>\$ 65,568,421</u>	<u>\$ 62,673,705</u>
Ratio of net general obligation debt to debt limit	30.1%	25.4%	21.9%	17.8%	14.0%	10.2%	8.2%	4.7%	5.1%	6.6%

Note: Under state law, the Village's legal debt limit is 5% of the equalized valuation. Debt limits can exceed state mandated level with voter approval.



Schedule 13

**Village of Howard, Wisconsin**  
 Combined Water and Sewer Utilities  
 Revenue Bond Coverage  
 Last Ten Fiscal Years

Year	Gross Revenue	Expenses	Net Income (Loss)	Total Funds Available For Debt Service	Current Debt Service Payment	Highest Annual Debt Service	Coverage
2002	\$ 5,127,568	\$ 3,131,445	\$ 1,996,123	\$ 3,267,412	\$ 403,241	\$ 627,776	5.20
2003	\$ 5,827,623	\$ 2,945,018	\$ 2,882,605	\$ 3,981,527	\$ 627,776	\$ 627,776	6.34
2004	\$ 5,264,333	\$ 3,083,785	\$ 2,180,548	\$ 3,288,399	\$ 612,923	\$ 629,948	5.22
2005	\$ 7,195,288	\$ 3,978,122	\$ 3,217,166	\$ 4,348,013	\$ 607,445	\$ 629,948	6.90
2006	\$ 5,348,007	\$ 4,787,184	\$ 560,823	\$ 1,686,454	\$ 612,805	\$ 629,948	2.68
2007	\$ 7,891,345	\$ 6,768,497	\$ 1,122,848	\$ 2,278,646	\$ 601,868	\$ 611,723	3.72
2008	\$ 7,179,400	\$ 5,483,745	\$ 1,695,655	\$ 2,736,907	\$ 609,948	\$ 611,723	4.47
2009	\$ 6,324,954	\$ 5,635,278	\$ 689,676	\$ 1,633,005	\$ 611,538	\$ 611,723	2.67
2010	\$ 6,224,568	\$ 5,494,546	\$ 730,022	\$ 1,650,205	\$ 607,048	\$ 611,723	2.70
2011	\$ 7,480,213	\$ 6,664,395	\$ 815,818	\$ 2,023,779	\$ 611,723	\$ 611,723	3.31

Notes: Funds available for debt service represents an amount equal to net income (loss) adjusted for depreciation, interest expense, amortization and property tax equivalent for the combined water and sewer utilities. Coverage represents the ratio of amount available for debt service and the highest annual debt service requirement. Bond covenants require coverage to be at least 1.25 times the highest annual debt service requirement on the outstanding revenue bond Series 1998 Bonds, Series 2001 Bonds and Series 2002 Bonds.

Since 2002, gross revenues included capital contributions due to changes made by GASB 33.

In 2011, all revenue bonds were called in a general obligation refinancing issue. As of 12/31/11, the balance in revenue bonds was \$0.00.

Schedule 14

Village of Howard, Wisconsin  
Demographic Statistics

Year	(1)	(2)	(3)	(4)	(5)
	Population	Brown County Total Personal Income	Brown County Per Capita Income	Unemployment Rate	School Enrollment
2002	14,376	\$ 7,273,221,000	\$31,361	4.9%	4,644
2003	14,947	\$ 7,424,144,000	\$31,711	5.0%	4,778
2004	15,208	\$ 7,864,935,000	\$33,204	4.3%	4,872
2005	15,475	\$ 8,089,205,000	\$33,901	4.2%	5,032
2006	15,755	\$ 8,352,175,000	\$34,760	4.5%	5,121
2007	15,830	\$ 8,812,853,000	\$36,242	4.3%	5,164
2008	15,965	\$ 9,241,666,000	\$37,769	5.4%	5,263
2009	16,110	\$ 9,234,452,000	\$37,338	7.3%	5,527
2010	17,399	N/A	N/A	6.6%	5,633
2011	17,728	N/A	N/A	6.3%	5,817

Data Obtained From:

- (1) Wisconsin Department of Administration
  - (2) U.S. Dept. of Commerce, Bureau of Economic Analysis website:  
[www.bea.gov/regional/bearfacts/countybf.cfm](http://www.bea.gov/regional/bearfacts/countybf.cfm)
  - (3) Wisconsin's Worknet website at <http://worknet.wisconsin.gov/worknet>.  
The Village of Howard data is only published with each census so utilized the Brown County data. (Howard is located within Brown County.)
  - (4) Wisconsin Department of Workforce Development. Data represents Green Bay MSA.
  - (5) Howard-Suamico School District
- N/A = Not available at time of printing this report.

Note: Governmental Accounting Standards Board Statements No. 44, paragraph 99 requires the Village to report total personal income for each of the past 10 years. The Village of Howard statistics could not be located so the Brown County statistics were used. (The Village is located in Brown County.)

Schedule 15

**Village of Howard, Wisconsin  
Principal Employers in Howard and  
Principal Employers in Green Bay Area  
Current Year**

Employer	2011			2002		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
<b>Howard Employers</b>						
United Health Group (formerly AMS)	1,852	1	1.09%	1,370	1	1.05%
Howard-Suamico School District	585	2	0.34%	440	2	0.34%
Sanimax Corporation	202	3	0.12%	200	5	0.15%
Fleet Farm	195	4	0.11%	255	3	0.19%
Klemm Tank Lines	184	5	0.11%	-	-	-
Alive N Kickin	150	6	0.09%	-	-	-
Wisconsin Dept of Natural Resources	150	7	0.09%	-	-	-
Stock Lumber	140	8	0.08%	140	7	0.11%
Wipfli LLP	120	9	0.07%	-	-	-
Woodman's Food Market	101	10	0.06%	150	6	0.11%
Selmer Co.	-	-	-	250	4	0.19%
Samuels Recycling	-	-	-	92	8	0.07%
	<u>3,458</u>		<u>2.03%</u>	<u>2,897</u>		<u>2.21%</u>
<b>Green Bay MSA</b>						
Humana Inc.	3,146	1	1.82%	2,745	4	2.10%
Schneider National Inc	3,094	2	1.85%	3,400	2	2.60%
Oneida Tribe of Indians	2,916	3	1.71%	2,815	3	2.15%
Green Bay Public Schools	2,655	4	1.56%	2,510	5	1.92%
Georgia-Pacific	2,600	5	1.53%	3,800	1	2.90%
Bellin Health	1,998	6	1.17%	1,920	7	1.47%
United Health Group (formerly AMS)	1,825	7	1.07%	-	-	-
Aurora Health Care	1,703	8	1.17%	-	-	-
St. Vincent Hospital	1,637	9	0.93%	1,870	8	1.43%
American Foods Group	1,591	10	1.00%	-	-	-
Shopko Stores Inc.	-	-	-	2,035	6	1.55%
Brown County (government)	-	-	-	1,700	9	1.30%
	<u>20,019</u>		<u>13.81%</u>	<u>22,795</u>		<u>17.41%</u>
Total Labor Force	<u>170,378</u>			<u>130,900</u>		

Source: Green Bay Chamber website <http://resources.titletown.org/resources/200930largestemployersbcty2009.pdf> or by contacting the companies directly; Green Bay MSA employment counts are as of August 2009.

Note: In 2002, data for Howard Employers was available for only the top 8 Village employers and only 9 were available from the Green Bay MSA. Amounts for Total Labor Force in the Village of Howard are not available so the Green Bay MSA numbers were used.

Schedule 16

**Village of Howard, Wisconsin**  
**Full-time Equivalent Village Government Employees by Function**  
**Last Ten Years**

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	6.1	6.1	6.1	5.7	5.7	5.7	5.7	5.7	5.7	5.3
Public safety	3.0	3.0	5.6	5.0	5.0	4.0	3.0	3.0	3.0	1.0
Public works	14.1	13.7	11.9	8.0	8.0	9.4	9.4	9.4	9.4	13.3
Community development	5.2	5.2	5.2	5.0	5.0	5.9	5.9	4.9	4.9	3.9
Capital outlay - engineering	3.0	3.0	3.0	2.5	2.5	3.0	3.0	3.0	3.0	2.2
Water utility	4.8	5.0	5.1	4.8	4.8	4.9	4.9	4.9	4.9	5.6
Sewer utility	3.7	3.9	4.0	4.0	4.0	3.9	3.9	3.9	3.9	4.6
Golf Course	1.1	2.1	2.1	2.1	2.1	2.4	2.4	2.4	1.4	0.4
Storm water utility	-	-	-	5.9	5.9	3.8	3.8	3.8	3.8	3.8
<b>Total</b>	<b>41.0</b>	<b>42.0</b>	<b>43.0</b>	<b>43.0</b>	<b>43.0</b>	<b>43.0</b>	<b>42.0</b>	<b>41.0</b>	<b>40.0</b>	<b>40.0</b>

**Number of Part-time employees (not Full-time Equivalent)**

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	32	32	32	32	32	32	33	33	33	31
Public safety	49	49	49	49	49	49	49	49	49	52
Public works	4	4	4	4	4	4	4	4	4	18
Community development	48	48	50	50	60	63	62	62	62	49
Capital outlay - engineering	9	9	9	9	7	6	6	6	3	1
Water utility	-	-	-	-	-	-	-	-	-	-
Sewer utility	-	-	-	-	-	-	-	-	-	-
Golf Course	15	15	16	16	16	20	20	20	19	20
Storm water utility	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>157</b>	<b>157</b>	<b>160</b>	<b>160</b>	<b>168</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>170</b>	<b>171</b>

Schedule 17

Village of Howard, Wisconsin  
 Operating Indicators by Function/Program  
 Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government:										
Acreage sold	5.18	8.15	2.25	1.53	1.49	2.49	4.72	-	1.50	-
Registered voters	8,031	8,307	11,171	11,158	11,823	10,891	12,099	9,966	10,233	9,822
Parcels reassessed	792	623	5,990	550	550	6,649	782	402	503	520
Public safety:										
Police										
Incidents	9,812	9,998	10,021	8,911	9,091	9,173	10,679	10,948	10,948	N/A
Citations/warnings issued	2,263	3,244	2,379	1,876	1,554	1,471	2,871	3,919	2,856	N/A
Fire										
Inspections	1,688	1,706	1,890	2,057	2,102	2,120	2,234	2,090	2,372	2,380
Code Administration										
Permits issued	1,717	1,747	1,408	1,041	1,075	1,485	930	871	1,125	836
Public works:										
Tons of waste	3,964	4,255	4,073	3,981	4,054	4,077	4,370	4,075	4,234	3,986
Tons of recycling	1,221	1,080	1,112	1,164	1,301	1,381	1,195	1,440	1,532	1,368
Culture and recreation:										
Ice rink open-days	-	60	39	38	-	25	58	39	35	35
Program participants	1,574	2,772	3,933	4,633	4,927	5,328	5,413	4,117	3,974	3,187
Capital outlay-engineering										
New subdivisions	3	5	7	5	2	-	-	-	-	-
New lots created	153	182	252	395	341	-	-	-	-	-
Watermains added (L.F.)	27,170	17,192	16,360	33,540	-	6,852	8,449	2,311	10,931	5,149
Watermains removed (L.F.)	3,205	4,518	505	1,590	2,967	1,105	6,063	2,332	7,235	5,115
Water utility										
Million gallons pumped	672	664	701	766	732	502	1	1	1	1
Million gallons purchased	-	-	-	-	-	230	622	569	630	676
Sewer utility										
Average daily sewage	1,929	1,881	2,068	2,017	2,097	2,006	2,027	2,034	1,906	2,212
Golf course										
Rounds of golf	22,928	21,885	22,343	22,435	23,555	22,027	19,856	19,620	18,114	13,475

Note: The Village contracts with Brown County Sheriff for police services and obtained data from them on police issues.  
 The Village began purchasing water from the Central Brown County Water Authority in August 2007.

Schedule 18

Village of Howard, Wisconsin  
 Capital Assets Statistics by Function/Program  
 Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety:										
Police										
Patrol units	3	4	4	5	5	5	5	5	5	5
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Public works:										
Street mileage	95	97	100	105	105	105	105	105	105	105
Street lights	1,002	1,017	1,054	1,080	1,120	1,126	1,133	1,141	1,143	1,175
Roundabouts	4	4	4	4	4	8	9	11	11	13
Culture and recreation:										
Acreage	399	418	418	418	502	502	528	528	528	528
Playgrounds	6	6	7	7	7	7	9	9	9	9
Baseball/softball fields	9	9	9	9	9	9	9	9	9	9
Soccer fields	9	9	9	9	17	17	17	17	17	17
Water utility										
Watermain (miles)	81	84	87	92	92	93	93	93	94	94
Sewer utility										
Mains (miles)	74	75	78	85	85	86	86	86	87	87
Golf course (9 hole course)										
Golf carts	15	18	20	20	22	22	22	22	22	25
Storm water										
Ponds constructed	1	1	7	5	-	-	-	-	2	-

No capital asset indicators are available for general government or capital outlay-engineering.  
 Garbage collection is made by contract with an outside vendor.

The storm water utility began operations as an enterprise fund in 2005; prior to 2005, the General Fund included the storm utility operations.

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Village Board  
Village of Howard, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Howard, Wisconsin, as of and for the year ended December 31, 2011, which collectively comprise the Village of Howard's basic financial statements and have issued our report thereon dated February 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Village of Howard, Wisconsin is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Village of Howard, Wisconsin's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Village of Howard, Wisconsin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Howard, Wisconsin's internal control over financial reporting.

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 Village's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Howard, Wisconsin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



We noted certain matters that we reported to management of Village of Howard, Wisconsin in a separate letter dated February 20, 2012.

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

A handwritten signature in cursive script that reads "Schuch SC".

Certified Public Accountants  
Green Bay, Wisconsin  
February 20, 2012