

Village of Howard

Comprehensive Annual Financial Report



For the year ending
December 31, 2019



Village of Howard, Wisconsin
COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2019

PREPARED BY:

Christopher A. Haltom, CPA
Director of Administrative Services

Village of Howard, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT
DECEMBER 31, 2019

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INTRODUCTORY SECTION



June 25, 2020

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, 2019, 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. Please see the auditors unmodified opinion on the CAFR beginning on page 10 of this report.

This report includes government-wide financial statements and all the funds 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 (our village), 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 adjusting 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. Please refer to the independent auditor's report found on pages 10-12 for their unmodified opinion of the basic financial statements.

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 is 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 maintained 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 Village Board of Trustees. 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 based on ward representation. Administrative officials, such as the Administrator, Director of Administrative Services (also the Clerk and Treasurer), Director of Community Development, Public Works Director and certain other employees are appointed by the president and confirmed by the board or hired by the administrator.

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, building inspection, general administrative, golf course, water utility, sewer utility services and storm water utility.

In 2019, the village ended the year with 47 full-time employees. Howard's Public Safety department provides citizens with complete police, fire, and rescue protection. The village contracts with Brown County Sheriff for police services that include 400 hours of police protection each week and investigative services. The Fire Department maintains a paid-on call department of about 45 persons with five full-time positions that include the chief, three captains, one firefighter and a driver. In addition, the fire department has a part-time assistant chief and three daily paid on-call fire fighters' positions filled by various members of the department. 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 to about 3,500, 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 with a current population of 19,680.

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 village has two interstates bordering the community and three active rail lines, providing access to commercial enterprises.

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 but at a slower pace than the years preceding 2008. Unemployment dropped to a low of 2.5% 2018 (for the Green Bay Metro Area) after climbing during 2009 to reach 7.3% of the workforce. The 2019 rate is 3.0%.

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 | 1,963 |
| Howard-Suamico School District | Education | 664 |
| Sanimax Corp. | Manufacturer of various products (feed, soap) | 202 |
| Fleet Farm | Retail store | 195 |
| Klemm Tank Lines | Trucking | 184 |
| Menard's Inc. | Retail | 170 |
| Alive N Kickin | Manufacturer | 150 |
| Wisc. Dept. of Natural Resources | State Agency | 150 |
| 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. (3,283), Green Bay Public Schools (2,793), Bellin Health (2,727), the Oneida Tribe of Indians of Wisconsin (2,700), Schneider National Inc. (2,633), Georgia-Pacific (2,100), Aurora Health Care (2,009), Brown County government (1,802), and St. Vincent Hospital (1,605). *Source:* <https://www.greatergb.org/economic-development/> in a document from May 2017.

Recent and Proposed Development

Since 2009, the village has seen growth in residential, multi-family and commercial construction. Much of the construction was in the form of new dwelling units accounting for over 686 units constructed. New commercial units constructed since 2009 total 109 units. There were also significant alterations in the form of additions and reconstruction projects completed since 2009. The total estimated construction cost of all projects since 2009 exceeded \$383 million. In 2017, estimated construction cost of building permits exceeded \$62 million, a record year for the village; in 2019, the estimated cost was \$51 million, the second best year.

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 was the main business located within the former Tax Incremental District No. 2 (IID #2 – closed in 2015). United is the largest taxpayer and employer in

Howard. SPG Holding warehouse is the second largest taxpayer with a large addition added to their facility in 2014. Welltower Inc, a senior living facility, is the third largest taxpayer, opened for business in 2016, located in TID #8. Meijer grocery stores is the fourth largest taxpayer, opened in 2017. Elana LLC is a 290-unit apartment complex and is listed as the fifth largest taxpayer, completed original construction in 1991 with major renovations in 2014. Menard’s retail store is the eighth largest taxpayer in Howard beginning operations in 2012 and is in TID #4. (See statistical section for complete list of largest taxpayers.)

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. TID #8 was created in 2015 as an overlay district that now accounts for the village center projects. Welltower Inc, a three-storied, senior housing project was completed in 2016 that contains 132 units for residents, a 2019 value of \$19 million and various amenities (like a Starbucks) for residents and guest use. In 2018 the village completed construction of Howard Commons, two three-storied apartment buildings in TID #8 with 123 units; a third village owned apartment building with 43 additional units, began construction in 2019.

The village created TID #4 in an area around the intersection of Interstate 41 and State Highway 29; in June 2012, Menard, Inc. constructed a \$14.4 million retail store within the district. The village created two other TIDs for development along Interstate 41 at Velp Avenue (TID #5) and at Lineville Road (TID #6). In TID #5 during 2013, the village entered an agreement with a local Harley-Davidson dealer to reconstruct an existing facility, with the village providing a low interest loan and incentive on their project. In TID #6 in July 2011, the village entered an agreement with Amerex Corporation to construct a \$3.5 million manufacturing plant that created 25 new jobs; the village has two other TID agreements in TID #6.

The following table depicts the labor force in the Green Bay MSA and unemployment rates.

Labor Force Data for Brown County (Green Bay MSA)

| | Total Civilian Labor Force | Unemployment Rates | |
|---------------|-------------------------------|--------------------|-------|
| | | MSA | State |
| 2019 December | 172,794 | 3.0% | 3.2% |
| 2018 December | 174,287 | 2.4% | 2.6% |
| 2017 December | 173,987 | 2.5% | 2.7% |
| 2016 December | 172,576 | 3.4% | 4.1% |
| 2015 December | 177,700 | 3.8% | 4.2% |
| 2014 December | 174,859 | 4.6% | 5.0% |
| 2013 December | 174,169 | 5.3% | 5.8% |
| 2012 December | 172,384 | 6.1% | 6.5% |
| 2011 December | 169,643 | 6.3% | 6.6% |
| 2010 December | 170,378 | 6.6% | 7.1% |
| 2009 December | 168,870 | 7.3% | 8.3% |

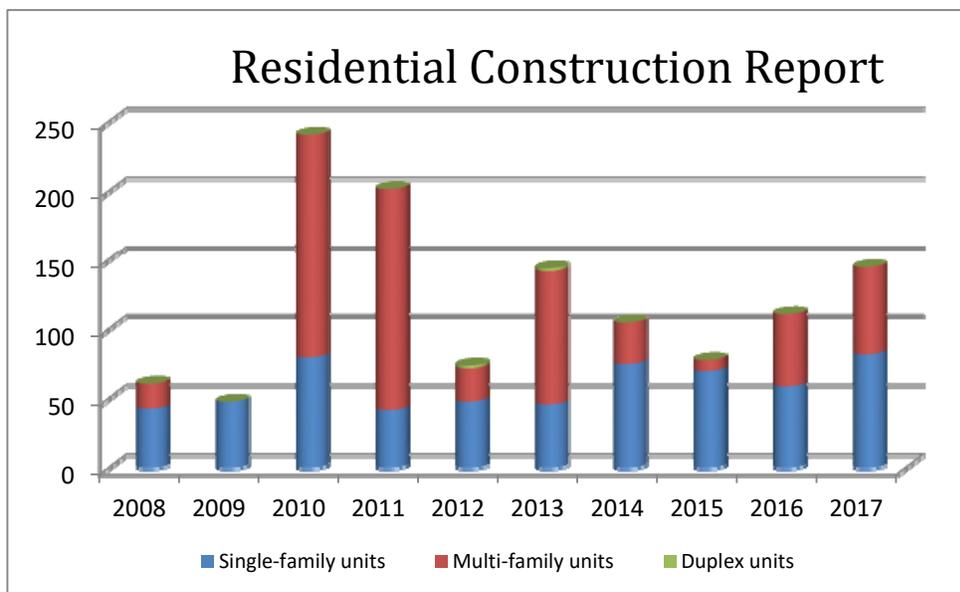
Source: Wisconsin Department of Workforce Development, website <https://worknet.wisconsin.gov/worknet>

Future Outlook

With the village 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 a slower pace of 40-80 units per year. Demand remains high for new single-family homes and apartment buildings, but banks are reluctant to make loans for new subdivisions. See the chart below for last ten years of residential growth.

An area of growth for the past five years has been in multi-family units. In 2010, the village added 161 multi-family units, in 2011 there were 160 added, in 2013 there were 96 units added, 52 units in 2016, 63 units in 2017, 84 units in 2018 and 173 units in 2019. The village owns the 3 building, three-storied apartment complex known as Howard Commons and operates as an enterprise fund, located in TID #8. Another developer is currently under construction with their own apartment complex also in TID #8.

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.



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 position for the governmental activities and business-type activities, changes in net position, 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 (CAFR) for the fiscal year ended December 31, 2018. 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 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 has received the Certificate of Achievement for the past twenty-six years. I believe our current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to the GFOA.

The village 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, 2019. The village has received the GFOA budget award for the past twenty-four years and I believe the 2020 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 valued assistance from our auditors. I 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 and professional manner.

Respectfully submitted,



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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Howard
Wisconsin**

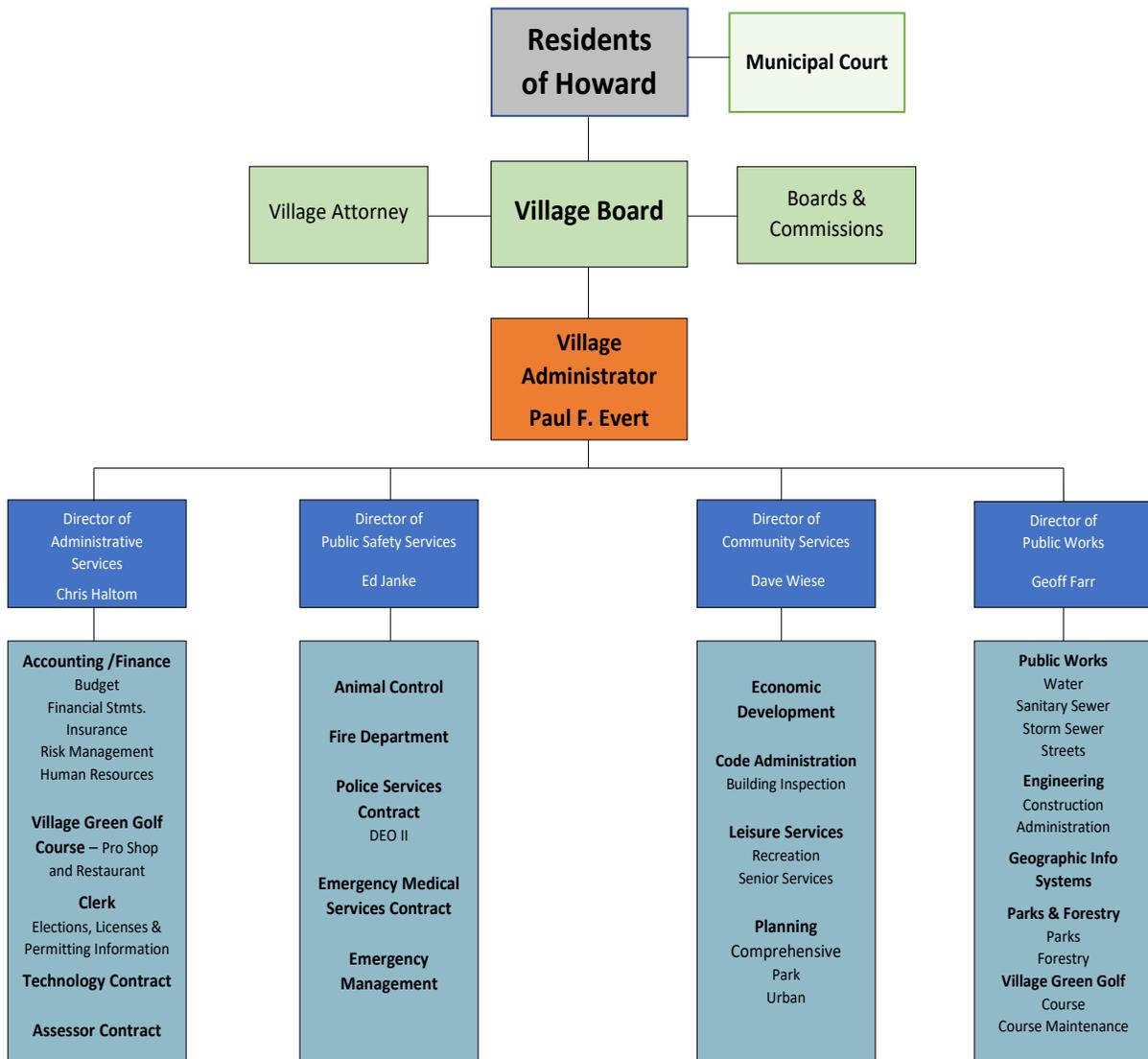
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

Village Team - Organizational Flowchart Village of Howard, Wisconsin



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

Elected Officials

| | |
|-------------------|---------------------------|
| Burt R. McIntyre | President |
| Maria Lasecki | Trustee Wards 1 & 2 |
| Chris Nielsen | Trustee Wards 3 & 4 |
| Cathy Hughes | Trustee Wards 5 & 6 |
| John Muraski | Trustee Wards 7 & 8 |
| Scott Beyer | Trustee Wards 9 & 10 |
| Ray Suennen | Trustee Wards 11 & 12 |
| Adam Lemorande | Trustee Wards 13, 14 & 18 |
| Craig McCallister | Trustee Wards 15 - 17 |
| Brian Stevens | 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 |
| Mike Kaster, PE | Director of Engineering |
| Bob Gagan, Attorney | Village Attorney (Contracted) |
| Mike Denor, Fair Market Assessments | Assessor (Contracted) |

Certified Public Accountants

Clifton Larsen Allen (CLA), Green Bay, Wisconsin

Bond Counsel

Foley & Lardner, Milwaukee, Wisconsin

Financial Advisors

Robert W. Baird and Co. Inc.

FINANCIAL SECTION



Independent auditors' report

To the Village Board
Village of Howard, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

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, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1.C., during 2019, the Village adopted new accounting guidance, Statement No. 84, *Fiduciary Activities*. As a result, the Village established a custodial fund for taxes and specials collected for other governments. In prior years, these amounts were reported in an agency fund. Our opinions are not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 21 and the schedules relating to pensions and other postemployment benefits on pages 68 through 69 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic 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.

CliftonLarsonAllen LLP previously audited, in accordance with auditing standards general accepted in the United States of America, Village of Howard, Wisconsin's financial statements for the year ended December 31, 2018, which are not presented with the accompanying financial statements and express and unmodified opinion on the respective financial statements. That audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village's financial statements as a whole. The 2018 actual amounts in the comparative nonmajor governmental funds and budget to actual statements are presented for purposes of additional analysis and are not a requirement part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare used the 2018 financial statements. The report of CliftonLarsonAllen LLP stated that the information has been subjected to the auditing procedures applied in the audit of those 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 2018 actual amounts in the comparative nonmajor governmental funds and budget to actual statements were fairly stated in all material respects in relation to the financial statements from which they have been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2020, 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 solely 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 effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin

June 25, 2020

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, 2019. The analysis should be read in conjunction with the transmittal letter pages 1-6 and the village's financial statements that begin on page 22.

FINANCIAL HIGHLIGHTS

- The village's governmental activities net position increased by \$2.3 million or 4.8% at December 31, 2019 and the business-type activities net position increased by \$1.6 million or 1.9%. The combined primary governmental net position increased by \$3.9 million or 3.0%.
- During 2019, the village had expenses that totaled \$23.4 million of which \$10.4 million were for governmental activities and \$13.0 million were for business-type activities.
- Revenue from charges for services totaled \$13.6 million, of which \$1.1 million were for governmental activities and \$12.4 were for business-type activities. Operating and capital grants totaled \$1.1 million and \$3.4 million respectively. Total general revenues and transfers reported \$9.1 million, an increase of \$631,100 primarily from increases in tax incremental revenues from TIDs.
- The General Fund reported a decrease in fund balance of \$7,110. The General Fund has reported fund balance increases in 19 out of the last 26 years.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 22-24) 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 25; for governmental activities, these statements tell how 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 Position and the Statement of Activities

Our analysis of the village as a whole begins on page 22. 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 Position 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 like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered 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 position and changes in them. You can think of the village's net position – the difference between assets and liabilities – as one way to measure the village's financial health, or financial position at a specific point in time, the last day of the year. Over time, increases or decreases in the village's net position 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.

I believe the village is better off, as a whole, because of the 2019 financial activities reported on the following pages.

In the Statement of Net Position and the Statement of Activities, there are into two kinds of activities:

- **Governmental activities** – Most of the village's basic services are reported here, including the police, fire, public works (includes parks), community development (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 most of the cost of certain services provided. The village's water, sewer, storm water utilities, golf course and now the village owned apartment complex known as Howard Commons, are reported here.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements begin on page 25 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. 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 as 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 position increased during 2019 by \$3.9 million. The increase is a result of a combined increase of \$2.3 million in governmental activities and an increase of \$1.6 million in business-type activities. The table below reports a summary of the Statement of Net Position.

Table 1
NET POSITION
(In Millions)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--|------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Current and other assets | \$ 13.4 | \$ 12.5 | \$ 18.3 | \$ 16.1 | \$ 31.7 | \$ 28.6 |
| Capital assets, net of accumulated depreciation | <u>57.1</u> | <u>55.6</u> | <u>106.0</u> | <u>96.0</u> | <u>163.1</u> | <u>151.6</u> |
| Total assets | <u>70.5</u> | <u>68.1</u> | <u>124.3</u> | <u>112.1</u> | <u>194.8</u> | <u>180.2</u> |
| Deferred outflows | <u>1.3</u> | <u>.7</u> | <u>.6</u> | <u>.4</u> | <u>1.9</u> | <u>1.1</u> |
| Current liabilities | 2.0 | 1.3 | 3.2 | .8 | 5.2 | 2.1 |
| Non-current liabilities | <u>10.2</u> | <u>11.3</u> | <u>36.4</u> | <u>27.1</u> | <u>46.6</u> | <u>38.4</u> |
| Total liabilities | <u>12.2</u> | <u>12.6</u> | <u>39.6</u> | <u>27.9</u> | <u>51.8</u> | <u>40.5</u> |
| Deferred inflows | <u>9.8</u> | <u>8.7</u> | <u>.3</u> | <u>1.2</u> | <u>10.1</u> | <u>9.9</u> |
| Net position; | | | | | | |
| Invested in capital assets, net of debt | 46.9 | 44.6 | 70.0 | 70.6 | 116.9 | 115.2 |
| Restricted | 1.7 | 1.7 | - | .2 | 1.7 | 1.9 |
| Unrestricted | <u>1.2</u> | <u>1.2</u> | <u>15.0</u> | <u>12.6</u> | <u>16.2</u> | <u>13.8</u> |
| Total net position | <u>\$ 49.8</u> | <u>\$ 47.5</u> | <u>\$ 85.0</u> | <u>\$ 83.4</u> | <u>\$ 134.8</u> | <u>\$ 130.9</u> |

The governmental activities net position increased by 4.8%, with a balance of \$49.8 million in 2019 from \$47.5 million in 2018. Total assets increased by \$2.4 million or 3.5% and total liabilities decreased by \$0.4 million or 3.2% in 2019. Current assets increased by \$0.9 million and capital assets increased by \$1.5 million. Total liabilities decreased by \$0.4 or 3.2% as debt is paid down.

The business-type activities net position increased by 1.6%, increasing to \$85.0 million in 2019 from \$83.4 million in 2018. Current and other assets increased by \$2.2 million while capital assets increased \$10.0 million most of which related to construction of a third building at Howard Commons apartment complex. Current liabilities increased by \$3.11 million and non-current liabilities increased by \$8.2 million for the Howard Commons debt issued in 2019. The business-type activities are committed to provide capital to install new infrastructure (watermain, sewer mains, storm water and roadway) to allow for future development of new subdivisions. The new subdivisions will provide growth in the tax base to assist the governmental activities in future years.

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

Table 2
Changes in Net Position
(in Millions)

| | Governmental | | Business-type | | Total | |
|---|---------------------|----------------|----------------------|----------------|---------------------------|-----------------|
| | Activities | | Activities | | Primary Government | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1.1 | \$ 1.0 | \$ 12.5 | \$ 11.8 | \$ 13.6 | \$ 12.8 |
| Operating grants and contributions | 1.2 | 1.0 | - | - | 1.2 | 1.0 |
| Capital grants and contributions | 1.0 | .4 | 2.4 | 4.0 | 3.4 | 4.4 |
| General revenues: | | | | | | |
| Property taxes | 7.9 | 7.2 | - | - | 7.9 | 7.2 |
| Grants and contributions | .7 | .7 | - | - | .7 | .7 |
| Other revenues | <u>-</u> | <u>.4</u> | <u>.4</u> | <u>.2</u> | <u>.4</u> | <u>.6</u> |
| Total revenues | <u>11.9</u> | <u>10.7</u> | <u>15.3</u> | <u>16.0</u> | <u>27.2</u> | <u>26.7</u> |
| Program expenses | | | | | | |
| General government | 1.5 | 1.2 | - | - | 1.5 | 1.2 |
| Public safety | 3.4 | 3.2 | - | - | 3.4 | 3.2 |
| Public works | 4.0 | 3.9 | - | - | 4.0 | 3.9 |
| Community development | 1.1 | 1.0 | - | - | 1.1 | 1.0 |
| Interest on long-term debt | .3 | .3 | - | - | .3 | .3 |
| Water | - | - | 5.4 | 4.9 | 5.4 | 4.9 |
| Sewer | - | - | 3.9 | 3.3 | 3.9 | 3.3 |
| Storm water | - | - | 1.2 | .8 | 1.2 | .8 |
| Howard Commons | - | - | 2.0 | .4 | 2.0 | .4 |
| Golf | <u>-</u> | <u>-</u> | <u>.5</u> | <u>.5</u> | <u>.5</u> | <u>.5</u> |
| Total expenses | <u>10.3</u> | <u>9.6</u> | <u>13.0</u> | <u>9.9</u> | <u>23.3</u> | <u>19.5</u> |
| Excess revenue over (under) expenses before transfers | 1.6 | 1.1 | 2.3 | 6.1 | 3.9 | 7.2 |
| Transfers in (out) | <u>.7</u> | <u>.6</u> | <u>(.7)</u> | <u>(.6)</u> | <u>-</u> | <u>-</u> |
| Increase (decrease) in net position | 2.3 | 1.7 | 1.6 | 5.5 | 4.2 | 7.2 |
| Net position, beginning | <u>47.5</u> | <u>45.8</u> | <u>83.4</u> | <u>77.9</u> | <u>130.9</u> | <u>123.7</u> |
| Net position, ending | \$ 49.8 | \$ 47.5 | \$ 85.0 | \$ 83.4 | \$ 134.8 | \$ 130.9 |

In 2019, the village's total revenue increased by \$0.5 million (or about 1.9%) compared to 2018. The largest increase was in charges for service of \$0.8 million followed by property taxes increase of \$.7 million, mainly from growth in tax incremental district tax increment. Capital grants decreased by \$1.0 million and operating grants increased by \$0.2 million. Other revenue decreased by \$0.2 million.

The total expenses increased by \$3.8 million in 2019 or about 19.5% when compared to 2018. Noted increases were in general government of \$0.3 million, public safety of \$0.2 million, water of \$0.5 million, sewer of \$0.6 million, storm water of \$0.4 million and Howard Commons of \$1.6 million.

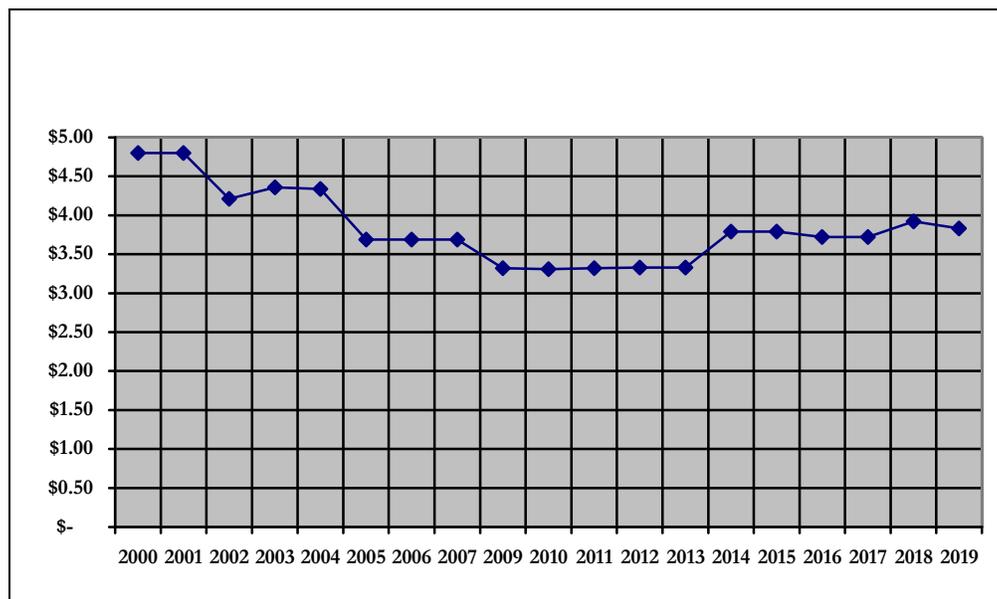
Governmental Activities

The village's revenue for the 2019 governmental activities totaled \$11.9 million, increasing by \$1.2 million from 2018 (or 10.1% increase). The governmental activities expenses totaled \$10.3 million in 2019 increasing by \$0.7 million from 2018 (or 7.3% increase). Transfers in increased by \$.1 million in 2019. The 2019 resulting change in net position for governmental activities was an increase of \$2.3 million. In 2018, net position increased by \$1.7 million for governmental activities.

The village has established budget policies that helped the overall financial position increase in 2019. 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 growth in new housing over that period. The growth has allowed the village to establish a policy of steadily 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 use available resources to pay for infrastructure and fixed asset replacements without borrowing, thereby decreasing interest costs to the taxpayers. Borrowing has been used in cases of TIDs that allow for debt to be repaid from tax increments captured by these districts (with TIDs #3 and #4 borrowing in December 2013 and TID #8 in 2015) and for the village owned apartment complex, Howard Commons, in 2017-2019.

Graph 1 below is a line graph of the tax mill rate (village portion only) for all taxable property within the Village of Howard since 2000 reporting a declining tax rate:

Graph 1 – Tax Rate



The cost of all governmental activities for 2019 was \$10.3 million compared to \$9.6 million in 2018. Taxpayers paid \$8.6 million of the total expenses in 2019, of which \$0.7 million was from tax incremental financing district (TID) leaving \$7.9 million paid from general taxpayers (outside of the TID boundary). The Statement of Activities, located on pages 23 and 24, reports program revenues used to offset expenses of charges for services totaling \$1.1 million while capital and operating grants and contributions totaled \$2.2 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 millions)

| | <u>Total Cost</u> <u>of Services</u> | | <u>Net Revenue (Cost)</u> <u>of Services</u> | |
|-----------------------|---|---------------|---|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Public works | \$ 4.0 | \$ 3.9 | \$ (1.7) | \$ (2.2) |
| Public safety | 3.4 | 3.2 | (3.1) | (2.9) |
| General government | 1.5 | 1.2 | (1.2) | (0.9) |
| Community development | 1.1 | 1.0 | (0.7) | (0.8) |
| Interest on debt | <u>0.3</u> | <u>0.3</u> | <u>(0.3)</u> | <u>(0.3)</u> |
| Totals | <u>\$ 10.3</u> | <u>\$ 9.6</u> | <u>\$ (7.0)</u> | <u>\$ (7.1)</u> |

Business-type Activities

Revenues from the village's business-type activities (see Table 2) totaled \$15.3 million in 2019 and \$16.0 million in 2018. Capital grants and contributions decreased by \$1.6 million due to fewer new subdivisions constructed in 2019. Charges for services increased by \$.7 million due to higher rates and usage.

Expenses of the business-type activities increased by \$3.1 million in 2019; expenses totaled \$9.9 million in 2018. Expenses increased in water by \$0.5 million, sewer by \$0.6 million, storm water by \$0.4 million and Howard Commons by \$1.6 million, the first full year of operations for the apartment complex.

THE VILLAGE'S FUNDS

The governmental funds (as presented on page 25 for the balance sheet) reported a combined fund balance of \$1.8 million or a \$.2 million increase from the previous year. The General Fund continues to report a healthy fund balance of \$2.9 million which is above the established policy minimum of 25% of actual expenditures or \$1.9 million in 2019. The Capital Improvement Fund has a fund balance of about \$415,710 that is assigned for future projects; the fund balance will fluctuate from year to year based on the projects funded in the current year and the equipment purchased made each year as current resources are used to pay for such projects. In 2019, the Capital Improvement fund balance decreased by \$200,268.

Capital Improvement Fund projects are funded by current resources as borrowing is designated for TID projects or, as a last resort, for funding critical needs. The major projects and equipment funded with current and existing resources in 2019 were as follows:

- Road resurfacing projects totaled \$1.6 million.
- Cost to design a road and bridge replacement on Vincent Road totaled \$310,472.
- The funding of the engineering department net cost that totaled \$443,438.
- Funding of new equipment purchases and building improvements totaled \$803,795.

General Fund Budgetary Highlights

The General Fund actual total revenue amount exceeded the budgeted total revenue by \$162,272 (see page 29). The total actual expenditures for the General Fund exceeded budget expenditures by \$126,645 and other financing sources was \$19,763 over budget. In 2019, the General Fund ended the year with a deficit of \$7,110.

MAJOR FUNDS ANALYSIS, DEBT ADMINISTRATION AND CAPITAL ASSETS

Debt Service Fund and Debt Administration

The Debt Service Fund has no fund balance at the end of 2019 and is no longer a major fund. In 2019, the debt service fund had activity to account for TID related debt payments with transfers into the fund and expenditures recorded for related debt payments.

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 \$95 million legal debt limit with a total outstanding debt of almost \$37 million. The general obligation bonds have been rated AA by Standard & Poor's and the NANs have a AA- rating. See Note 3.D. starting on page 54 for more details on debt.

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

| | Governmental | | Business-Type | | Totals | |
|------------------------------------|---------------------|---------------|----------------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General Obligation Bonds and Notes | \$ 9.4 | \$10.1 | \$.4 | \$.6 | \$ 9.8 | \$10.7 |
| Note Anticipation Notes | .7 | .7 | 35.2 | 25.5 | 35.9 | 26.2 |
| Totals | \$10.1 | \$10.8 | \$35.6 | \$26.1 | \$45.7 | \$36.9 |

Tax Incremental Financing District #3-#9

The village has seven active TIDs but none of these are classified as major funds. Any of these TIDs with outstanding debt are making the required debt payments through transfers from the TID into the Debt Service Fund. Most of the TIDs are now projecting the associated cost of the TID will be recovered through future tax increments generated within the TID.

Capital Improvements Fund

The Capital Improvements Fund is a major fund of the village. This fund is used to account for cost of non-TID infrastructure road reconstruction projects, bridges, resurfacing projects, sidewalk installations, new subdivisions, engineering department and equipment purchases. At year end, the fund balance was \$415,710 compared with \$615,978 from 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 (primarily property taxes) of the fund.

Revenues for Capital Improvement Funds totaled \$3.1 million compared with \$2.7 million in the previous year. Primary sources of revenue in this fund in 2019 was \$1.2 million in state aids and \$1.2 million in property taxes. Other sources of revenue in this fund are public charges for service \$382,948 and miscellaneous \$276,483.

Capital Assets

At the end of 2019, the village had \$163.2 million invested in capital assets. This amount represents an increase of \$11.6 million from the previous year for Building C of Howard Commons, equipment purchases and new construction. These capital assets are comprised of equipment, land, buildings, various infrastructure items and other items as detailed in Table 5. The village strives to maintain infrastructure in good working condition. 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 3.B. on pages 52 and 53 for more details on the following table:

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

| | Governmental | | Business-Type | | Totals | |
|--------------------------------|---------------------|---------------|----------------------|---------------|----------------|----------------|
| | Activities | | Activities | | | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land and other non-depreciated | \$ 8.5 | \$ 8.7 | \$ 2.6 | \$ 2.7 | \$11.1 | \$10.4 |
| Construction in progress | - | - | 8.0 | .7 | 8.0 | .7 |
| Buildings and improvements | 5.9 | 6.0 | 25.1 | 25.6 | 31.0 | 31.6 |
| Machinery and equipment | 3.6 | 3.5 | 2.6 | 2.3 | 6.2 | 5.8 |
| Sidewalks | 6.0 | 6.1 | - | - | 6.0 | 6.1 |
| Bridge & culverts | 1.7 | 1.5 | - | - | 1.7 | 1.5 |
| Roadway | 31.5 | 29.8 | - | - | 31.5 | 29.8 |
| Utility infrastructure | - | - | 67.7 | 64.7 | 67.7 | 64.7 |
| Totals | \$57.2 | \$55.6 | \$106.0 | \$96.0 | \$163.2 | \$151.6 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

As explained in the transmittal letter, the village has seen steady 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 thereof, 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 2012 that limited the rate of growth within state municipalities to the larger of 0.0% or the rate of growth in property values (excluding increases needed for debt payments). 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 2019 budget decreased the tax levy by \$18,351, exclusive of any TID property taxes.

The water utility is part of the Central Brown County Water Authority (Authority) primarily because the village's ground water supply contains elements that must be treated (per 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 utility lowered rates by 4% in 2009 and maintained these rates through 2010. The rates increased by 6.8% in 2011, a 13% increase in 2012 and 11% in November 2014. Rates have remained relatively constants since 2014.

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 NEW Water in 2011 caused another increase of 5.8%, a 3.0% increase in 2012, a 16.9% increase in 2013, a 17.0% increase in 2017 and a 15.7% increase occurred in 2018 with no change in 2019 rates.

The storm water utility bills customers based on equivalent residential units (ERU) of impervious surface on each lot with one ERU being 3,301 square feet of impervious surface. The storm water monthly rates have been \$4.33 from 2008-2014, \$5.16 in 2015-2016, \$5.26 in 2017, and \$5.36 in 2018-2019.

The village utilizes a local management company to perform management services for the Howard Commons apartment complex owned by the village. The first full year of operations was 2019; however, the village began construction of another 45 units in Building C during 2019 with expected completion in spring 2020.

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.

Village of Howard, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

| | Governmental Activities | Business-type Activities | Totals | |
|---|----------------------------|-----------------------------|-----------------------|-----------------------|
| | | | 2019 | 2018 |
| ASSETS | | | | |
| Cash and investments | \$ 7,260,240 | \$ 10,158,752 | \$ 17,418,992 | \$ 12,844,635 |
| Receivables | | | | |
| Taxes and special charges | 4,701,652 | - | 4,701,652 | 4,219,120 |
| Delinquent taxes | 13,924 | - | 13,924 | 14,699 |
| Accounts | 117,950 | 1,404,963 | 1,522,913 | 1,436,851 |
| Special assessments | 781,819 | 6,669,736 | 7,451,555 | 8,832,132 |
| Loans | 494,356 | - | 494,356 | 559,447 |
| Other | 588 | - | 588 | - |
| Inventories | - | 97,700 | 97,700 | 108,047 |
| Net pension asset | - | - | - | 548,218 |
| Capital assets, nondepreciable | 8,482,849 | 10,653,655 | 19,136,504 | 12,169,355 |
| Capital assets, depreciable | 48,676,166 | 95,345,357 | 144,021,523 | 139,446,569 |
| Total assets | <u>70,529,544</u> | <u>124,330,163</u> | <u>194,859,707</u> | <u>180,179,073</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Loss on advance refunding | - | 5,644 | 5,644 | 15,375 |
| Pension related amounts | 1,256,602 | 624,208 | 1,880,810 | 1,013,089 |
| Other postemployment related amounts | 21,021 | 10,521 | 31,542 | 23,415 |
| Total deferred outflows of resources | <u>1,277,623</u> | <u>640,373</u> | <u>1,917,996</u> | <u>1,051,879</u> |
| LIABILITIES | | | | |
| Accounts payable | 295,261 | 1,634,726 | 1,929,987 | 1,105,524 |
| Accrued and other current liabilities | 223,690 | 76,928 | 300,618 | 245,054 |
| Due to other governments | 34,643 | - | 34,643 | 59,546 |
| Accrued interest payable | 26,996 | 96,076 | 123,072 | 100,644 |
| Construction and other deposits | 561,101 | 847,977 | 1,409,078 | 1,316,215 |
| Unearned revenues | - | 60,042 | 60,042 | 66,467 |
| Long-term obligations | | | | |
| Due within one year | 844,704 | 497,457 | 1,342,161 | 1,212,700 |
| Due in more than one year | 10,235,110 | 36,422,737 | 46,657,847 | 37,187,141 |
| Total liabilities | <u>12,221,505</u> | <u>39,635,943</u> | <u>51,857,448</u> | <u>41,293,291</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes and special charges levied for subsequent year | 9,148,327 | - | 9,148,327 | 7,945,914 |
| Pension related amounts | 643,984 | 322,304 | 966,288 | 1,095,061 |
| Other postemployment related amounts | 29,273 | 14,652 | 43,925 | 2,541 |
| Total deferred inflows of resources | <u>9,821,584</u> | <u>336,956</u> | <u>10,158,540</u> | <u>9,043,516</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 46,864,014 | 69,968,444 | 116,832,458 | 115,275,484 |
| Restricted | | | | |
| Park development | 73,339 | - | 73,339 | 80,695 |
| Community development | 882,267 | - | 882,267 | 863,228 |
| Tax incremental district projects | 714,474 | - | 714,474 | 427,538 |
| Net pension asset | - | - | - | 548,218 |
| Unrestricted | <u>1,229,984</u> | <u>15,029,193</u> | <u>16,259,177</u> | <u>13,698,982</u> |
| Total net position | <u>\$ 49,764,078</u> | <u>\$ 84,997,637</u> | <u>\$ 134,761,715</u> | <u>\$ 130,894,145</u> |

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, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------|---------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| GOVERNMENTAL ACTIVITIES | | | | |
| General government | \$ 1,535,188 | \$ 277,323 | \$ - | \$ - |
| Public safety | 3,429,743 | 221,079 | 99,389 | - |
| Public works | 4,016,859 | 265,808 | 1,044,860 | 1,042,838 |
| Community development | 1,080,615 | 365,919 | - | - |
| Interest and fiscal charges | 322,266 | - | - | - |
| Total governmental activities | 10,384,671 | 1,130,129 | 1,144,249 | 1,042,838 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Water utility | 5,442,924 | 5,466,535 | - | 446,112 |
| Sewer utility | 3,848,712 | 3,943,351 | - | 393,506 |
| Storm water utility | 1,208,150 | 1,090,559 | - | 1,553,283 |
| Howard Commons | 1,993,211 | 1,451,028 | - | - |
| Golf course | 507,046 | 503,931 | - | - |
| Total business-type activities | 13,000,043 | 12,455,404 | - | 2,392,901 |
| Total | \$ 23,384,714 | \$ 13,585,533 | \$ 1,144,249 | \$ 3,435,739 |

General revenues
 Taxes
 Property taxes
 Tax increments
 Other taxes
 Federal and state grants and other contributions
 not restricted to specific functions
 Interest and investment earnings
 Miscellaneous
 Loss on sale of asset
 Transfers
 Total general revenues and transfers
 Change in net position
 Net position - January 1
 Net position - December 31

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

Net (Expense) Revenue
and Changes in Net Position

| Governmental Activities | Business-type Activities | Totals | |
|----------------------------|-----------------------------|-----------------------|-----------------------|
| | | 2019 | 2018 |
| \$ (1,257,865) | \$ - | \$ (1,257,865) | \$ (923,507) |
| (3,109,275) | - | (3,109,275) | (2,900,448) |
| (1,663,353) | - | (1,663,353) | (2,232,414) |
| (714,696) | - | (714,696) | (774,702) |
| (322,266) | - | (322,266) | (337,554) |
| <u>(7,067,455)</u> | <u>-</u> | <u>(7,067,455)</u> | <u>(7,168,625)</u> |
| - | 469,723 | 469,723 | 1,521,263 |
| - | 488,145 | 488,145 | 1,556,668 |
| - | 1,435,692 | 1,435,692 | 2,993,761 |
| - | (542,183) | (542,183) | (190,653) |
| - | (3,115) | (3,115) | 17,875 |
| <u>-</u> | <u>1,848,262</u> | <u>1,848,262</u> | <u>5,898,914</u> |
| <u>(7,067,455)</u> | <u>1,848,262</u> | <u>(5,219,193)</u> | <u>(1,269,711)</u> |
| 6,129,153 | - | 6,129,153 | 6,147,422 |
| 1,817,324 | - | 1,817,324 | 1,049,567 |
| 13,267 | - | 13,267 | 12,983 |
| 736,537 | - | 736,537 | 662,024 |
| 203,725 | 421,240 | 624,965 | 337,843 |
| 99,439 | - | 99,439 | 245,824 |
| (333,922) | - | (333,922) | - |
| 687,511 | (687,511) | - | - |
| <u>9,353,034</u> | <u>(266,271)</u> | <u>9,086,763</u> | <u>8,455,663</u> |
| 2,285,579 | 1,581,991 | 3,867,570 | 7,185,952 |
| <u>47,478,499</u> | <u>83,415,646</u> | <u>130,894,145</u> | <u>123,708,193</u> |
| <u>\$ 49,764,078</u> | <u>\$ 84,997,637</u> | <u>\$ 134,761,715</u> | <u>\$ 130,894,145</u> |

Village of Howard, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

| | General | Capital Improvement | Other Governmental Funds | Totals | |
|--|-----------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|
| | | | | 2019 | 2018 |
| ASSETS | | | | | |
| Cash and investments | \$ 3,588,371 | \$ 1,917,027 | \$ 1,754,842 | \$ 7,260,240 | \$ 6,314,281 |
| Receivables | | | | | |
| Taxes and special charges | 2,722,261 | 848,918 | 1,130,473 | 4,701,652 | 4,219,120 |
| Delinquent taxes | 13,924 | - | - | 13,924 | 14,699 |
| Accounts | 117,950 | - | - | 117,950 | 142,778 |
| Special assessments | - | 698,537 | 83,282 | 781,819 | 676,243 |
| Loans | - | 47,439 | 446,917 | 494,356 | 559,447 |
| Other | - | - | 588 | 588 | - |
| Due from other funds | 984,634 | - | - | 984,634 | 1,170,221 |
| Advance to other funds | 1,215,000 | - | - | 1,215,000 | 1,300,000 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 8,642,140</u> | <u>\$ 3,511,921</u> | <u>\$ 3,416,102</u> | <u>\$ 15,570,163</u> | <u>\$ 14,396,789</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 171,653 | \$ 119,309 | \$ 4,299 | \$ 295,261 | \$ 610,730 |
| Accrued and other current liabilities | 198,550 | 25,140 | - | 223,690 | 180,804 |
| Due to other funds | - | - | 984,634 | 984,634 | 989,895 |
| Advance from other funds | - | - | 1,215,000 | 1,215,000 | 1,300,000 |
| Due to other governments | 34,643 | - | - | 34,643 | 59,546 |
| Construction and other deposits | - | 553,988 | 7,113 | 561,101 | 455,666 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>404,846</u> | <u>698,437</u> | <u>2,211,046</u> | <u>3,314,329</u> | <u>3,596,641</u> |
| Deferred inflows of resources | | | | | |
| Property taxes levied for subsequent year | 5,296,896 | 1,651,797 | 2,199,634 | 9,148,327 | 7,945,914 |
| Accounts receivable | 69,244 | - | - | 69,244 | 38,986 |
| Loans receivable | - | 47,439 | 446,917 | 494,356 | 559,447 |
| Special assessments | - | 698,538 | 83,282 | 781,820 | 676,244 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total deferred inflows of resources | <u>5,366,140</u> | <u>2,397,774</u> | <u>2,729,833</u> | <u>10,493,747</u> | <u>9,220,591</u> |
| Fund balances | | | | | |
| Nonspendable | 1,215,000 | - | - | 1,215,000 | 1,300,000 |
| Restricted | - | - | 1,139,881 | 1,139,881 | 767,224 |
| Assigned | - | 415,710 | - | 415,710 | 615,978 |
| Unassigned | 1,656,154 | - | (2,664,658) | (1,008,504) | (1,103,645) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>2,871,154</u> | <u>415,710</u> | <u>(1,524,777)</u> | <u>1,762,087</u> | <u>1,579,557</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 8,642,140</u> | <u>\$ 3,511,921</u> | <u>\$ 3,416,102</u> | <u>\$ 15,570,163</u> | <u>\$ 14,396,789</u> |

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

Village of Howard, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| RECONCILIATION TO THE STATEMENT OF NET POSITION | | |
| Total fund balances as shown on previous page | \$ 1,762,087 | \$ 1,579,557 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. | 57,159,015 | 55,605,052 |
| Other long-term assets are not available to pay current period expenditures and therefore are deferred or not reported in the funds. | | |
| Long-term receivables | 1,345,420 | 1,274,677 |
| Net pension asset | - | 354,916 |
| Net position of the internal service fund is reported in the statement of net position as governmental activities | - | 13,710 |
| Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds. | | |
| Deferred outflows related to pensions | 1,256,602 | 663,595 |
| Deferred inflows related to pensions | (643,984) | (708,942) |
| Deferred outflows related to other postemployment benefits | 21,021 | 15,158 |
| Deferred inflows related to other postemployment benefits | (29,273) | (1,645) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Bonds and notes payable | (10,095,550) | (10,780,550) |
| Premium on debt | (199,451) | (215,250) |
| Compensated absences | (214,841) | (176,726) |
| Net pension liability | (460,536) | - |
| Other postemployment benefit | (109,436) | (116,773) |
| Accrued interest on long-term obligations | (26,996) | (28,280) |
| Net position of governmental activities as reported on the statement of net position (see page 22) | <u>\$ 49,764,078</u> | <u>\$ 47,478,499</u> |

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, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

| | General | Capital Improvement | Other Governmental Funds | Totals | |
|--|---------------------|------------------------|--------------------------------|---------------------|---------------------|
| | | | | 2019 | 2018 |
| REVENUES | | | | | |
| Taxes | \$ 4,966,396 | \$ 1,182,360 | \$ 1,817,324 | \$ 7,966,080 | \$ 7,220,743 |
| Special assessments | - | 39,253 | 20,556 | 59,809 | 67,998 |
| Intergovernmental | 804,170 | 1,202,749 | 92,140 | 2,099,059 | 1,706,548 |
| Licenses and permits | 572,574 | - | 248,683 | 821,257 | 629,104 |
| Fines and forfeits | 132,966 | - | - | 132,966 | 162,077 |
| Public charges for services | 151,980 | 382,948 | - | 534,928 | 400,495 |
| Miscellaneous | 430,386 | 276,483 | 106,976 | 813,845 | 670,553 |
| Total revenues | <u>7,058,472</u> | <u>3,083,793</u> | <u>2,285,679</u> | <u>12,427,944</u> | <u>10,857,518</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 1,070,748 | 76,425 | 252,764 | 1,399,937 | 1,190,631 |
| Public safety | 2,959,393 | 32,935 | - | 2,992,328 | 2,883,589 |
| Public works | 3,189,037 | 498,251 | - | 3,687,288 | 3,313,203 |
| Community development | 435,267 | 8,795 | 371,085 | 815,147 | 682,732 |
| Debt service | | | | | |
| Principal | - | - | 685,000 | 685,000 | 570,000 |
| Interest and fiscal charges | - | - | 366,140 | 366,140 | 380,437 |
| Capital outlay | - | 2,667,655 | 319,430 | 2,987,085 | 2,927,965 |
| Total expenditures | <u>7,654,445</u> | <u>3,284,061</u> | <u>1,994,419</u> | <u>12,932,925</u> | <u>11,948,557</u> |
| Excess of revenues over (under) expenditures | <u>(595,973)</u> | <u>(200,268)</u> | <u>291,260</u> | <u>(504,981)</u> | <u>(1,091,039)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 588,863 | - | 1,122,997 | 1,711,860 | 1,521,959 |
| Transfers out | - | - | (1,024,349) | (1,024,349) | (923,648) |
| Total other financing sources (uses) | <u>588,863</u> | <u>-</u> | <u>98,648</u> | <u>687,511</u> | <u>598,311</u> |
| Net change in fund balances | (7,110) | (200,268) | 389,908 | 182,530 | (492,728) |
| Fund balances - January 1 | <u>2,878,264</u> | <u>615,978</u> | <u>(1,914,685)</u> | <u>1,579,557</u> | <u>2,072,285</u> |
| Fund balances - December 31 | <u>\$ 2,871,154</u> | <u>\$ 415,710</u> | <u>\$ (1,524,777)</u> | <u>\$ 1,762,087</u> | <u>\$ 1,579,557</u> |

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, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| RECONCILIATION TO THE STATEMENT OF ACTIVITIES | | |
| Net change in fund balances as shown on previous page | \$ 182,530 | \$ (492,728) |
| 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 | 4,265,283 | 4,096,198 |
| Depreciation expense reported in the statement of activities | (2,060,748) | (1,817,185) |
| Net book value of disposals | (650,572) | (503,423) |
| 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. | 70,743 | (152,324) |
| Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| Principal repaid | 685,000 | 570,000 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds: | | |
| Accrued interest on long-term debt | 1,284 | (97) |
| Amortization of premiums, discounts and loss on advance refunding | 15,799 | 16,191 |
| Compensated absences | (38,115) | 3,714 |
| Net pension asset | (354,916) | 354,916 |
| Net pension liability | (460,536) | 94,343 |
| Deferred outflows of resources related to pensions | 593,007 | (161,223) |
| Deferred inflows of resources related to pensions | 64,958 | (308,696) |
| Other postemployment benefits | 7,337 | (25,455) |
| Deferred outflows of resources related to other postemployment benefits | 5,863 | 15,158 |
| Deferred inflows of resources related to other postemployment benefits | (27,628) | (1,645) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities. | <u>(13,710)</u> | <u>13,710</u> |
| Change in net position of governmental activities as reported in the statement of activities (see pages 23 - 24) | <u>\$ 2,285,579</u> | <u>\$ 1,701,454</u> |

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, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance | 2018 Actual |
|--|---------------------|---------------------|---------------------|--|---------------------|
| | Original | Final | | Final Budget - Positive (Negative) | |
| REVENUES | | | | | |
| Taxes | \$ 4,960,590 | \$ 4,960,590 | \$ 4,966,396 | \$ 5,806 | \$ 4,841,447 |
| Intergovernmental | 755,910 | 755,910 | 804,170 | 48,260 | 728,046 |
| Licenses and permits | 497,100 | 497,100 | 572,574 | 75,474 | 478,174 |
| Fines and forfeits | 188,900 | 188,900 | 132,966 | (55,934) | 162,077 |
| Public charges for services | 134,100 | 134,100 | 151,980 | 17,880 | 131,228 |
| Miscellaneous | 359,600 | 359,600 | 430,386 | 70,786 | 366,391 |
| Total revenues | <u>6,896,200</u> | <u>6,896,200</u> | <u>7,058,472</u> | <u>162,272</u> | <u>6,707,363</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 1,162,200 | 1,162,200 | 1,070,748 | 91,452 | 1,063,652 |
| Public safety | 2,954,100 | 2,954,100 | 2,959,393 | (5,293) | 2,845,047 |
| Public works | 2,961,200 | 2,961,200 | 3,189,037 | (227,837) | 2,951,681 |
| Community development | 450,300 | 450,300 | 435,267 | 15,033 | 386,714 |
| Total expenditures | <u>7,527,800</u> | <u>7,527,800</u> | <u>7,654,445</u> | <u>(126,645)</u> | <u>7,247,094</u> |
| Excess of revenues over (under) expenditures | <u>(631,600)</u> | <u>(631,600)</u> | <u>(595,973)</u> | <u>35,627</u> | <u>(539,731)</u> |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | <u>569,100</u> | <u>569,100</u> | <u>588,863</u> | <u>19,763</u> | <u>598,311</u> |
| Net change in fund balance | (62,500) | (62,500) | (7,110) | 55,390 | 58,580 |
| Fund balance - January 1 | <u>2,878,264</u> | <u>2,878,264</u> | <u>2,878,264</u> | - | <u>2,819,684</u> |
| Fund balance - December 31 | <u>\$ 2,815,764</u> | <u>\$ 2,815,764</u> | <u>\$ 2,871,154</u> | <u>\$ 55,390</u> | <u>\$ 2,878,264</u> |

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

Village of Howard, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

| | Enterprise Funds | | | |
|---------------------------------------|------------------|--------------|-------------|----------------|
| | Water | Sewer | Storm water | Howard Commons |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and investments | \$ 2,183,899 | \$ 2,753,263 | \$ 653,510 | \$ 4,493,154 |
| Receivables | | | | |
| Accounts | 595,212 | 487,822 | 122,483 | 199,446 |
| Special assessments | 1,429,312 | 1,527,486 | 3,712,938 | - |
| Inventories | 73,088 | 13,278 | - | - |
| Total current assets | 4,281,511 | 4,781,849 | 4,488,931 | 4,692,600 |
| Other assets | | | | |
| Net pension asset | - | - | - | - |
| Capital assets | | | | |
| Nondepreciable | 15,984 | 275,233 | 129,008 | 8,297,055 |
| Depreciable | 25,334,704 | 20,966,860 | 24,202,298 | 23,987,590 |
| Total capital assets | 25,350,688 | 21,242,093 | 24,331,306 | 32,284,645 |
| Total assets | 29,632,199 | 26,023,942 | 28,820,237 | 36,977,245 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Loss on advance refunding | 5,644 | - | - | - |
| Pension related amounts | 257,973 | 175,820 | 145,610 | - |
| Other postemployment related amounts | 4,393 | 2,955 | 2,430 | - |
| Total deferred outflows of resources | 268,010 | 178,775 | 148,040 | - |

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

| Enterprise Funds (Continued) | | | Governmental Activities - Internal Service Fund | |
|------------------------------|---------------|--------------|--|-----------|
| Nonmajor Golf Course | Totals | | Totals | |
| | 2019 | 2018 | 2019 | 2018 |
| \$ 74,926 | \$ 10,158,752 | \$ 6,516,644 | \$ - | \$ 13,710 |
| - | 1,404,963 | 1,294,073 | - | - |
| - | 6,669,736 | 8,155,889 | - | - |
| 11,334 | 97,700 | 108,047 | - | - |
| 86,260 | 18,331,151 | 16,074,653 | - | 13,710 |
| - | - | 193,302 | - | - |
| 1,936,375 | 10,653,655 | 3,396,700 | - | - |
| 853,905 | 95,345,357 | 92,614,172 | - | - |
| 2,790,280 | 105,999,012 | 96,010,872 | - | - |
| 2,876,540 | 124,330,163 | 112,278,827 | - | 13,710 |
| - | 5,644 | 15,375 | - | - |
| 44,805 | 624,208 | 349,494 | - | - |
| 743 | 10,521 | 8,257 | - | - |
| 45,548 | 640,373 | 373,126 | - | - |

Village of Howard, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

| | Enterprise Funds | | | |
|---|----------------------|----------------------|----------------------|---------------------|
| | Water | Sewer | Storm water | Howard Commons |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 42,454 | \$ 253,138 | \$ 133,781 | \$ 1,190,988 |
| Accrued and other current liabilities | 32,960 | 23,919 | 15,350 | - |
| Due to other funds | - | - | - | - |
| Construction and other deposits | - | - | 755,590 | 92,387 |
| Unearned revenue | - | - | - | 29,123 |
| Current portion of long-term obligations | 169,715 | 18,761 | 4,776 | 304,205 |
| Accrued interest | 2,077 | - | - | 93,999 |
| Total current liabilities | <u>247,206</u> | <u>295,818</u> | <u>909,497</u> | <u>1,710,702</u> |
| Long-term obligations, less current portion | | | | |
| General obligation debt | 300,000 | - | - | - |
| Note anticipation notes | - | - | - | 35,214,450 |
| Debt premium | - | - | - | 590,855 |
| Compensated absences | 16,477 | 12,507 | 3,184 | - |
| Net pension liability | 96,241 | 64,735 | 53,234 | - |
| Other postemployment benefits | 22,870 | 15,383 | 12,650 | - |
| Total long-term liabilities | <u>435,588</u> | <u>92,625</u> | <u>69,068</u> | <u>35,805,305</u> |
| Total liabilities | <u>682,794</u> | <u>388,443</u> | <u>978,565</u> | <u>37,516,007</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension related amounts | 134,577 | 90,521 | 74,438 | - |
| Other postemployment related amounts | 6,118 | 4,115 | 3,384 | - |
| Total deferred inflows of resources | <u>140,695</u> | <u>94,636</u> | <u>77,822</u> | <u>-</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 24,905,688 | 21,242,093 | 24,331,306 | (3,300,923) |
| Restricted | - | - | - | - |
| Unrestricted | 4,171,032 | 4,477,545 | 3,580,584 | 2,762,161 |
| Total net position | <u>\$ 29,076,720</u> | <u>\$ 25,719,638</u> | <u>\$ 27,911,890</u> | <u>\$ (538,762)</u> |

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

| Enterprise Funds (Continued) | | | Governmental Activities - Internal Service Fund | | |
|------------------------------|----------------------|----------------------|--|------------------|--|
| Nonmajor Golf Course | Totals | | Totals | | |
| | 2019 | 2018 | 2019 | 2018 | |
| \$ 14,365 | \$ 1,634,726 | \$ 494,794 | \$ - | \$ - | |
| 4,699 | 76,928 | 64,250 | - | - | |
| - | - | 180,326 | - | - | |
| - | 847,977 | 860,549 | - | - | |
| 30,919 | 60,042 | 66,467 | - | - | |
| - | 497,457 | 405,900 | - | - | |
| - | 96,076 | 72,364 | - | - | |
| <u>49,983</u> | <u>3,213,206</u> | <u>2,144,650</u> | <u>-</u> | <u>-</u> | |
| - | 300,000 | 445,000 | - | - | |
| - | 35,214,450 | 25,504,450 | - | - | |
| - | 590,855 | 657,669 | - | - | |
| - | 32,168 | 33,923 | - | - | |
| 16,282 | 230,492 | - | - | - | |
| 3,869 | 54,772 | 63,600 | - | - | |
| <u>20,151</u> | <u>36,422,737</u> | <u>26,704,642</u> | <u>-</u> | <u>-</u> | |
| <u>70,134</u> | <u>39,635,943</u> | <u>28,849,292</u> | <u>-</u> | <u>-</u> | |
| 22,768 | 322,304 | 386,119 | - | - | |
| 1,035 | 14,652 | 896 | - | - | |
| <u>23,803</u> | <u>336,956</u> | <u>387,015</u> | <u>-</u> | <u>-</u> | |
| 2,790,280 | 69,968,444 | 70,666,232 | - | - | |
| - | - | 193,302 | - | - | |
| 37,871 | 15,029,193 | 12,556,112 | - | 13,710 | |
| <u>\$ 2,828,151</u> | <u>\$ 84,997,637</u> | <u>\$ 83,415,646</u> | <u>\$ -</u> | <u>\$ 13,710</u> | |

Village of Howard, Wisconsin

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Enterprise Funds | | | |
|--|----------------------|----------------------|----------------------|---------------------|
| | Water | Sewer | Storm water | Howard Commons |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 5,188,573 | \$ 3,914,629 | \$ 1,085,585 | \$ 1,392,650 |
| Other | 277,962 | 28,722 | 4,974 | 58,378 |
| Total operating revenues | <u>5,466,535</u> | <u>3,943,351</u> | <u>1,090,559</u> | <u>1,451,028</u> |
| OPERATING EXPENSES | | | | |
| Operation and maintenance | 4,725,041 | 3,500,456 | 921,227 | 511,201 |
| Depreciation and amortization | 694,562 | 348,256 | 286,923 | 663,908 |
| Total operating expenses | <u>5,419,603</u> | <u>3,848,712</u> | <u>1,208,150</u> | <u>1,175,109</u> |
| Operating income (loss) | <u>46,932</u> | <u>94,639</u> | <u>(117,591)</u> | <u>275,919</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest income | 77,957 | 89,300 | 167,598 | 86,152 |
| Interest and fiscal charges | (23,321) | - | - | (1,086,574) |
| Amortization of debt premium | - | - | - | 268,472 |
| Total nonoperating revenues (expenses) | <u>54,636</u> | <u>89,300</u> | <u>167,598</u> | <u>(731,950)</u> |
| Income (loss) before contributions and transfers | 101,568 | 183,939 | 50,007 | (456,031) |
| Capital contributions | 446,112 | 393,506 | 1,553,283 | - |
| Transfers out | (577,385) | (11,478) | - | (98,648) |
| Change in net position | (29,705) | 565,967 | 1,603,290 | (554,679) |
| Net position - January 1 | <u>29,106,425</u> | <u>25,153,671</u> | <u>26,308,600</u> | <u>15,917</u> |
| Net position - December 31 | <u>\$ 29,076,720</u> | <u>\$ 25,719,638</u> | <u>\$ 27,911,890</u> | <u>\$ (538,762)</u> |

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

| Enterprise Funds (continued) | | | Governmental Activities - Internal Service Fund | | |
|------------------------------|-------------------|-------------------|--|------------------|--|
| Nonmajor Golf Course | Totals | | Totals | | |
| | 2019 | 2018 | 2019 | 2018 | |
| \$ 502,431 | \$ 12,083,868 | \$ 11,272,750 | \$ 827,107 | \$ 702,099 | |
| 1,500 | 371,536 | 488,598 | - | - | |
| 503,931 | 12,455,404 | 11,761,348 | 827,107 | 702,099 | |
| 455,735 | 10,113,660 | 8,252,106 | 840,817 | 688,389 | |
| 51,311 | 2,044,960 | 1,395,984 | - | - | |
| 507,046 | 12,158,620 | 9,648,090 | 840,817 | 688,389 | |
| (3,115) | 296,784 | 2,113,258 | (13,710) | 13,710 | |
| 233 | 421,240 | 183,895 | - | - | |
| - | (1,109,895) | (235,084) | - | - | |
| - | 268,472 | - | - | - | |
| 233 | (420,183) | (51,189) | - | - | |
| (2,882) | (123,399) | 2,062,069 | (13,710) | 13,710 | |
| - | 2,392,901 | 4,020,740 | - | - | |
| - | (687,511) | (598,311) | - | - | |
| (2,882) | 1,581,991 | 5,484,498 | (13,710) | 13,710 | |
| 2,831,033 | 83,415,646 | 77,931,148 | 13,710 | - | |
| <u>\$ 2,828,151</u> | <u>84,997,637</u> | <u>83,415,646</u> | <u>\$ -</u> | <u>\$ 13,710</u> | |

Village of Howard, Wisconsin

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Enterprise Funds | | | |
|--|---------------------|---------------------|-------------------|---------------------|
| | Water | Sewer | Storm water | Howard Commons |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers | \$ 5,094,536 | \$ 3,995,968 | \$ 1,083,917 | \$ 1,442,936 |
| Cash received from interfund services provided | - | - | - | - |
| Cash paid for employee wages and benefits | (625,245) | (438,799) | (378,421) | - |
| Cash paid to suppliers | (3,729,834) | (2,901,201) | (597,580) | (662,825) |
| Net cash provided by operating activities | <u>739,457</u> | <u>655,968</u> | <u>107,916</u> | <u>780,111</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Due to other funds | - | - | (180,326) | - |
| Transfer out | (577,385) | (11,478) | - | (98,648) |
| Net cash provided (used) by noncapital financing activities | <u>(577,385)</u> | <u>(11,478)</u> | <u>(180,326)</u> | <u>(98,648)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets | (1,350,307) | (361,049) | (2,157,783) | (7,032,629) |
| Capital contributions | 506,847 | 598,013 | 2,709,420 | - |
| Sale of capital assets | 59,670 | - | 6,685 | 13,402 |
| Proceeds of long-term debt | - | - | - | 9,710,000 |
| Debt premium received | - | - | - | 285,863 |
| Debt issuance costs paid | - | - | - | (104,235) |
| Principal paid on long-term debt | (135,000) | - | - | - |
| Interest paid on long-term debt | (14,153) | - | - | (958,064) |
| Interest capitalized | - | - | - | - |
| Net cash flows provided (used) by capital and related financing activities | <u>(932,943)</u> | <u>236,964</u> | <u>558,322</u> | <u>1,914,337</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 77,957 | 89,300 | 167,598 | 86,152 |
| Interest income capitalized | - | - | - | - |
| Net cash provided by investing activities | <u>77,957</u> | <u>89,300</u> | <u>167,598</u> | <u>86,152</u> |
| Change in cash and cash equivalents | (692,914) | 970,754 | 653,510 | 2,681,952 |
| Cash and cash equivalents - January 1 | <u>2,876,813</u> | <u>1,782,509</u> | <u>-</u> | <u>1,811,202</u> |
| Cash and cash equivalents - December 31 | <u>\$ 2,183,899</u> | <u>\$ 2,753,263</u> | <u>\$ 653,510</u> | <u>\$ 4,493,154</u> |

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

| Enterprise Funds (Continued) | | | Governmental Activities - Internal Service Fund | |
|------------------------------|----------------------|---------------------|--|------------------|
| Nonmajor Golf Course | Totals | | Totals | |
| | 2019 | 2018 | 2019 | 2018 |
| \$ 490,964 | \$ 12,108,321 | \$ 11,561,727 | \$ - | \$ - |
| - | - | - | 827,107 | 702,099 |
| (166,593) | (1,609,058) | (1,463,871) | - | - |
| (261,464) | (8,152,904) | (6,877,345) | (840,817) | (688,389) |
| 62,907 | 2,346,359 | 3,220,511 | (13,710) | 13,710 |
| - | (180,326) | 180,326 | - | - |
| - | (687,511) | (598,311) | - | - |
| - | (867,837) | (417,985) | - | - |
| (34,334) | (10,936,102) | (24,304,691) | - | - |
| - | 3,814,280 | 2,432,810 | - | - |
| - | 79,757 | 97,459 | - | - |
| - | 9,710,000 | 16,330,000 | - | - |
| - | 285,863 | 940,118 | - | - |
| - | (104,235) | (158,194) | - | - |
| - | (135,000) | (135,000) | - | - |
| - | (972,217) | (656,383) | - | - |
| - | - | 639,058 | - | - |
| (34,334) | 1,742,346 | (4,814,823) | - | - |
| 233 | 421,240 | 292,251 | - | - |
| - | - | (108,356) | - | - |
| 233 | 421,240 | 183,895 | - | - |
| 28,806 | 3,642,108 | (1,828,402) | (13,710) | 13,710 |
| 46,120 | 6,516,644 | 8,345,046 | 13,710 | - |
| <u>\$ 74,926</u> | <u>\$ 10,158,752</u> | <u>\$ 6,516,644</u> | <u>\$ -</u> | <u>\$ 13,710</u> |

Village of Howard, Wisconsin

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

| | Enterprise Funds | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Water | Sewer | Storm water | Howard Commons |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | |
| Operating income | \$ 46,932 | \$ 94,639 | \$ (117,591) | \$ 275,919 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | | |
| Depreciation and amortization | 694,562 | 348,256 | 286,924 | 663,908 |
| Depreciation charged to sewer utility | 49,690 | (49,690) | - | - |
| Change in liability (asset) and deferred outflows and inflows of resources | | | | |
| Net pension asset | 86,017 | 53,286 | 34,407 | - |
| Deferred outflows -pension related | (106,163) | (78,775) | (66,920) | - |
| Net pension liability | 96,241 | 64,735 | 53,234 | - |
| Deferred inflows - pension related | (37,241) | (15,918) | (11,085) | - |
| Other postemployment benefits | | | | |
| Deferred outflows - OPEB related | (719) | (679) | (601) | - |
| OPEB Liability | (5,431) | (2,149) | (1,437) | - |
| Deferred inflows - OPEB related | 5,719 | 3,868 | 3,186 | - |
| Change in operating assets and liabilities | | | | |
| Accounts receivables | (90,029) | 52,617 | (6,642) | (66,836) |
| Inventories and prepaid items | (4,284) | 878 | - | - |
| Accounts payable | (537) | 182,473 | (64,155) | (151,624) |
| Accounts payable related to capital assets | - | - | - | - |
| Accrued liabilities | 7,569 | 3,481 | (924) | - |
| Customer deposits | - | - | - | 52,202 |
| Unearned revenue | - | - | - | 6,542 |
| Compensated absences | (2,869) | (1,054) | (480) | - |
| Net cash provided by operating activities | <u>\$ 739,457</u> | <u>\$ 655,968</u> | <u>\$ 107,916</u> | <u>\$ 780,111</u> |

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

| Enterprise Funds (Continued) | | | Governmental Activities - Internal Service Fund | | |
|------------------------------|---------------------|---------------------|--|------------------|--|
| Nonmajor Golf Course | Totals | | Totals | | |
| | 2019 | 2018 | 2019 | 2018 | |
| \$ (3,115) | \$ 296,784 | \$ 2,113,258 | \$ (13,710) | \$ 13,710 | |
| 51,310 | 2,044,960 | 1,395,984 | - | - | |
| - | - | - | - | - | |
| 19,592 | 193,302 | (193,302) | - | - | |
| (22,856) | (274,714) | 99,737 | - | - | |
| 16,282 | 230,492 | (51,383) | - | - | |
| 429 | (63,815) | 168,128 | - | - | |
| - | - | - | - | - | |
| (265) | (2,264) | (8,257) | - | - | |
| 189 | (8,828) | 13,866 | - | - | |
| 983 | 13,756 | 896 | - | - | |
| - | (110,890) | 47,795 | - | - | |
| 13,753 | 10,347 | (2,467) | - | - | |
| (2,980) | (36,823) | (1,465,421) | - | - | |
| - | - | 1,072,011 | - | - | |
| 2,552 | 12,678 | 14,641 | - | - | |
| - | 52,202 | 23,781 | - | - | |
| (12,967) | (6,425) | (5,631) | - | - | |
| - | (4,403) | (3,125) | - | - | |
| <u>\$ 62,907</u> | <u>\$ 2,346,359</u> | <u>\$ 3,220,511</u> | <u>\$ (13,710)</u> | <u>\$ 13,710</u> | |

Village of Howard, Wisconsin

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018

| | Tax Collection Custodial Fund | |
|--------------------------|----------------------------------|---------------|
| | 2019 | 2018 |
| ASSETS | | |
| Current assets | | |
| Cash and investments | \$ 12,474,774 | \$ 11,669,384 |
| LIABILITIES | | |
| Current liabilities | | |
| Other liabilities | \$ 20,786 | \$ - |
| Due to other governments | 12,453,988 | 11,669,384 |
| Total liabilities | \$ 12,474,774 | \$ 11,669,384 |
| NET POSITION | | |
| Restricted | \$ - | \$ - |

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

Village of Howard, Wisconsin

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

| | Tax Collection Custodial Fund | |
|-------------------------------------|----------------------------------|---------------|
| | 2019 | 2018 |
| ADDITIONS | | |
| Taxes and special charges collected | \$ 19,076,985 | \$ 17,951,002 |
| DEDUCTIONS | | |
| Payments to taxing districts | 19,076,985 | 17,951,002 |
| Change in net position | - | - |
| Net Position - January 1 | - | - |
| Net Position - December 31 | \$ - | \$ - |

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, 2019

NOTE 1: 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:

A. REPORTING ENTITY

The Village is a municipal corporation governed by an elected eight member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position 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, proprietary, 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

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

Capital Improvement Fund

This fund accounts for the acquisition or construction of major capital facilities other than those financed by proprietary fund types.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

The Village reports the following major enterprise funds:

Water Utility Fund

This fund accounts for the operations of the Village's water distribution system.

Sewer Utility Fund

This fund accounts for the operations of the Village's sewerage collection and treatment system.

Storm Water Utility Fund

This fund accounts for the operations of the Village's storm water collection system.

Howard Commons Fund

This fund accounts for the operations of the Village's Howard Commons apartment complex.

The Village also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and specials collected on behalf of other governments. These amounts were recorded in an agency fund in prior years. Due to the implementation of GASB 84, *Fiduciary Activities*, the presentation and reporting has been adjusted to meet the requirements of the new standard and are presented in a custodial fund.

Additionally, the Village reports the following fund:

- ▶ An *internal service fund* accounts for health, dental and section 125 cafeteria plan services provided to Village employees on a cost reimbursement basis. The Village purchases commercial insurance for health and dental coverage and reimburses employee deductible costs.

C. 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 are the proprietary fund and fiduciary fund financial statements. 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.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, sewer, and storm water 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.

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 proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs 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.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. 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 price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. 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 and special charges 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. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

In addition to its levy, the Village also levies and collects taxes for the Howard-Suamico and Pulaski School Districts, Brown County, and Northeast Wisconsin Technical College. Collections and remittances of property taxes for other entities are accounted for in the custodial fund.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

3. Accounts Receivable

Accounts receivable are recorded at gross amounts 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.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2019 tax roll are recognized as revenue in 2020.)

5. Loans Receivable

The Village has received federal and state grant funds for economic development loan programs and has passed the funds to various businesses and individuals in the form of loans. The Village records a loan receivable and expenditure when the loan has been made and the funds disbursed. 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. In the governmental funds, the Village records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

6. 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. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. 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 classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

8. 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 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 a year. Business-type capital assets are defined by the Village as assets with an initial, individual cost of \$2,000 or more 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. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Donated capital assets are recorded at estimated acquisition 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> | <u>Governmental</u> | <u>Business-type</u> |
|-------------------------|---------------------|----------------------|
| | <u>Activities</u> | <u>Activities</u> |
| | <u>Years</u> | |
| Land improvements | 40 - 75 | 50 |
| Buildings | 30 - 50 | 20 - 50 |
| Machinery and equipment | 5 - 25 | 5 - 25 |
| Infrastructure | 20 - 100 | 30 - 100 |

9. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation in accordance with employee handbook policies. All vacation 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.

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The Village reports unavailable revenues for special assessments, special charges, and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

11. 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 position. Bond premiums and discounts 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 expensed as incurred.

Village of Howard, Wisconsin

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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.

12. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits Other Than Pensions (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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. The Village Board has not authorized an individual to assign fund balance. 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.

Village of Howard, Wisconsin

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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 position and displayed in three components:

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is 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 position.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. 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.

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

G. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform to the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to November 20, Village management 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.

Village of Howard, Wisconsin

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2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental 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.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.
4. Expenditures may not exceed appropriations on a functional basis of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
5. 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, 2019.

B. DEFICIT FUND BALANCE

The following funds had a deficit fund balance as of December 31, 2019:

| <u>Funds</u> | <u>Deficit Fund Balance</u> |
|--------------------------------|---------------------------------|
| Tax Incremental District No. 3 | \$ 327,766 |
| Tax Incremental District No. 7 | 292,342 |
| Tax Incremental District No. 8 | 2,034,535 |
| Tax Incremental District No. 9 | 10,015 |

The Village anticipates future tax increments will finance the deficit of the Tax Incremental District funds.

C. 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 2019 and 2020 budget years, 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 2019 budget was 2.46%. The actual limit for the Village for the 2020 budget was 1.70%. 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.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. 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 on 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.

The carrying amount of the Village's cash and investments totaled \$29,893,766 on December 31, 2019 as summarized below:

| | | |
|--|----|----------------------|
| Petty cash and cash on hand | \$ | 5,135 |
| Deposits with financial institutions | | 26,694,802 |
| Investments | | |
| Wisconsin Local Government Investment Pool | | 3,193,828 |
| | | <u>\$ 29,893,764</u> |

Reconciliation to the basic financial statements:

| | | |
|---|----|----------------------|
| Government-wide statement of net position | | |
| Cash and investments | \$ | 17,418,992 |
| Fiduciary fund statement of net position | | |
| Custodial fund | | 12,474,774 |
| | | <u>\$ 29,893,766</u> |

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village currently has no investments that are subject to fair value measurement.

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.

Custodial Credit Risk

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 custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Village does not have an additional custodial credit policy.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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 the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-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 the combined amount of all deposit accounts per official custodian per depository institution. 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. This coverage has been considered in determining custodial credit risk.

As of December 31, 2019, \$24,014,360 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. \$21,305,333 was collateralized with securities held by the pledging financial institution or its trust department or agent.

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. The Village's investment policy does not further limit its investment choices. The Village's investment in the Wisconsin local government investment pool is not rated.

Concentration of Credit Risk

The investment policy of the Village states that no more than 50% of the Village's total investment portfolio will be invested in a single security type or single financial institution, unless fully collateralized, with the exception of U.S. Treasury securities and authorized pools. At December 31, 2019, the Village had no investments in any one issuer (other than an external investment pool) that represent 5% or more of total Village investments.

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. The average days to maturity of investments held by the Wisconsin Local Government Investment Pool is less than 12 months as of December 31, 2019.

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin Local Government Investment Pool of \$3,193,828 at year-end. The 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, 2019, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

B. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|----------------------|-------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, nondepreciable: | | | | |
| Land | \$ 8,772,655 | \$ 49,841 | \$ 339,647 | \$ 8,482,849 |
| Capital assets, depreciable: | | | | |
| Land improvements | 2,758,966 | - | - | 2,758,966 |
| Buildings | 5,991,068 | - | - | 5,991,068 |
| Machinery and equipment | 7,071,221 | 739,345 | 676,536 | 7,134,030 |
| Infrastructure | 58,344,222 | 3,476,097 | 492,878 | 61,327,441 |
| Subtotals | <u>74,165,477</u> | <u>4,215,442</u> | <u>1,169,414</u> | <u>77,211,505</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 882,306 | 65,924 | - | 948,230 |
| Buildings | 1,893,516 | 55,254 | - | 1,948,770 |
| Machinery and equipment | 3,605,826 | 407,448 | 456,140 | 3,557,134 |
| Infrastructure | 20,951,432 | 1,532,122 | 402,349 | 22,081,205 |
| Subtotals | <u>27,333,080</u> | <u>2,060,748</u> | <u>858,489</u> | <u>28,535,339</u> |
| Total capital assets, depreciable, net | <u>46,832,397</u> | <u>2,154,694</u> | <u>310,925</u> | <u>48,676,166</u> |
| Governmental activities capital assets, net | <u>\$ 55,605,052</u> | <u>\$ 2,204,535</u> | <u>\$ 650,572</u> | 57,159,015 |
| Less: Capital related debt | | | | 10,095,550 |
| Less: Debt premium | | | | 199,451 |
| Net investment in capital assets | | | | <u>\$ 46,864,014</u> |
| Business-type activities: | | | | |
| Capital assets, nondepreciable: | | | | |
| Land | \$ 2,700,667 | \$ - | \$ 56,144 | \$ 2,644,523 |
| Construction in progress | 696,033 | 8,009,132 | 696,033 | 8,009,132 |
| Total capital assets, nondepreciable | <u>3,396,700</u> | <u>8,009,132</u> | <u>752,177</u> | <u>10,653,655</u> |
| Capital assets, depreciable: | | | | |
| Land improvements | 1,519,002 | - | 13,401 | 1,505,601 |
| Buildings | 24,732,415 | 177,550 | - | 24,909,965 |
| Machinery and equipment | 5,232,935 | 535,868 | 76,339 | 5,692,464 |
| Infrastructure | 80,567,996 | 4,086,340 | 21,721 | 84,632,615 |
| Subtotals | <u>112,052,348</u> | <u>4,799,758</u> | <u>111,461</u> | <u>116,740,645</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 165,109 | 14,449 | - | 179,558 |
| Buildings | 530,066 | 634,199 | - | 1,164,265 |
| Machinery and equipment | 2,872,614 | 314,906 | 76,337 | 3,111,183 |
| Infrastructure | 15,870,387 | 1,081,406 | 11,511 | 16,940,282 |
| Subtotals | <u>19,438,176</u> | <u>2,044,960</u> | <u>87,848</u> | <u>21,395,288</u> |
| Total capital assets, depreciable, net | <u>92,614,172</u> | <u>2,754,798</u> | <u>23,613</u> | <u>95,345,357</u> |
| Business-type activities capital assets, net | <u>\$ 96,010,872</u> | <u>\$ 10,763,930</u> | <u>\$ 775,790</u> | 105,999,012 |
| Less: Capital related debt | | | | 33,958,753 |
| Less: Debt premium | | | | 895,060 |
| Less: Accounts payable related to capital assets | | | | 1,176,755 |
| Net investment in capital assets | | | | <u>\$ 69,968,444</u> |

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

| | |
|---|---------------------|
| Governmental activities | |
| General government | \$ 40,984 |
| Public safety | 224,400 |
| Public works | 1,707,379 |
| Culture and recreation | 87,985 |
| Total depreciation expense - governmental activities | <u>\$ 2,060,748</u> |
| Business-type activities | |
| Water Utility | \$ 694,562 |
| Sewer Utility | 348,256 |
| Storm water Utility | 286,923 |
| Howard Commons | 663,908 |
| Golf course | 51,311 |
| Total depreciation expense - business-type activities | <u>\$ 2,044,960</u> |

C. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2019 are detailed below:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|--|----------------------------------|-------------------------------|
| Temporary cash advances to finance operating cash deficits | | |
| Governmental funds | | |
| General | \$ 984,634 | \$ - |
| TIF District No. 3 | - | 92,948 |
| TIF District No. 7 | - | 262,344 |
| TIF District No. 8 | - | 619,327 |
| TIF District No. 9 | - | 10,015 |
| Subtotal | <u>984,634</u> | <u>984,634</u> |
| Long-term advances to finance project plan expenditures | | |
| Governmental funds | | |
| General fund | 1,215,000 | - |
| TIF District No. 8 | - | 1,215,000 |
| Totals | <u>\$ 2,199,634</u> | <u>\$ 2,199,634</u> |

Annual payments due on the long-term advances as of December 31, 2019, are detailed below:

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 85,000 | \$ 26,151 | \$ 111,151 |
| 2021 | 85,000 | 25,471 | 110,471 |
| 2022 | 86,000 | 24,493 | 110,493 |
| 2023 | 87,000 | 23,332 | 110,332 |
| 2024 | 89,000 | 21,983 | 110,983 |
| 2025 - 2029 | 470,000 | 82,267 | 552,267 |
| 2030 - 2032 | 313,000 | 18,930 | 331,930 |
| | <u>\$ 1,215,000</u> | <u>\$ 222,627</u> | <u>\$ 1,437,627</u> |

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Interfund transfers for the year ended December 31, 2019 were as follows:

| Funds | Transfer In | Transfer Out |
|--------------------|---------------------|---------------------|
| General fund | \$ 588,863 | \$ - |
| Debt service fund | 1,024,349 | - |
| TIF District No. 3 | - | 349,863 |
| TIF District No. 4 | - | 458,175 |
| TIF District No. 8 | 98,648 | 216,311 |
| Water utility | - | 588,863 |
| Howard Commons | - | 98,648 |
| | <u>\$ 1,711,860</u> | <u>\$ 1,711,860</u> |

Interfund transfers were made for the following purposes:

| | |
|---|---------------------|
| Tax equivalent payment made by Water Utility to General Fund | \$ 402,515 |
| Tax equivalent payment made by Howard Commons to General Fund | 98,648 |
| Cell tower lease payments received by Water Utility transferred to General Fund | 186,348 |
| Tax incremental district transfers for debt retirement related to the District | 1,024,349 |
| | <u>\$ 1,711,860</u> |

D. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2019:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|---|----------------------|----------------------|-------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| General obligation debt | | | | | |
| Bonds | \$ 10,090,000 | \$ - | \$ 685,000 | \$ 9,405,000 | \$ 700,000 |
| Note anticipation notes | 690,550 | - | - | 690,550 | - |
| Debt premium | 215,250 | - | 15,799 | 199,451 | 15,799 |
| Net pension liability | - | 460,536 | - | 460,536 | - |
| Other postemployment benefits | 116,773 | - | 7,337 | 109,436 | - |
| Compensated absences | 176,726 | 214,841 | 176,726 | 214,841 | 128,905 |
| Governmental activities Long-term obligations | <u>\$ 11,289,299</u> | <u>\$ 675,377</u> | <u>\$ 884,862</u> | <u>\$ 11,079,814</u> | <u>\$ 844,704</u> |
| Business-type activities: | | | | | |
| General obligation debt | | | | | |
| Bonds | \$ 580,000 | \$ - | \$ 135,000 | \$ 445,000 | \$ 145,000 |
| Note anticipation notes | 25,504,450 | 9,710,000 | - | 35,214,450 | - |
| Debt premium | 877,669 | 285,863 | 268,472 | 895,060 | 304,205 |
| Net pension liability | - | 230,492 | - | 230,492 | - |
| Other postemployment benefits | 63,600 | - | 8,828 | 54,772 | - |
| Compensated absences | 84,823 | 80,420 | 84,823 | 80,420 | 48,252 |
| Business-type activities Long-term obligations | <u>\$ 27,110,542</u> | <u>\$ 10,306,775</u> | <u>\$ 497,123</u> | <u>\$ 36,920,194</u> | <u>\$ 497,457</u> |

Total interest paid during the year on long-term debt totaled \$1,311,565.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

| | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance 12/31/19</u> |
|---|----------------------|-----------------------|-----------------------|------------------------------|-------------------------|
| General obligation bonds | 12/30/13 | 12/01/33 | 3.00-4.00% | \$ 7,830,000 | \$ 5,925,000 |
| General obligation bonds | 12/30/13 | 12/01/27 | 2.90-4.20% | 1,545,000 | 945,000 |
| General obligation bonds | 08/05/15 | 06/01/35 | 3.00-3.50% | 2,890,000 | 2,535,000 |
| General obligation refunding bonds | 08/04/11 | 05/01/22 | 0.90-2.90% | 1,695,000 | 445,000 |
| Total outstanding general obligation debt | | | | | <u>\$ 9,850,000</u> |

Annual principal and interest maturities of the outstanding general obligation debt of \$9,850,000 on December 31, 2019 are detailed below:

| <u>Year Ended</u> | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Totals</u> | |
|-------------------|--------------------------------|---------------------|---------------------------------|------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| December 31, 2020 | \$ 700,000 | \$ 310,138 | \$ 145,000 | \$ 10,508 | \$ 845,000 | \$ 320,646 |
| 2021 | 705,000 | 289,238 | 150,000 | 6,450 | 855,000 | 295,688 |
| 2022 | 725,000 | 263,688 | 150,000 | 2,175 | 875,000 | 265,863 |
| 2023 | 735,000 | 249,738 | - | - | 735,000 | 249,738 |
| 2024 | 740,000 | 222,550 | - | - | 740,000 | 222,550 |
| 2024-2028 | 3,300,000 | 749,975 | - | - | 3,300,000 | 749,975 |
| 2029-2033 | 2,300,000 | 262,500 | - | - | 2,300,000 | 262,500 |
| 2034-2038 | 200,000 | 3,500 | - | - | 200,000 | 3,500 |
| | <u>\$ 9,405,000</u> | <u>\$ 2,351,327</u> | <u>\$ 445,000</u> | <u>\$ 19,133</u> | <u>\$ 9,850,000</u> | <u>\$ 2,370,460</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, 2019 was \$86,026,760 as follows:

| | |
|---|----------------------|
| Equalized valuation of the Village | \$ 1,917,535,200 |
| Statutory limitation percentage | <u>(x) 5%</u> |
| General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes | 95,876,760 |
| Net outstanding general obligation debt applicable to debt limitation | <u>9,850,000</u> |
| Legal margin for new debt | <u>\$ 86,026,760</u> |

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note Anticipation Notes

Note anticipation notes currently outstanding is detailed as follows:

| | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance 12/31/19</u> |
|---|--------------------------|---------------------------|---------------------------|----------------------------------|-----------------------------|
| Note anticipation notes | 10/18/17 | 12/01/21 | 2.00% | \$ 9,865,000 | \$ 9,865,000 |
| Note anticipation notes | 04/02/18 | 12/01/22 | 2.00% | 16,330,000 | 16,330,000 |
| Note anticipation notes | 07/01/19 | 12/01/23 | 3.00% | 9,710,000 | 9,710,000 |
| Total outstanding note anticipation notes | | | | | <u>\$ 35,905,000</u> |

Annual principal and interest maturities of the outstanding note anticipation notes of \$35,905,000 on December 31, 2019 are detailed below:

| <u>Year Ended December 31,</u> | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Totals</u> | |
|------------------------------------|--------------------------------|------------------|---------------------------------|---------------------|----------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$ - | \$ 13,811 | \$ - | \$ 1,127,989 | \$ - | \$ 1,141,800 |
| 2021 | 690,550 | 13,811 | 9,174,450 | 1,127,989 | 9,865,000 | 1,141,800 |
| 2022 | - | - | 16,330,000 | 944,500 | 16,330,000 | 944,500 |
| 2023 | - | - | 9,710,000 | 291,300 | 9,710,000 | 291,300 |
| | <u>\$ 690,550</u> | <u>\$ 27,622</u> | <u>\$ 35,214,450</u> | <u>\$ 3,491,778</u> | <u>\$ 35,905,000</u> | <u>\$ 3,519,400</u> |

E. PENSION PLAN

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are 1) final average earnings, 2) years of creditable service, and 3) a formula factor.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

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Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Vested participants may retire on or after age 55 (50 for protective occupation employees) and receive actuarially-reduced benefits. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

2. Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

| <u>Year</u> | <u>Core Fund Adjustment</u> | <u>Variable Fund Adjustment</u> |
|-------------|-----------------------------|---------------------------------|
| 2009 | (2.1) | (42) |
| 2010 | (1.3) | 22 |
| 2011 | (1.2) | 11 |
| 2012 | (7.0) | (7) |
| 2013 | (9.6) | 9 |
| 2014 | 4.7 | 25 |
| 2015 | 2.9 | 2 |
| 2016 | 0.5 | (5) |
| 2017 | 2.0 | 4 |
| 2018 | 2.4 | 17 |

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

For the year ended December 31, 2019, WRS recognized \$216,922 in contributions from the Village.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

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Contribution rates for the reporting period are:

| <u>Employee Category</u> | <u>Employee</u> | <u>Employer</u> |
|--|-----------------|-----------------|
| General (including teachers, executives and elected officials) | 6.7% | 6.7% |
| Protective with Social Security | 6.7% | 10.7% |
| Protective without Social Security | 6.7% | 14.9% |

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Village reported a liability of \$691,028 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.01942354%, which was an increase of 0.00095953% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$460,087.

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 538,206 | \$ 951,354 |
| Net differences between projected and actual earnings on pension plan investments | 1,009,200 | - |
| Changes in assumptions | 116,482 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | - | 14,934 |
| Employer contributions subsequent to the measurement date | 216,922 | - |
| Total | <u>\$ 1,880,810</u> | <u>\$ 966,288</u> |

Village of Howard, Wisconsin

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\$216,922 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ended December 31,</u> | <u>Expense</u> |
|------------------------------------|-------------------|
| 2020 | \$ 251,489 |
| 2021 | 59,767 |
| 2022 | 110,905 |
| 2023 | 275,439 |
| Total | <u>\$ 697,600</u> |

5. Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------------------|--------------------------------|
| Actuarial valuation date: | December 31, 2017 |
| Actuarial cost method: | Entry Age |
| Asset valuation method: | Fair Market Value |
| Long-term expected rate of return: | 7.0% |
| Discount rate: | 7.0% |
| Salary increases: | |
| Inflation | 3.0% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality | Wisconsin 2018 Mortality Table |
| Post-retirement adjustments* | 1.9% |

* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

| | <u>Current Asset Allocation %</u> | <u>Long-term Expected Nominal Rate of Return %</u> | <u>Long-term Expected Real Rate of Return %</u> |
|----------------------------|---------------------------------------|--|---|
| Core Fund Asset Class | | | |
| Global equities | 49% | 8.1% | 5.5% |
| Fixed income | 24.5% | 4.0% | 1.5% |
| Inflation sensitive assets | 15.5% | 3.8% | 1.3% |
| Real estate | 9% | 6.5% | 3.9% |
| Private equity/debt | 8% | 9.4% | 6.7% |
| Multi-asset | 4% | 6.7% | 4.1% |
| Total Core Fund | 110% | 7.3% | 4.7% |
| Variable Fund Asset Class | | | |
| U.S. equities | 70% | 7.6% | 5.0% |
| International equities | 30% | 8.5% | 5.9% |
| Total Variable Fund | 100% | 8.0% | 5.4% |

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.0% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.0% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.0% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

| | <u>1% Decrease to Discount Rate (6.0%)</u> | <u>Current Discount Rate (7.0%)</u> | <u>1% Increase to Discount Rate (8.0%)</u> |
|---|--|---|--|
| Village's proportionate share of the net pension liability (asset) | \$ 2,746,220 | \$ 691,028 | \$ (837,165) |

Village of Howard, Wisconsin

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Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

6. Payables to the Pension Plan

At December 31, 2019, the Village reported a payable of \$37,611 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

F. OTHER POSTEMPLOYMENT BENEFITS

Local Retiree Life Insurance Fund

Plan Description

The LRLIF is a cost-sharing, multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

| <u>Coverage Type</u> | <u>Employer Contribution</u> |
|------------------------------|------------------------------|
| 50% Post-retirement coverage | 40% of employee contribution |
| 25% Post-retirement coverage | 20% of employee contribution |

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

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Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are listed below:

| Life Insurance Employee Contribution Rates For the Year Ended December 31, 2018 | |
|--|--------------|
| Attained Age | Basic |
| Under 30 | \$0.05 |
| 30 - 34 | 0.06 |
| 35 - 39 | 0.07 |
| 40 - 44 | 0.08 |
| 45 - 49 | 0.12 |
| 50 - 54 | 0.22 |
| 55 - 59 | 0.39 |
| 60 - 64 | 0.49 |
| 65 - 69 | 0.57 |

During the reporting period, the LRLIF recognized \$1,226 in contributions from the employer.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2019, the Village reported a liability of \$164,208 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.06363800%, which was an increase of 0.003685% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized OPEB expense of \$18,316.

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 8,331 |
| Net differences between projected and actual earnings on OPEB plan investments | 3,924 | - |
| Changes in assumptions | 15,668 | 35,594 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 11,950 | - |
| Total | <u>\$ 31,542</u> | <u>\$ 43,925</u> |

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended December 31,</u> | <u>Expense</u> |
|------------------------------------|--------------------|
| 2020 | \$ (1,229) |
| 2021 | (1,229) |
| 2022 | (1,780) |
| 2023 | (1,229) |
| 2024 | (2,348) |
| Thereafter | (4,568) |
| Total | <u>\$ (12,383)</u> |

Actuarial assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--------------------------------|
| Actuarial valuation date: | January 1, 2018 |
| Actuarial cost method: | Entry age normal |
| 20 year tax-exempt municipal bond yield: | 4.10% |
| Long-term expected rate of return: | 5.00% |
| Discount rate: | 4.22% |
| Salary increases: | |
| Inflation | 3.00% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality: | Wisconsin 2018 Mortality Table |

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

| <u>Asset Class</u> | <u>Index</u> | <u>Target Allocation</u> | <u>Long-term Expected Geometric Real Rate of Return %</u> |
|-----------------------------------|-------------------------|--------------------------|---|
| U.S. Government Bonds | Barclays Government | 1% | 1.44% |
| U.S. Credit Bonds | Barclays Credit | 40% | 2.69% |
| U.S. Long Credit Bonds | Barclays Long Credit | 4% | 3.01% |
| U.S. Mortgages | Barclays MBS | 54% | 2.25% |
| U.S. Municipal Bonds | Bloomberg Barclays Muni | 1% | 1.68% |
| Inflation | | | 2.30% |
| Long-term expected rate of return | | | 5.00% |

Single discount rate. A single discount rate of 4.22% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the Village's proportionate share of net OPEB liability to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 4.22%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22%) or 1-percentage-point higher (5.22%) than the current rate:

| | <u>1% Decrease to Discount Rate (3.22%)</u> | <u>Current Discount Rate (4.22%)</u> | <u>1% Increase to Discount Rate (5.22%)</u> |
|---|---|--------------------------------------|---|
| Village's proportionate share of the net OPEB liability | \$ 233,596 | \$ 164,208 | \$ 110,690 |

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payable to the OPEB Plan

At December 31, 2019, the Village reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2018.

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NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

G. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2019, nonspendable fund balance was as follows:

| | |
|------------------------|---------------------|
| General Fund | |
| Nonspendable | |
| Advance to other funds | <u>\$ 1,215,000</u> |

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2019, restricted fund balance was as follows:

| | |
|-----------------------------------|---------------------|
| Special Revenue Fund | |
| Restricted for | |
| Community development | <u>\$ 435,350</u> |
| Capital Projects Funds | |
| Restricted for | |
| Park development | 73,339 |
| Tax incremental district projects | <u>631,192</u> |
| | <u>704,531</u> |
| Total restricted fund balance | <u>\$ 1,139,881</u> |

Assigned Fund Balance

In the fund financial statements, portions of governmental fund balances are assigned by the Village for a specific purpose. At December 31, 2019, assigned fund balance was as follows:

| | |
|---|-------------------|
| Capital Projects Fund | |
| Assigned for subsequent year's expenditures | |
| Capital Improvements | <u>\$ 415,710</u> |

Minimum General Fund Balance Policy

The Village has also adopted a minimum fund balance policy of 25% to 40% of actual expenditures for the General Fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

| | |
|---------------------------------------|----------------------------------|
| Actual 2019 General Fund expenditures | \$ 7,654,445 |
| Minimum fund balance % | (x) 25% to 40% |
| Minimum fund balance amount | <u>\$1,913,611 - \$3,061,778</u> |

The Village's unassigned General Fund balance of \$1,656,154 is below the minimum fund balance amount.

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Net Position

The Village reports restricted net position at December 31, 2019 as follows:

| | |
|---|--------------------------------|
| Governmental activities | |
| Restricted for | |
| Park development | \$ 73,339 |
| Community development | 882,267 |
| Tax incremental district projects | <u>714,474</u> |
| Total governmental activities restricted net position | <u><u>\$ 1,670,080</u></u> |

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

The Village has established separate capital projects funds for Tax Incremental District (TID) No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9 which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village's Districts are still eligible to incur project costs.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID Capital Project Fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2019, the Village can recover \$14,528,891 from future excess tax increment revenues of the following:

| | <u>Recoverable Costs</u> |
|-----------|------------------------------|
| TID No. 3 | \$ 2,729,179 |
| TID No. 4 | 4,376,927 |
| TID No. 5 | 1,646,392 |
| TID No. 7 | 292,341 |
| TID No. 8 | 5,474,037 |
| TID No. 9 | 10,015 |

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. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

| | <u>Termination Year</u> |
|-----------|-----------------------------|
| TID No. 3 | 2026 |
| TID No. 4 | 2034 |
| TID No. 5 | 2028 |
| TID No. 6 | 2028 |
| TID No. 7 | 2039 |
| TID No. 8 | 2035 |
| TID No. 9 | 2040 |

Village of Howard, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

B. TAX ABATEMENTS

The Village has created tax incremental financing districts (the "Districts") in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the Districts, the Village entered into agreements with developers for a creation of tax base within the Districts. The agreements require the Village to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2019, the Village abated property taxes totaling \$521,037 under this program, comprised of the following tax abatement agreements:

- ▶ A property tax abatement of \$40,207 to a developer within Tax Incremental District No. 3.
- ▶ A property tax abatement of \$170,803 to a developer within Tax Incremental District No. 4.
- ▶ A property tax abatement of \$19,915 to a developer within Tax Incremental District No. 5.
- ▶ A property tax abatement of \$6,644 to a developer within Tax Incremental District No. 6.
- ▶ A property tax abatement of \$142,675 to a developer within Tax Incremental District No. 6.
- ▶ A property tax abatement of \$140,793 to a developer within Tax Incremental District No. 8.

C. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

The Village has established a separate internal service fund for the following risk management program:

Health and Dental Self-Insurance Fund

Village employees and employee dependents are eligible for medical benefits from a health and dental self-insurance fund. The Village purchases commercial insurance for the health and dental coverage for its employees and also, as part of its premium charged to Village departments, provides reimbursements for certain expenses for employees. Fund expenses consist of payments to a third-party administrator for medical claims, insurance premiums and administrative fees. On December 31, 2019, the fund had a balance of \$0.

D. CONTINGENCIES

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

E. SUBSEQUENT EVENT

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Village, COVID-19 may impact various parts of its 2020 operations including, but not limited to, costs for emergency preparedness, shortages of personnel and potential delays in revenue collections. Management believes the Village is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Howard, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) LOCAL RETIREE LIFE INSURANCE FUND LAST 10 FISCAL YEARS

| Plan Fiscal Year Ending | Proportion of the Net Pension Liability | Proportionate Share of the Net Pension Liability | Covered-Employee Payroll (plan year) | Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|-------------------------|---|--|--------------------------------------|--|--|
| 12/31/17 | 0.05995300% | \$ 180,373 | \$ 2,521,195 | 7.15% | 44.81% |
| 12/31/18 | 0.06363800% | 164,208 | 2,699,000 | 6.08% | 48.69% |

SCHEDULE OF CONTRIBUTIONS LOCAL RETIREE LIFE INSURANCE FUND LAST 10 FISCAL YEARS

| Village Fiscal Year Ending | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Covered-Employee Payroll (fiscal year) | Contributions as a Percentage of Covered-Employee Payroll |
|----------------------------|--------------------------------------|---|----------------------------------|--|---|
| 12/31/18 | \$ 1,229 | \$ 1,229 | \$ - | \$ 2,950,074 | 0.04% |
| 12/31/19 | 1,255 | 1,255 | - | 3,138,658 | 0.04% |

See notes to required supplementary information.

Village of Howard, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

| Plan Year Ending | Proportion of the Net Pension Liability (Asset) | Proportionate Share of the Net Pension Liability (Asset) | Covered Payroll (plan year) | Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset) |
|------------------|---|--|-----------------------------|---|--|
| 12/31/14 | 0.01671162% | \$ (410,482) | \$ 2,361,411 | 17.38% | 102.74% |
| 12/31/15 | 0.01692572% | 275,040 | 2,410,629 | 11.41% | 98.20% |
| 12/31/16 | 0.01768009% | 145,726 | 2,595,719 | 5.61% | 99.12% |
| 12/31/17 | 0.01846401% | (548,218) | 2,827,456 | 19.39% | 102.93% |
| 12/31/18 | 0.01942354% | 691,028 | 2,950,073 | 23.42% | 96.45% |

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

| Village Fiscal Year Ending | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Covered Payroll (fiscal year) | Contributions as a Percentage of Covered Payroll |
|----------------------------|--------------------------------------|---|----------------------------------|-------------------------------|--|
| 12/31/15 | \$ 167,710 | \$ 167,710 | \$ - | \$ 2,410,629 | 6.96% |
| 12/31/16 | 176,224 | 176,224 | - | 2,595,719 | 6.79% |
| 12/31/17 | 197,059 | 197,059 | - | 2,827,456 | 6.97% |
| 12/31/18 | 208,249 | 208,249 | - | 2,950,074 | 7.06% |
| 12/31/19 | 216,922 | 216,922 | - | 3,138,658 | 6.91% |

See notes to required supplementary information.

Village of Howard, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2019

A. WISCONSIN RETIREMENT SYSTEM

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

B. OTHER POSTEMPLOYMENT BENEFITS

Changes of benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total OPEB liability changed, including the discount rate, wage inflation rate, mortality and separation rates.

The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

SUPPLEMENTARY INFORMATION

Village of Howard, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

| | Special Revenue | | Capital Projects | | |
|--|-----------------------|--------------|------------------|--------------------------------|--------------------------------|
| | Community Development | Debt Service | Park Development | Tax Incremental District No. 3 | Tax Incremental District No. 4 |
| ASSETS | | | | | |
| Cash and investments | \$ 435,350 | \$ - | \$ 76,571 | \$ - | \$ 592,118 |
| Receivables | | | | | |
| Taxes and special charges | - | - | - | 240,764 | 351,215 |
| Special assessments | - | - | - | - | 83,282 |
| Loans | 446,917 | - | - | - | - |
| Other | - | - | - | - | - |
| Total assets | <u>\$ 882,267</u> | <u>\$ -</u> | <u>\$ 76,571</u> | <u>\$ 240,764</u> | <u>\$ 1,026,615</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ 3,232 | \$ - | \$ - |
| Accrued and other current liabilities | - | - | - | - | - |
| Due to other funds | - | - | - | 92,948 | - |
| Advance from other funds | - | - | - | - | - |
| Special deposits | - | - | - | 7,113 | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>3,232</u> | <u>100,061</u> | <u>-</u> |
| Deferred inflows of resources | | | | | |
| Property taxes levied for subsequent year | - | - | - | 468,469 | 683,382 |
| Loans receivable | 446,917 | - | - | - | - |
| Special assessments | - | - | - | - | 83,282 |
| Total deferred inflows of resources | <u>446,917</u> | <u>-</u> | <u>-</u> | <u>468,469</u> | <u>766,664</u> |
| Fund balances | | | | | |
| Restricted | 435,350 | - | 73,339 | - | 259,951 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | (327,766) | - |
| Total fund balances | <u>435,350</u> | <u>-</u> | <u>73,339</u> | <u>(327,766)</u> | <u>259,951</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 882,267</u> | <u>\$ -</u> | <u>\$ 76,571</u> | <u>\$ 240,764</u> | <u>\$ 1,026,615</u> |

Capital Projects (Continued)

| Tax Incremental District No. 5 | Tax Incremental District No. 6 | Tax Incremental District No. 7 | Tax Incremental District No. 8 | Tax Incremental District No. 9 | Total | |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------|---------------------|
| | | | | | 2019 | 2018 |
| \$ 108,834 | \$ 541,969 | \$ - | \$ - | \$ - | \$ 1,754,842 | \$ 1,265,678 |
| 34,721 | 260,874 | 31,717 | 211,182 | - | 1,130,473 | 964,960 |
| - | - | - | - | - | 83,282 | 100,634 |
| - | - | - | - | - | 446,917 | 503,605 |
| - | - | - | 588 | - | 588 | - |
| <u>\$ 143,555</u> | <u>\$ 802,843</u> | <u>\$ 31,717</u> | <u>\$ 211,770</u> | <u>\$ -</u> | <u>\$ 3,416,102</u> | <u>\$ 2,834,877</u> |
| \$ - | \$ - | \$ - | \$ 1,067 | \$ - | 4,299 | \$ 28,063 |
| - | - | - | - | - | - | 2,928 |
| - | - | 262,344 | 619,327 | 10,015 | 984,634 | 989,895 |
| - | - | - | 1,215,000 | - | 1,215,000 | 1,300,000 |
| - | - | - | - | - | 7,113 | 7,113 |
| - | - | 262,344 | 1,835,394 | 10,015 | 2,211,046 | 2,327,999 |
| 67,559 | 507,598 | 61,715 | 410,911 | - | 2,199,634 | 1,817,324 |
| - | - | - | - | - | 446,917 | 503,605 |
| - | - | - | - | - | 83,282 | 100,634 |
| <u>67,559</u> | <u>507,598</u> | <u>61,715</u> | <u>410,911</u> | <u>-</u> | <u>2,729,833</u> | <u>2,421,563</u> |
| 75,996 | 295,245 | - | - | - | 1,139,881 | 767,224 |
| - | - | - | - | - | - | - |
| - | - | (292,342) | (2,034,535) | (10,015) | (2,664,658) | (2,681,909) |
| <u>75,996</u> | <u>295,245</u> | <u>(292,342)</u> | <u>(2,034,535)</u> | <u>(10,015)</u> | <u>(1,524,777)</u> | <u>(1,914,685)</u> |
| <u>\$ 143,555</u> | <u>\$ 802,843</u> | <u>\$ 31,717</u> | <u>\$ 211,770</u> | <u>\$ -</u> | <u>\$ 3,416,102</u> | <u>\$ 2,834,877</u> |

Village of Howard, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

| | Special Revenue | | Capital Projects | | |
|--|-----------------------|--------------|------------------|--------------------------------|--------------------------------|
| | Community Development | Debt Service | Park Development | Tax Incremental District No. 3 | Tax Incremental District No. 4 |
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 406,502 | \$ 727,130 |
| Special assessments | - | - | - | - | 20,556 |
| Intergovernmental | - | - | - | 27,029 | 47,235 |
| Licenses and permits | - | - | 248,683 | - | - |
| Miscellaneous | 78,211 | - | 2,824 | - | 10,065 |
| Total revenues | 78,211 | - | 251,507 | 433,531 | 804,986 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 2,485 | - | 4,664 | 950 | 950 |
| Community development | - | - | - | 40,207 | 178,314 |
| Debt service | | | | | |
| Principal | - | 685,000 | - | - | - |
| Interest and fiscal charges | - | 339,349 | - | - | - |
| Capital outlay | - | - | 254,199 | 4,497 | - |
| Total expenditures | 2,485 | 1,024,349 | 258,863 | 45,654 | 179,264 |
| Excess of revenues over (under) expenditures | 75,726 | (1,024,349) | (7,356) | 387,877 | 625,722 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | 1,024,349 | - | - | - |
| Transfers out | - | - | - | (349,863) | (458,175) |
| Total other financing sources (uses) | - | 1,024,349 | - | (349,863) | (458,175) |
| Net change in fund balances | 75,726 | - | (7,356) | 38,014 | 167,547 |
| Fund balances - January 1 | 359,624 | - | 80,695 | (365,780) | 92,404 |
| Fund balances - December 31 | \$ 435,350 | \$ - | \$ 73,339 | \$ (327,766) | \$ 259,951 |

Capital Projects (Continued)

| Tax Incremental District No. 5 | Tax Incremental District No. 6 | Tax Incremental District No. 7 | Tax Incremental District No. 8 | Tax Incremental District No. 9 | Total | |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-----------------------|-----------------------|
| | | | | | 2019 | 2018 |
| \$ 60,027 | \$ 237,709 | \$ - | \$ 385,956 | \$ - | \$ 1,817,324 | \$ 1,049,567 |
| - | - | - | - | - | 20,556 | 48,073 |
| 2,037 | 11,778 | 3,163 | 898 | - | 92,140 | 74,041 |
| - | - | - | - | - | 248,683 | 150,930 |
| 48 | 7,537 | 8,291 | - | - | 106,976 | 153,903 |
| <u>62,112</u> | <u>257,024</u> | <u>11,454</u> | <u>386,854</u> | <u>-</u> | <u>2,285,679</u> | <u>1,476,514</u> |
| 25,363 | 157,033 | - | 61,319 | - | 252,764 | 78,632 |
| - | - | 1,756 | 140,793 | 10,015 | 371,085 | 270,245 |
| - | - | - | - | - | 685,000 | 570,000 |
| - | - | - | 26,791 | - | 366,140 | 380,437 |
| - | - | - | 60,734 | - | 319,430 | 840,732 |
| <u>25,363</u> | <u>157,033</u> | <u>1,756</u> | <u>289,637</u> | <u>10,015</u> | <u>1,994,419</u> | <u>2,140,046</u> |
| 36,749 | 99,991 | 9,698 | 97,217 | (10,015) | 291,260 | (663,532) |
| - | - | - | 98,648 | - | 1,122,997 | 923,648 |
| - | - | - | (216,311) | - | (1,024,349) | (923,648) |
| - | - | - | (117,663) | - | 98,648 | - |
| 36,749 | 99,991 | 9,698 | (20,446) | (10,015) | 389,908 | (663,532) |
| 39,247 | 195,254 | (302,040) | (2,014,089) | - | (1,914,685) | (1,251,153) |
| <u>\$ 75,996</u> | <u>\$ 295,245</u> | <u>\$ (292,342)</u> | <u>\$ (2,034,535)</u> | <u>\$ (10,015)</u> | <u>\$ (1,524,777)</u> | <u>\$ (1,914,685)</u> |

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, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance Final Budget - Positive (Negative) | 2018 Actual |
|---|---------------------|---------------------|-------------------|--|-------------------|
| | Original | Final | | | |
| REVENUES | | | | | |
| Miscellaneous | \$ 51,600 | \$ 51,600 | \$ 78,211 | \$ 26,611 | \$ 62,103 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 5,000 | 5,000 | 2,485 | 2,515 | 4,565 |
| Community development | 600,000 | 600,000 | - | 600,000 | - |
| Total expenditures | 605,000 | 605,000 | 2,485 | 602,515 | 4,565 |
| Excess of revenues over (under) expenditures | (553,400) | (553,400) | 75,726 | 629,126 | 57,538 |
| Net change in fund balance | (553,400) | (553,400) | 75,726 | 629,126 | 57,538 |
| Fund balance - January 1 | 359,624 | 359,624 | 359,624 | - | 302,086 |
| Fund balance - December 31 | <u>\$ (193,776)</u> | <u>\$ (193,776)</u> | <u>\$ 435,350</u> | <u>\$ 629,126</u> | <u>\$ 359,624</u> |

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, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance Final Budget - Positive (Negative) | 2018 Actual |
|---|-------------|-------------|-------------|--|----------------|
| | Original | Final | | | |
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | | |
| Debt service | | | | | |
| Principal | 570,000 | 570,000 | 685,000 | (115,000) | 570,000 |
| Interest and fiscal charges | 559,054 | 559,054 | 339,349 | 219,705 | 353,648 |
| Total expenditures | 1,129,054 | 1,129,054 | 1,024,349 | 104,705 | 923,648 |
| Excess of revenues over (under) expenditures | (1,129,054) | (1,129,054) | (1,024,349) | 104,705 | (923,648) |
| Transfers in | 1,129,054 | 1,129,054 | 1,024,349 | (104,705) | 923,648 |
| Net change in fund balance | - | - | - | - | - |
| Fund balance - January 1 | - | - | - | - | - |
| Fund balance - December 31 | \$ - | \$ - | \$ - | \$ - | \$ - |

Village of Howard, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance | 2018 Actual |
|--|-------------------|-------------------|-------------------|--|-------------------|
| | Original | Final | | Final Budget - Positive (Negative) | |
| REVENUES | | | | | |
| Taxes | \$ 1,329,247 | \$ 1,329,247 | \$ 1,182,360 | \$ (146,887) | \$ 1,329,729 |
| Special assessments | 20,000 | 20,000 | 39,253 | 19,253 | 19,925 |
| Intergovernmental | 853,300 | 853,300 | 1,202,749 | 349,449 | 904,461 |
| Public charges for services | 46,700 | 46,700 | 382,948 | 336,248 | 269,267 |
| Miscellaneous | 12,228 | 12,228 | 276,483 | 264,255 | 150,259 |
| Total revenues | <u>2,261,475</u> | <u>2,261,475</u> | <u>3,083,793</u> | <u>822,318</u> | <u>2,673,641</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | 76,425 | (76,425) | 48,347 |
| Public safety | - | - | 32,935 | (32,935) | 38,542 |
| Public works | 503,500 | 503,500 | 498,251 | 5,249 | 361,522 |
| Community development | - | - | 8,795 | (8,795) | 25,773 |
| Capital outlay | 1,881,500 | 1,881,500 | 2,667,655 | (786,155) | 2,087,233 |
| Total expenditures | <u>2,385,000</u> | <u>2,385,000</u> | <u>3,284,061</u> | <u>(899,061)</u> | <u>2,561,417</u> |
| Excess of revenues over (under) expenditures | <u>(123,525)</u> | <u>(123,525)</u> | <u>(200,268)</u> | <u>(76,743)</u> | <u>112,224</u> |
| Net change in fund balance | (123,525) | (123,525) | (200,268) | (76,743) | 112,224 |
| Fund balance - January 1 | <u>615,978</u> | <u>615,978</u> | <u>615,978</u> | - | <u>503,754</u> |
| Fund balance - December 31 | <u>\$ 492,453</u> | <u>\$ 492,453</u> | <u>\$ 415,710</u> | <u>\$ (76,743)</u> | <u>\$ 615,978</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, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance Final Budget - Positive (Negative) | 2018 Actual |
|----------------------------|------------------|------------------|------------------|--|------------------|
| | Original | Final | | | |
| REVENUES | | | | | |
| Licenses and permits | \$ 85,750 | \$ 85,750 | \$ 248,683 | \$ 162,933 | \$ 146,664 |
| Miscellaneous | 130,031 | 130,031 | 2,824 | (127,207) | 83,290 |
| Total revenues | 215,781 | 215,781 | 251,507 | 35,726 | 229,954 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | 4,664 | (4,664) | - |
| Public works | 2,000 | 2,000 | - | 2,000 | - |
| Capital outlay | 265,000 | 265,000 | 254,199 | 10,801 | 146,876 |
| Total expenditures | 267,000 | 267,000 | 258,863 | 8,137 | 146,876 |
| Net change in fund balance | (51,219) | (51,219) | (7,356) | 43,863 | 83,078 |
| Fund balance - January 1 | 80,695 | 80,695 | 80,695 | - | (2,383) |
| Fund balance - December 31 | <u>\$ 29,476</u> | <u>\$ 29,476</u> | <u>\$ 73,339</u> | <u>\$ 43,863</u> | <u>\$ 80,695</u> |

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, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance Final Budget - Positive (Negative) | 2018 Actual |
|---|---------------------|---------------------|---------------------|--|---------------------|
| | Original | Final | | | |
| REVENUES | | | | | |
| Taxes | \$ 406,500 | \$ 406,500 | \$ 406,502 | \$ 2 | \$ 280,993 |
| Intergovernmental | 25,170 | 25,170 | 27,029 | 1,859 | 25,253 |
| Total revenues | 431,670 | 431,670 | 433,531 | 1,861 | 306,246 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 2,500 | 2,500 | 950 | 1,550 | 2,150 |
| Community development | 37,500 | 37,500 | 40,207 | (2,707) | 38,548 |
| Capital outlay | - | - | 4,497 | (4,497) | 9,796 |
| Total expenditures | 40,000 | 40,000 | 45,654 | (5,654) | 50,494 |
| Excess of revenues over (under) expenditures | 391,670 | 391,670 | 387,877 | (3,793) | 255,752 |
| OTHER FINANCING USES | | | | | |
| Transfers out | (339,912) | (339,912) | (349,863) | (9,951) | (339,912) |
| Net change in fund balance | 51,758 | 51,758 | 38,014 | (13,744) | (84,160) |
| Fund balance - January 1 | (365,780) | (365,780) | (365,780) | - | (281,620) |
| Fund balance - December 31 | <u>\$ (314,022)</u> | <u>\$ (314,022)</u> | <u>\$ (327,766)</u> | <u>\$ (13,744)</u> | <u>\$ (365,780)</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, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance Final Budget - Positive (Negative) | 2018 Actual |
|---|-------------------|-------------------|-------------------|--|------------------|
| | Original | Final | | | |
| REVENUES | | | | | |
| Taxes | \$ 727,100 | \$ 727,100 | \$ 727,130 | \$ 30 | \$ 443,106 |
| Special assessments | 21,175 | 21,175 | 20,556 | (619) | 48,073 |
| Intergovernmental | 41,700 | 41,700 | 47,235 | 5,535 | 42,421 |
| Miscellaneous | 2,000 | 2,000 | 10,065 | 8,065 | 3,784 |
| Total revenues | 791,975 | 791,975 | 804,986 | 13,011 | 537,384 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 3,000 | 3,000 | 950 | 2,050 | 1,025 |
| Community development | 162,000 | 162,000 | 178,314 | (16,314) | 165,728 |
| Total expenditures | 165,000 | 165,000 | 179,264 | (14,264) | 166,753 |
| Excess of revenues over (under) expenditures | 626,975 | 626,975 | 625,722 | (1,253) | 370,631 |
| OTHER FINANCING USES | | | | | |
| Transfers out | (362,175) | (362,175) | (458,175) | (96,000) | (362,175) |
| Net change in fund balance | 264,800 | 264,800 | 167,547 | (97,253) | 8,456 |
| Fund balance - January 1 | 92,404 | 92,404 | 92,404 | - | 83,948 |
| Fund balance - December 31 | <u>\$ 357,204</u> | <u>\$ 357,204</u> | <u>\$ 259,951</u> | <u>\$ (97,253)</u> | <u>\$ 92,404</u> |

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, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance Final Budget - Positive (Negative) | 2018 Actual |
|----------------------------|------------------|------------------|------------------|--|------------------|
| | Original | Final | | | |
| REVENUES | | | | | |
| Taxes | \$ 60,000 | \$ 60,000 | \$ 60,027 | \$ 27 | \$ 41,300 |
| Intergovernmental | 900 | 900 | 2,037 | 1,137 | 923 |
| Licenses and permits | 200 | 200 | - | (200) | - |
| Miscellaneous | 600 | 600 | 48 | (552) | 37 |
| Total revenues | 61,700 | 61,700 | 62,112 | 412 | 42,260 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | 25,363 | (25,363) | 21,588 |
| Community development | 19,500 | 19,500 | - | 19,500 | 224 |
| Total expenditures | 19,500 | 19,500 | 25,363 | (5,863) | 21,812 |
| Net change in fund balance | 42,200 | 42,200 | 36,749 | (5,451) | 20,448 |
| Fund balance - January 1 | 39,247 | 39,247 | 39,247 | - | 18,799 |
| Fund balance - December 31 | <u>\$ 81,447</u> | <u>\$ 81,447</u> | <u>\$ 75,996</u> | <u>\$ (5,451)</u> | <u>\$ 39,247</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, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance Final Budget - Positive (Negative) | 2018 Actual |
|---|-------------------|-------------------|-------------------|--|-------------------|
| | Original | Final | | | |
| REVENUES | | | | | |
| Taxes | \$ 237,700 | \$ 237,700 | \$ 237,709 | \$ 9 | \$ 66,250 |
| Intergovernmental | 3,900 | 3,900 | 11,778 | 7,878 | 3,992 |
| Miscellaneous | 2,900 | 2,900 | 7,537 | 4,637 | 4,416 |
| Total revenues | 244,500 | 244,500 | 257,024 | 12,524 | 74,658 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | 157,033 | (157,033) | 2,984 |
| Community development | 1,000 | 1,000 | - | 1,000 | - |
| Capital outlay | 641,300 | 641,300 | - | 641,300 | 173,633 |
| Total expenditures | 642,300 | 642,300 | 157,033 | 485,267 | 176,617 |
| Excess of revenues over (under) expenditures | (397,800) | (397,800) | 99,991 | 497,791 | (101,959) |
| OTHER FINANCING SOURCES | | | | | |
| Long-term debt issued | 625,000 | 625,000 | - | (625,000) | - |
| Net change in fund balance | 227,200 | 227,200 | 99,991 | (127,209) | (101,959) |
| Fund balance - January 1 | 195,254 | 195,254 | 195,254 | - | 297,213 |
| Fund balance - December 31 | <u>\$ 422,454</u> | <u>\$ 422,454</u> | <u>\$ 295,245</u> | <u>\$ (127,209)</u> | <u>\$ 195,254</u> |

Village of Howard, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - TAX INCREMENTAL DISTRICT NO. 7 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance | 2018 Actual |
|----------------------------|---------------------|---------------------|---------------------|--|---------------------|
| | Original | Final | | Final Budget - Positive (Negative) | |
| REVENUES | | | | | |
| Intergovernmental | \$ 1,200 | \$ 1,200 | \$ 3,163 | \$ 1,963 | \$ 1,255 |
| Miscellaneous | - | - | 8,291 | 8,291 | - |
| Total revenues | 1,200 | 1,200 | 11,454 | 10,254 | 1,255 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Community development | 1,000 | 1,000 | 1,756 | (756) | 1,025 |
| Net change in fund balance | 200 | 200 | 9,698 | 9,498 | 230 |
| Fund balance - January 1 | (302,040) | (302,040) | (302,040) | - | (302,270) |
| Fund balance - December 31 | <u>\$ (301,840)</u> | <u>\$ (301,840)</u> | <u>\$ (292,342)</u> | <u>\$ 9,498</u> | <u>\$ (302,040)</u> |

Village of Howard, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TAX INCREMENTAL DISTRICT NO. 8 CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance | 2018 Actual |
|--|---------------------|---------------------|-----------------------|--|-----------------------|
| | Original | Final | | Final Budget - Positive (Negative) | |
| REVENUES | | | | | |
| Taxes | \$ 386,000 | \$ 386,000 | \$ 385,956 | \$ (44) | 217,918 |
| Intergovernmental | 200 | 200 | 898 | 698 | 197 |
| Miscellaneous | 1,005,000 | 1,005,000 | - | (1,005,000) | 273 |
| Total revenues | 1,391,200 | 1,391,200 | 386,854 | (1,004,346) | 222,654 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | 61,319 | (61,319) | 46,320 |
| Community development | 5,000 | 5,000 | 140,793 | (135,793) | 64,720 |
| Debt service | | | | | |
| Interest and fiscal charges | 26,789 | 26,789 | 26,791 | (2) | 26,789 |
| Capital outlay | 50,000 | 50,000 | 60,734 | (10,734) | 510,427 |
| Total expenditures | 81,789 | 81,789 | 289,637 | (207,848) | 648,256 |
| Excess of revenues over (under) expenditures | 1,309,411 | 1,309,411 | 97,217 | (1,212,194) | (425,602) |
| OTHER FINANCING USES | | | | | |
| Transfers in | - | - | 98,648 | 98,648 | - |
| Transfers out | (134,976) | (134,976) | (216,311) | (81,335) | (221,561) |
| Total other financing sources (uses) | (134,976) | (134,976) | (117,663) | 17,313 | (221,561) |
| Net change in fund balance | 1,174,435 | 1,174,435 | (20,446) | (1,194,881) | (647,163) |
| Fund balance - January 1 | (2,014,089) | (2,014,089) | (2,014,089) | - | (1,366,926) |
| Fund balance - December 31 | <u>\$ (839,654)</u> | <u>\$ (839,654)</u> | <u>\$ (2,034,535)</u> | <u>\$ (1,194,881)</u> | <u>\$ (2,014,089)</u> |

Village of Howard, Wisconsin

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - TAX INCREMENTAL DISTRICT NO. 9 CAPITAL PROJECTS FUND FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget | | Actual | Variance Final Budget - Positive (Negative) |
|---|---------------------|---------------------|--------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 200 | \$ 200 | \$ - | \$ (200) |
| EXPENDITURES | | | | |
| Current | | | | |
| Community development | 5,000 | 5,000 | 10,015 | (5,015) |
| Capital outlay | 50,000 | 50,000 | - | 50,000 |
| Total expenditures | 55,000 | 55,000 | 10,015 | 44,985 |
| Excess of revenues over (under) expenditures | (54,800) | (54,800) | (10,015) | 44,785 |
| OTHER FINANCING USES | | | | |
| Transfers out | (134,976) | (134,976) | - | 134,976 |
| Net change in fund balance | (189,776) | (189,776) | (10,015) | 179,761 |
| Fund balance - January 1 | - | - | - | - |
| Fund balance - December 31 | <u>\$ (189,776)</u> | <u>\$ (189,776)</u> | <u>\$ (10,015)</u> | <u>\$ 179,761</u> |

STATISTICAL SECTION

Schedule 1

VILLAGE OF HOWARD, WISCONSIN

Net Position by Component

Last Ten Years

For the Year Ended December 31,

(accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$ 39,295,183 | \$ 39,379,378 | \$ 40,236,590 | \$ 41,796,334 |
| Restricted | 1,031,182 | 1,030,917 | 843,396 | 2,320,551 |
| Unrestricted | 7,664,024 | 8,360,853 | 8,188,056 | 6,527,011 |
| Total governmental activities net position | <u>\$ 47,990,389</u> | <u>\$ 48,771,148</u> | <u>\$ 49,268,042</u> | <u>\$ 50,643,896</u> |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 50,272,132 | \$ 51,899,574 | \$ 52,124,207 | \$ 56,503,272 |
| Restricted | 214,282 | - | - | - |
| Unrestricted | 6,907,724 | 6,415,690 | 8,063,971 | 6,192,842 |
| Total business-type activities net position | <u>\$ 57,394,138</u> | <u>\$ 58,315,264</u> | <u>\$ 60,188,178</u> | <u>\$ 62,696,114</u> |
| Primary government | | | | |
| Net investment in capital assets | \$ 89,567,315 | \$ 91,278,952 | \$ 92,360,797 | \$ 98,299,606 |
| Restricted | 1,245,464 | 1,030,917 | 843,396 | 2,320,551 |
| Unrestricted | 14,571,748 | 14,776,543 | 16,252,027 | 12,719,853 |
| Total primary government net position | <u>\$105,384,527</u> | <u>\$107,086,412</u> | <u>\$109,456,220</u> | <u>\$113,340,010</u> |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 41,456,853 | \$ 39,802,127 | \$ 42,869,848 | \$ 42,293,976 | \$ 44,609,252 | \$ 46,864,014 |
| 4,091,959 | 1,769,572 | 1,122,791 | 1,011,093 | 1,726,377 | 1,670,080 |
| 4,892,118 | 4,978,197 | 3,220,876 | 2,609,799 | 1,142,870 | 1,229,984 |
| <u>\$ 50,440,930</u> | <u>\$ 46,549,896</u> | <u>\$ 47,213,515</u> | <u>\$ 45,914,868</u> | <u>\$ 47,478,499</u> | <u>\$ 49,764,078</u> |
| \$ 58,998,091 | \$ 59,964,780 | \$ 64,518,573 | \$ 67,409,169 | \$ 70,666,232 | \$ 69,968,444 |
| 303,208 | 308,606 | 254,565 | 179,857 | 193,302 | - |
| 6,605,844 | 8,634,196 | 9,279,109 | 10,502,832 | 12,556,112 | 15,029,193 |
| <u>\$ 65,907,143</u> | <u>\$ 68,907,582</u> | <u>\$ 74,052,247</u> | <u>\$ 78,091,858</u> | <u>\$ 83,415,646</u> | <u>\$ 84,997,637</u> |
| \$ 100,454,944 | \$ 99,766,907 | \$ 107,388,421 | \$ 109,703,145 | \$ 115,275,484 | \$ 116,832,458 |
| 4,395,167 | 2,078,178 | 1,377,356 | 1,190,950 | 1,919,679 | 1,670,080 |
| 11,497,962 | 13,612,393 | 12,499,985 | 13,112,631 | 13,698,982 | 16,259,177 |
| <u>\$ 116,348,073</u> | <u>\$ 115,457,478</u> | <u>\$ 121,265,762</u> | <u>\$ 124,006,726</u> | <u>\$ 130,894,145</u> | <u>\$ 134,761,715</u> |

Schedule 2

VILLAGE OF HOWARD, WISCONSIN

Changes in Net Position

Last Ten Years

For the Year Ended December 31,

(accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 |
|--|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 1,955,969 | \$ 1,124,592 | \$ 1,759,784 | \$ 1,145,930 |
| Public safety | 2,611,273 | 2,763,614 | 2,737,135 | 2,652,988 |
| Public works | 3,611,093 | 4,668,221 | 4,088,893 | 4,540,818 |
| Community development | 637,115 | 557,703 | 388,085 | 420,479 |
| Interest on debt | 156,774 | 141,098 | 126,183 | 112,200 |
| Total governmental activities expenses | <u>8,972,224</u> | <u>9,255,228</u> | <u>9,100,080</u> | <u>8,872,415</u> |
| Business-type activities: | | | | |
| Water | 3,667,703 | 4,366,218 | 4,208,177 | 4,496,462 |
| Sewer | 1,826,843 | 1,980,817 | 2,560,198 | 2,439,673 |
| Stormwater | 520,419 | 624,334 | 701,941 | 766,059 |
| Howard Commons apartment complex | - | - | - | - |
| Golf course | 582,341 | 400,607 | 308,427 | 273,889 |
| Total business-type activities expenses | <u>6,597,306</u> | <u>7,371,976</u> | <u>7,778,743</u> | <u>7,976,083</u> |
| Total primary government expenses | <u>\$ 15,569,530</u> | <u>\$ 16,627,204</u> | <u>\$ 16,878,823</u> | <u>\$ 16,848,498</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Fines and forfeitures | \$ 189,839 | \$ 206,137 | \$ 215,379 | \$ 187,943 |
| Building, zoning permits and fees | 112,117 | 136,324 | 187,625 | 253,194 |
| Recreation program fees and rentals | 98,143 | 90,127 | 66,255 | 61,011 |
| All other charges for services | 630,056 | 210,139 | 435,273 | 682,552 |
| Operating grants and contributions | 1,016,966 | 1,285,261 | 912,692 | 1,044,870 |
| Capital grants and contributions | 1,360,473 | 333,619 | 184,353 | 169,893 |
| Total governmental activities program revenue | <u>3,407,594</u> | <u>2,261,607</u> | <u>2,001,577</u> | <u>2,399,463</u> |
| Business-type activities: | | | | |
| Charges for service | | | | |
| Water | 4,242,799 | 4,489,964 | 5,001,339 | 5,021,901 |
| Sewer | 1,939,995 | 2,106,016 | 2,426,658 | 2,828,159 |
| Stormwater | 699,105 | 707,948 | 748,796 | 758,314 |
| Howard Commons apartment complex | - | - | - | - |
| Golf course | 598,526 | 462,386 | 340,576 | 315,124 |
| Capital grants and contributions | 1,253,258 | 884,646 | 1,000,404 | 1,888,010 |
| Total business-type activities program revenue | <u>8,733,683</u> | <u>8,650,960</u> | <u>9,517,773</u> | <u>10,811,508</u> |
| Total primary government program revenues | <u>\$ 12,141,277</u> | <u>\$ 10,912,567</u> | <u>\$ 11,519,350</u> | <u>\$ 13,210,971</u> |

(Continued on next page.)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 1,226,326 | \$ 1,319,256 | \$ 1,406,971 | \$ 1,437,450 | \$ 1,186,595 | \$ 1,535,188 |
| 2,912,814 | 2,742,729 | 3,348,100 | 3,020,036 | 3,197,930 | 3,429,743 |
| 4,927,409 | 8,924,035 | 3,819,508 | 4,597,538 | 3,830,893 | 4,016,859 |
| 477,531 | 455,174 | 533,802 | 896,531 | 1,044,931 | 1,080,615 |
| 274,470 | 389,800 | 344,188 | 364,889 | 337,554 | 322,266 |
| 9,818,550 | 13,830,994 | 9,452,569 | 10,316,444 | 9,597,903 | 10,384,671 |
| 4,639,722 | 4,391,989 | 4,463,063 | 4,659,273 | 4,882,771 | 5,442,924 |
| 2,873,402 | 2,915,019 | 3,509,162 | 3,595,976 | 3,305,079 | 3,848,712 |
| 889,093 | 793,313 | 989,196 | 870,877 | 813,576 | 1,208,150 |
| - | - | - | - | 347,835 | 1,993,211 |
| 581,419 | 532,567 | 602,405 | 548,639 | 533,913 | 507,046 |
| 8,983,636 | 8,632,888 | 9,563,826 | 9,674,765 | 9,883,174 | 13,000,043 |
| \$ 18,802,186 | \$ 22,463,882 | \$ 19,016,395 | \$ 19,991,209 | \$ 19,481,077 | \$ 23,384,714 |

| | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 211,356 | \$ 214,822 | \$ 235,700 | \$ 237,213 | \$ 263,088 | \$ 277,323 |
| 211,604 | 228,958 | 241,416 | 303,399 | 220,151 | 221,079 |
| 60,710 | 55,027 | 51,732 | 49,189 | 50,610 | 62,418 |
| 483,792 | 648,798 | 604,671 | 559,833 | 446,533 | 569,309 |
| 822,403 | 881,773 | 1,343,125 | 991,291 | 1,049,699 | 1,144,249 |
| 113,140 | 361,552 | 215,228 | 80,686 | 399,197 | 1,042,838 |
| 1,903,005 | 2,390,930 | 2,691,872 | 2,221,611 | 2,429,278 | 3,317,216 |
| 5,118,964 | 5,555,647 | 5,695,965 | 5,649,392 | 5,735,796 | 5,466,535 |
| 3,002,584 | 3,007,807 | 3,046,033 | 4,075,515 | 4,215,799 | 3,943,351 |
| 824,293 | 1,133,968 | 1,079,631 | 1,052,004 | 1,100,783 | 1,090,559 |
| - | - | - | - | 157,182 | 1,451,028 |
| 534,096 | 447,283 | 536,289 | 534,459 | 551,788 | 503,931 |
| 1,890,794 | 4,236 | 4,296,163 | 1,300,222 | 4,020,740 | 2,392,901 |
| 11,370,731 | 10,148,941 | 14,654,081 | 12,611,592 | 15,782,088 | 14,848,305 |
| \$ 13,273,736 | \$ 12,539,871 | \$ 17,345,953 | \$ 14,833,203 | \$ 18,211,366 | \$ 18,165,521 |

VILLAGE OF HOWARD, WISCONSIN

Changes in Net Position

Last Ten Years

For the Year Ended December 31,

(accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|
| Expenses (from previous page) | | | | |
| Governmental activities | \$ 8,972,224 | \$ 9,255,228 | \$ 9,100,080 | \$ 8,872,415 |
| Business-type activities | 6,597,306 | 7,371,976 | 7,778,743 | 7,976,083 |
| Total primary government expenses | <u>15,569,530</u> | <u>16,627,204</u> | <u>16,878,823</u> | <u>16,848,498</u> |
| Program Revenues (from previous page) | | | | |
| Governmental activities | 3,407,594 | 2,261,607 | 2,001,577 | 2,399,463 |
| Business-type activities | 8,733,683 | 8,650,960 | 9,517,773 | 10,811,508 |
| Total primary government program revenues | <u>12,141,277</u> | <u>10,912,567</u> | <u>11,519,350</u> | <u>13,210,971</u> |
| Net (Expense)/Revenue | | | | |
| Governmental activities | (5,564,630) | (6,993,621) | (7,098,503) | (6,472,952) |
| Business-type activities | 2,136,377 | 1,278,984 | 1,739,030 | 2,835,425 |
| Total primary government net revenue | <u>(3,428,253)</u> | <u>(5,714,637)</u> | <u>(5,359,473)</u> | <u>(3,637,527)</u> |
| General Revenue and Other | | | | |
| Changes in Net Position | | | | |
| Governmental activities | | | | |
| Taxes | | | | |
| Property taxes, levied for general purposes | 4,327,214 | 4,303,755 | 4,461,054 | 4,609,073 |
| Property taxes, levied for debt services | 1,630,277 | 1,319,865 | 1,208,880 | 1,534,289 |
| Other taxes | 9,960 | 11,420 | 10,473 | 13,909 |
| Unrestricted grants and contributions | 815,699 | 816,472 | 653,480 | 681,319 |
| Interest and investment earnings | 92,501 | 97,812 | 74,654 | 50,366 |
| Miscellaneous | 665,020 | 805,496 | 946,278 | 424,734 |
| Gain (loss) on sale of asset(s) | 1,413 | 2,200 | - | - |
| Transfers in (out) | 258,133 | 417,360 | 419,576 | 400,153 |
| Total governmental activities | <u>7,800,217</u> | <u>7,774,380</u> | <u>7,774,395</u> | <u>7,713,843</u> |
| Business-type activities | | | | |
| Interest and investment earnings | 51,261 | 59,502 | 54,170 | 72,664 |
| Miscellaneous | 500 | - | - | - |
| Transfers in (out) | (258,133) | (417,360) | (419,576) | (400,153) |
| Total business-type activities | <u>(206,372)</u> | <u>(357,858)</u> | <u>(365,406)</u> | <u>(327,489)</u> |
| Total primary government | <u>7,593,845</u> | <u>7,416,522</u> | <u>7,408,989</u> | <u>7,386,354</u> |
| Changes in Net Position | | | | |
| Governmental activities | 2,235,587 | 780,759 | 675,892 | 1,240,891 |
| Business-type activities | 1,930,005 | 921,126 | 1,373,624 | 2,507,936 |
| Total primary government | <u>\$ 4,165,592</u> | <u>\$ 1,701,885</u> | <u>\$ 2,049,516</u> | <u>\$ 3,748,827</u> |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|---------------|--------------|---------------|--------------|---------------|
| \$ 8,872,415 | \$ 13,830,994 | \$ 9,452,569 | \$ 10,316,444 | \$ 9,597,903 | \$ 10,384,671 |
| 7,976,083 | 8,632,888 | 9,563,826 | 9,674,765 | 9,883,174 | 13,000,043 |
| 16,848,498 | 22,463,882 | 19,016,395 | 19,991,209 | 19,481,077 | 23,384,714 |
| 2,399,463 | 2,390,930 | 2,691,872 | 2,221,611 | 2,429,278 | 3,317,216 |
| 10,811,508 | 10,148,941 | 14,654,081 | 12,611,592 | 15,782,088 | 14,848,305 |
| 13,210,971 | 12,539,871 | 17,345,953 | 14,833,203 | 18,211,366 | 18,165,521 |
| (6,472,952) | (11,440,064) | (6,760,697) | (8,094,833) | (7,168,625) | (7,067,455) |
| 2,835,425 | 1,516,053 | 5,090,255 | 2,936,827 | 5,898,914 | 1,848,262 |
| (3,637,527) | (9,924,011) | (1,670,442) | (5,158,006) | (1,269,711) | (5,219,193) |
| 4,586,587 | 4,473,573 | 5,614,261 | 5,840,354 | 6,147,422 | 6,129,153 |
| 1,763,629 | 2,460,749 | 936,859 | 1,033,333 | 1,049,567 | 1,817,324 |
| 13,333 | 14,831 | 13,078 | 13,690 | 12,983 | 13,267 |
| 775,836 | 848,203 | 658,424 | 658,543 | 662,024 | 736,537 |
| 96,427 | 71,203 | 71,918 | 78,165 | 153,948 | 203,725 |
| 422,550 | 59,588 | 111,252 | 162,021 | 245,824 | 99,439 |
| - | - | - | - | - | (333,922) |
| (462,277) | (379,117) | 18,524 | (989,920) | 598,311 | 687,511 |
| 7,196,085 | 7,549,030 | 7,424,316 | 6,796,186 | 8,870,079 | 9,353,034 |
| 58,449 | 69,031 | 42,897 | 82,347 | 183,895 | 421,240 |
| - | 1,036,238 | 30,037 | 28,517 | - | - |
| 462,277 | 379,117 | (18,524) | 989,920 | (598,311) | (687,511) |
| 520,726 | 1,484,386 | 54,410 | 1,100,784 | (414,416) | (266,271) |
| 7,716,811 | 9,033,416 | 7,478,726 | 7,896,970 | 8,455,663 | 9,086,763 |
| 723,133 | (3,891,034) | 663,619 | (1,298,647) | 1,701,454 | 2,285,579 |
| 3,356,151 | 3,000,439 | 5,144,665 | 4,037,611 | 5,484,498 | 1,581,991 |
| \$ 4,079,284 | \$ (890,595) | \$ 5,808,284 | \$ 2,738,964 | \$ 7,185,952 | \$ 3,867,570 |

Schedule 3

VILLAGE OF HOWARD, WISCONSIN

Fund Balances, Governmental Funds,

Last Ten Years

For the Year Ended December 31,

(modified accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| General Fund | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | | | | | |
| Designated | 2,666,400 | - | - | - | - |
| Undesignated | 58,507 | - | - | - | - |
| Nonspendable - prepaid items | | | | | |
| Prepaid items | | | | 71,802 | 250,166 |
| Advances to Other Funds | - | - | - | - | - |
| Restricted | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | 3,011,064 | 3,223,247 | 2,637,788 | 2,444,898 |
| Total general fund | <u>2,724,907</u> | <u>3,011,064</u> | <u>3,223,247</u> | <u>2,709,590</u> | <u>2,695,064</u> |
| All Other Governmental Funds | | | | | |
| Reserved | 1,584,183 | - | - | - | - |
| Unreserved, reported in | | | | | |
| Special revenue funds | 394,514 | - | - | - | - |
| Capital projects funds | 2,054,733 | - | - | - | - |
| Restricted | | 2,465,611 | 2,356,458 | 10,071,124 | 8,231,512 |
| Assigned | | 2,430,505 | 2,390,904 | 2,442,153 | 1,051,166 |
| Unassigned | | (316,048) | (610,438) | (406,887) | (421,968) |
| Total all other governmental funds | <u>\$ 4,033,430</u> | <u>\$ 4,580,068</u> | <u>\$ 4,136,924</u> | <u>\$ 12,106,390</u> | <u>\$ 8,860,710</u> |

Note: For this Schedule and Schedule 4, Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Project Funds.

For 2010 and prior, the amounts were not restated for the new categories of fund balance from GASB Statement 54.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|--------------|--------------|----------------|----------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| - | - | - | - | - |
| 51,940 | 67,002 | - | - | - |
| - | 1,300,000 | 1,300,000 | 1,300,000 | 1,215,000 |
| - | - | - | - | - |
| - | - | - | - | - |
| 2,671,177 | 1,397,994 | 1,519,684 | 1,578,264 | 1,656,154 |
| 2,723,117 | 2,764,996 | 2,819,684 | 2,878,264 | 2,871,154 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 1,672,734 | 697,365 | 680,864 | 615,978 | 1,139,881 |
| 1,402,977 | 773,755 | 503,754 | 767,224 | 415,710 |
| (770,013) | (1,730,354) | (1,932,017) | (2,681,909) | (2,664,658) |
| \$ 2,305,698 | \$ (259,234) | \$ (747,399) | \$ (1,298,707) | \$ (1,109,067) |

Schedule 4

VILLAGE OF HOWARD, WISCONSIN
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 For the Years Ended December 31,
 (modified accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|---------------------|-------------------|---------------------|---------------------|----------------------|
| Revenues | | | | | |
| Taxes | \$ 5,973,824 | \$ 5,638,858 | \$ 5,680,407 | \$ 6,157,425 | \$ 6,363,549 |
| Special assessments | 84,813 | 140,071 | 65,833 | 125,661 | 48,389 |
| Intergovernmental | 2,181,586 | 2,101,798 | 1,566,107 | 1,612,491 | 1,530,285 |
| Licenses and permits | 190,309 | 477,208 | 458,368 | 649,589 | 593,377 |
| Fines and forfeits | 755,484 | 206,137 | 386,000 | 187,943 | 211,356 |
| Charges for services | 573,641 | 288,503 | 336,541 | 413,999 | 239,812 |
| Miscellaneous | 768,522 | 830,689 | 840,323 | 737,656 | 608,758 |
| Total revenues | 10,528,179 | 9,683,264 | 9,333,579 | 9,884,764 | 9,595,526 |
| Expenditures | | | | | |
| General government | \$ 1,398,099 | \$ 1,688,428 | \$ 1,709,163 | \$ 1,051,417 | \$ 1,219,191 |
| Public safety | 2,487,415 | 2,720,579 | 2,597,208 | 2,527,513 | 2,712,910 |
| Public works | 3,162,767 | 2,995,766 | 3,596,790 | 3,352,679 | 4,204,097 |
| Community development | 555,659 | 504,032 | 388,085 | 362,372 | 395,351 |
| Debt service | | | | | |
| Principal | 620,000 | 811,896 | 1,056,477 | 1,705,259 | 457,494 |
| Interest | 113,661 | 114,212 | 109,160 | 130,890 | 266,629 |
| Bond issuance costs | - | - | - | 71,772 | - |
| Capital outlay | 2,086,840 | 768,168 | 718,366 | 3,266,070 | 4,123,741 |
| Total expenditures | 10,424,441 | 9,603,081 | 10,175,249 | 12,467,972 | 13,379,413 |
| Excess of revenues over (under) expenditures | 103,738 | 80,183 | (841,670) | (2,583,208) | (3,783,887) |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from Lont-Term Debt | - | - | - | 9,375,000 | - |
| Bond Premium | - | - | - | 128,901 | - |
| Transfers in | 1,868,108 | 1,580,382 | 1,578,401 | 2,577,065 | 1,573,680 |
| Transfers out | (1,471,260) | (827,770) | (1,158,825) | (2,176,912) | (1,050,000) |
| Long-term debt issued | 783,356 | - | 191,133 | - | - |
| Total Other Financing Sources (Uses) | 1,180,204 | 752,612 | 610,709 | 9,904,054 | 523,680 |
| Net change in fund balances | \$ 1,283,942 | \$ 832,795 | \$ (230,961) | \$ 7,320,846 | \$(3,260,207) |
| Debt service as a percentage of noncapital expenditures | 8.8% | 10.5% | 12.3% | 20.0% | 7.8% |

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------|---------------|--------------|--------------|--------------|
| \$ 6,949,138 | \$ 6,564,078 | \$ 6,887,114 | \$ 7,220,743 | \$ 7,966,080 |
| 203,302 | 193,757 | 106,453 | 67,998 | 59,809 |
| 1,560,501 | 1,845,907 | 1,546,006 | 1,706,548 | 2,099,059 |
| 659,306 | 623,119 | 709,733 | 629,104 | 821,257 |
| 214,822 | 193,628 | 190,659 | 162,077 | 132,966 |
| 245,680 | 220,667 | 238,068 | 400,495 | 534,928 |
| 1,199,024 | 708,833 | 739,062 | 670,553 | 813,845 |
| 11,031,773 | 10,349,989 | 10,417,095 | 10,857,518 | 12,427,944 |
| \$ 1,346,153 | \$ 1,844,332 | \$ 1,454,427 | \$ 1,190,631 | \$ 1,399,937 |
| 2,562,676 | 2,693,625 | 2,781,908 | 2,883,589 | 2,992,328 |
| 8,396,008 | 3,514,231 | 3,184,051 | 3,313,203 | 3,687,288 |
| 365,405 | 388,945 | 415,562 | 682,732 | 815,147 |
| 350,000 | 350,000 | 565,000 | 570,000 | 685,000 |
| 274,643 | 386,001 | 376,948 | 380,437 | 366,140 |
| 89,596 | - | 8,353 | - | - |
| 7,684,566 | 4,126,037 | 3,329,652 | 2,927,965 | 2,987,085 |
| 21,069,047 | 13,303,171 | 12,115,901 | 11,948,557 | 12,932,925 |
| (10,037,274) | (2,953,182) | (1,698,806) | (1,091,039) | (504,981) |
| 2,890,000 | - | 690,550 | - | - |
| 92,284 | - | 9,419 | - | - |
| 2,092,900 | 1,290,222 | 1,480,548 | 1,521,959 | 1,711,860 |
| (1,564,868) | (860,093) | (915,188) | (923,648) | (1,024,349) |
| - | - | - | - | - |
| 3,510,316 | 430,129 | 1,265,329 | 598,311 | 687,511 |
| \$(6,526,958) | \$(2,523,053) | \$ (433,477) | \$ (492,728) | \$ 182,530 |

4.7% 8.0% 10.7% 10.5% 10.6%

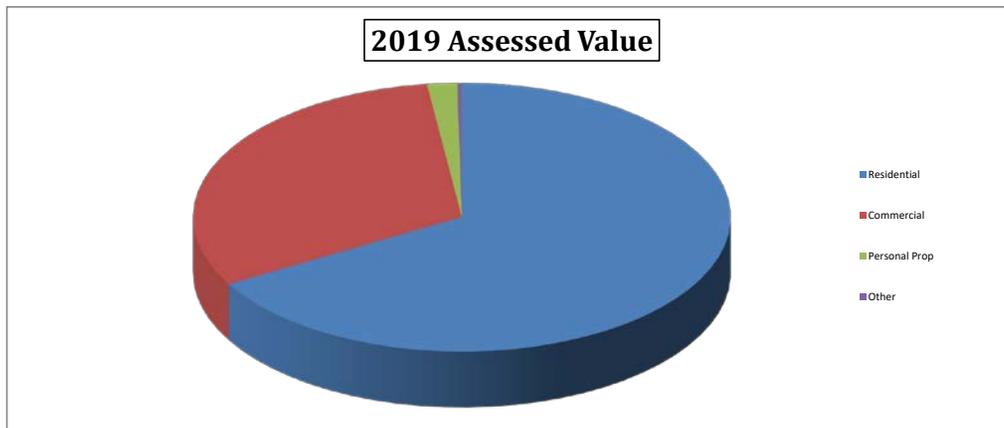
Schedule 5

VILLAGE OF HOWARD, WISCONSIN
Assessed Value 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 | | | | |
| 2010 | \$ 953,575,800 | \$ 393,753,600 | \$ 40,846,900 | \$ 3,947,300 | \$ 1,392,123,600 | \$ 1,381,526,100 | 100.77% | \$3.31 |
| 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 |
| 2012 | \$ 976,030,500 | \$ 440,367,200 | \$ 43,023,800 | \$ 3,747,700 | \$ 1,463,169,200 | \$ 1,353,369,900 | 108.11% | \$3.31 |
| 2013 | \$ 986,798,200 | \$ 453,350,600 | \$ 50,655,800 | \$ 3,633,100 | \$ 1,494,437,700 | \$ 1,410,056,600 | 105.98% | \$3.33 |
| 2014 | \$ 998,607,300 | \$ 454,413,700 | \$ 49,344,400 | \$ 3,675,300 | \$ 1,506,040,700 | \$ 1,446,798,600 | 104.09% | \$3.33 |
| 2015 | \$ 1,017,422,300 | \$ 470,753,300 | \$ 43,519,100 | \$ 3,627,500 | \$ 1,535,322,200 | \$ 1,519,608,200 | 101.03% | \$3.79 |
| 2016 | \$ 1,045,281,700 | \$ 494,238,600 | \$ 43,404,900 | \$ 4,299,500 | \$ 1,587,224,700 | \$ 1,555,671,400 | 102.03% | \$3.72 |
| 2017 | \$ 1,066,912,700 | \$ 504,982,100 | \$ 45,070,100 | \$ 4,265,500 | \$ 1,621,230,400 | \$ 1,674,736,700 | 96.81% | \$3.72 |
| 2018 | \$ 1,090,617,500 | \$ 523,101,700 | \$ 35,518,600 | \$ 4,062,300 | \$ 1,653,300,100 | \$ 1,809,505,400 | 91.37% | \$3.72 |
| 2019 | \$ 1,289,413,200 | \$ 604,586,500 | \$ 34,978,700 | \$ 5,338,800 | \$ 1,934,317,200 | \$ 1,917,507,200 | 100.88% | \$3.92 |

Note: The 2016 and 2019 assessed valuation reflects the changes made due to reassessments (market adjustment type). 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.



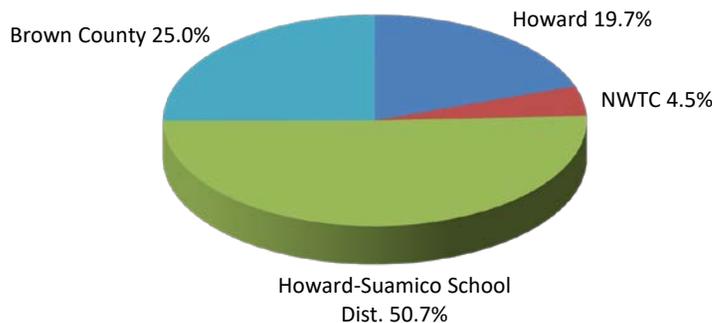
VILLAGE OF HOWARD, WISCONSIN
 Property Tax Rates - Direct and Overlying Governments
 Last Ten Fiscal Years

| 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 |
| 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% |
| 2012/2011 | \$ 3.25 | \$ 0.06 | \$ 3.31 | 17.8% | \$ 9.23 | 49.5% | \$ 1.54 | 8.3% | \$ 4.40 | 23.6% | \$ 0.16 | 0.9% |
| 2013/2012 | \$ 3.33 | \$ - | \$ 3.33 | 18.3% | \$ 8.80 | 48.3% | \$ 1.53 | 8.4% | \$ 4.39 | 24.1% | \$ 0.16 | 0.9% |
| 2014/2013 | \$ 3.33 | \$ - | \$ 3.33 | 18.3% | \$ 8.78 | 48.2% | \$ 1.57 | 8.6% | \$ 4.38 | 24.0% | \$ 0.16 | 0.9% |
| 2015/2014 | \$ 3.79 | \$ - | \$ 3.79 | 21.1% | \$ 8.93 | 49.6% | \$ 0.75 | 4.2% | \$ 4.37 | 24.3% | \$ 0.16 | 0.9% |
| 2016/2015 | \$ 3.72 | \$ - | \$ 3.72 | 20.3% | \$ 9.10 | 49.7% | \$ 0.77 | 4.2% | \$ 4.56 | 24.9% | \$ 0.17 | 0.9% |
| 2017/2016 | \$ 3.72 | \$ - | \$ 3.72 | 20.4% | \$ 9.01 | 49.3% | \$ 0.82 | 4.5% | \$ 4.56 | 24.9% | \$ 0.17 | 0.9% |
| 2018/2017 | \$ 3.92 | \$ - | \$ 3.92 | 20.6% | \$ 9.49 | 49.8% | \$ 0.86 | 4.5% | \$ 4.78 | 25.1% | \$ - | 0.0% |
| 2019/2018 | \$ 3.92 | \$ - | \$ 3.92 | 19.7% | \$ 10.06 | 50.7% | \$ 0.90 | 4.5% | \$ 4.97 | 25.0% | \$ - | 0.0% |

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) generally have been performed once every three years with the exception of the years 2009-2015 when none were performed. A reassessment was performed in 2016 and 2007.

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, 2011 and 2013 similar state laws were passed that continued the limits for 2009 through 2017. Generally, the limit would allow growth in the tax levy only to the extent of the growth in the municipal total assessed value thereby not allowing the tax rate to increase, except for increases needed to pay new or existing debt. Howard's levy limit in 2019 was 2.458%. Prior to the 2006 budget, there were no limits on increases in the tax levy.

2019/2018 Tax Rates Per Thousand Percentages of Property Tax Bill



VILLAGE OF HOWARD, WISCONSIN

Ten Largest Taxpayers
Current Year and Nine Years Ago

| Taxpayer / Ownership | 2019 Assessed Valuation | Rank | Percentage of Total Assessments | 2010 Assessed Valuation | Rank | Percentage of Total Assessments |
|---|-------------------------------|------|---------------------------------------|-------------------------------|------|---------------------------------------|
| United Healthcare <i>Insurance company</i> | \$ 37,126,100 | 1 | 1.92% | \$ 42,004,000 | 1 | 3.02% |
| SPG Holding (formerly GDC Packerland) <i>Warehousing</i> | \$ 23,549,100 | 2 | 1.22% | \$ 8,275,800 | 5 | 0.59% |
| Welltower Inc. <i>Senior Living Apartments</i> | \$ 19,021,000 | 3 | 0.98% | - | - | - |
| Meijer Stores LP <i>Groceries</i> | \$ 19,865,400 | 4 | 1.03% | - | - | - |
| WOW Winona LLC <i>Manufacturing</i> | \$ 18,947,300 | 5 | 0.98% | - | - | - |
| Elana LLC (formerly Beaver Dam) <i>Apartment complex</i> | \$ 17,802,000 | 6 | 0.92% | \$ 14,823,300 | 2 | 1.06% |
| CCAPTS LLC <i>Apartments</i> | \$ 15,235,400 | 7 | 0.79% | - | - | - |
| Menard Inc. <i>Retail outlet</i> | \$ 14,442,700 | 8 | 0.75% | - | - | - |
| Woodman's Food Market <i>Groceries</i> | \$ 13,748,700 | 9 | 0.71% | \$ 14,070,900 | 3 | 1.01% |
| Mills Property, Inc. <i>Retail outlet</i> | \$ 9,904,400 | 10 | 0.51% | \$ 8,037,400 | 6 | 0.58% |
| Omnova Solutions <i>Manufacturing</i> | - | - | - | \$ 9,058,900 | 4 | 0.65% |
| Watermolen - Sole Proprietor <i>Apartments</i> | - | - | - | \$ 7,489,500 | 7 | 0.54% |
| Comfort Suites & Rock Gardens <i>Hotel/restaurant</i> | - | - | - | \$ 7,480,500 | 8 | 0.54% |
| B&D Warehouse <i>Warehousing</i> | - | - | - | \$ 6,024,000 | 9 | 0.43% |
| Brookview Meadows Apartments | - | - | - | \$ 5,011,100 | 10 | 0.36% |
| Total | \$ 189,642,100 | | 9.80% | \$ 111,240,300 | | 8.78% |

Watermolen, Comfort Suites & Rock Gardens, B&D Warehouse and Brookview Meadows Apartments still operate in Howard with substantial valuation but not large enough value to be placed into the Top 10 list for 2019. Omnova ceased operation in 2019 but sold their property to Nouryon as a manufacturing facility.

CCAPTS LLC is a apartment complex in Howard that began operations in 2011. Menards retail outlet began operations in Howard in 2012. Welltower Inc. opened their senior living facility and Meijer Stores opened their store in 2016.

In 2019, United Healthcare made an announcement that they are moving out of Howard in April 2020 and into a new facility in another Green Bay area municipality.

Schedule 8

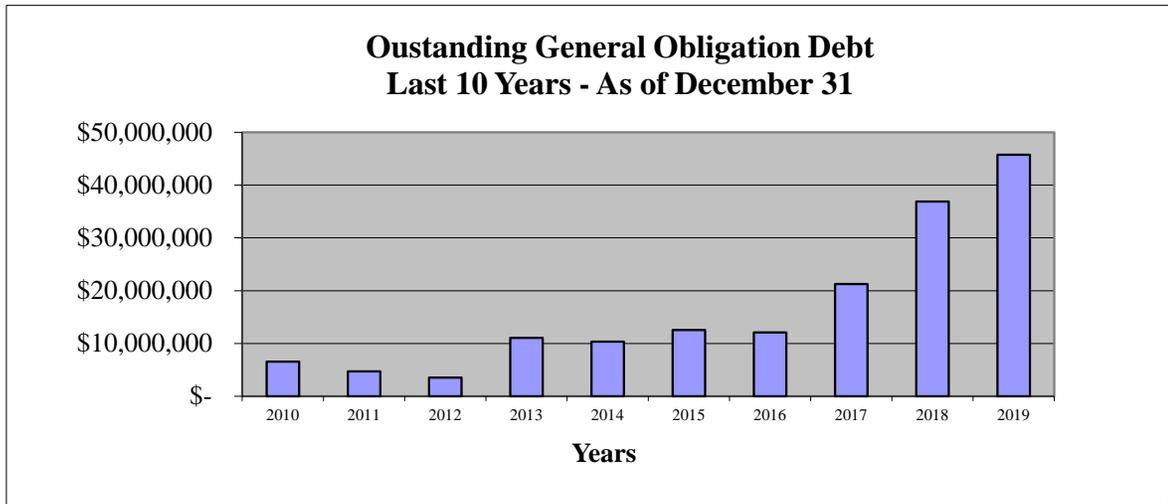
VILLAGE OF HOWARD, WISCONSIN
 Property Tax Levies and Collections
 Last Ten Fiscal Years

| 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 |
| 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% | \$ 4,396 | \$ 26,113,879 | 99.90% |
| 2012/2011 | \$ 26,380,386 | \$ 26,358,652 | 99.92% | \$ 3,552 | \$ 26,362,204 | 99.93% |
| 2013/2012 | \$ 26,641,110 | \$ 26,634,047 | 99.97% | \$ 169 | \$ 26,634,216 | 99.97% |
| 2014/2013 | \$ 27,227,085 | \$ 27,212,193 | 99.95% | \$ 253 | \$ 27,212,446 | 99.95% |
| 2015/2014 | \$ 27,119,558 | \$ 27,108,033 | 99.96% | \$ 100 | \$ 27,108,133 | 99.96% |
| 2016/2015 | \$ 28,120,748 | \$ 28,108,990 | 99.96% | \$ 6,883 | \$ 28,102,107 | 99.93% |
| 2017/2016 | \$ 29,027,124 | \$ 29,008,413 | 99.94% | \$ - | \$ 29,008,413 | 99.94% |
| 2018/2017 | \$ 30,914,657 | \$ 30,895,946 | 99.94% | \$ 8,305 | \$ 30,906,352 | 99.97% |
| 2019/2018 | \$ 32,819,572 | \$ 32,805,648 | 99.96% | N/A | N/A | N/A |

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

VILLAGE OF HOWARD, WISCONSIN
 Ratios of Outstanding Debt by Type
 Last Ten Years

| Year | (1) | (2) | | | | | (1 + 2) | | |
|------|--|---|--|--|--------------------------------------|---|--|-------------------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | | | | | Total Primary Government Debt | Percent of Personal Income | Debt Per Capita |
| | Outstanding General Obligation Debt | Water Outstanding General Obligation Debt | Howard Commons Outstanding General Obligation Note Anticipation Notes | Water and Sewer Revenue Bonds and Other Debt | Average Number of Customers | Ratio of Revenue Bonds to Average No. Customers | | | |
| 2010 | \$ 3,518,356 | \$ - | \$ - | \$ 3,030,677 | 5,944 | \$ 509.87 | \$ 6,549,033 | 0.07% | \$ 376.40 |
| 2011 | \$ 2,706,460 | \$ 1,695,000 | \$ - | \$ 294,349 | 5,992 | \$ 49.12 | \$ 4,695,809 | 0.05% | \$ 264.88 |
| 2012 | \$ 1,822,753 | \$ 1,505,000 | \$ - | \$ 224,616 | 6,046 | \$ 37.15 | \$ 3,552,369 | 0.03% | \$ 195.55 |
| 2013 | \$ 9,621,395 | \$ 1,300,000 | \$ - | \$ 152,374 | 6,104 | \$ 24.96 | \$ 11,073,769 | 0.10% | \$ 603.54 |
| 2014 | \$ 9,157,456 | \$ 1,095,000 | \$ - | \$ 77,533 | 6,242 | \$ 12.42 | \$ 10,329,989 | 0.09% | \$ 552.32 |
| 2015 | \$ 11,575,000 | \$ 970,000 | \$ - | \$ - | 6,278 | \$ - | \$ 12,545,000 | 0.09% | \$ 663.72 |
| 2016 | \$ 11,225,000 | \$ 845,000 | \$ - | \$ - | 6,290 | \$ - | \$ 12,070,000 | 0.10% | \$ 625.55 |
| 2017 | \$ 11,350,550 | \$ 715,000 | \$ 9,174,450 | \$ - | 6,369 | \$ - | \$ 21,240,000 | N/A | \$ 1,096.48 |
| 2018 | \$ 10,780,550 | \$ 580,000 | \$ 25,504,450 | \$ - | 6,516 | \$ - | \$ 36,865,000 | N/A | \$ 1,903.10 |
| 2019 | \$ 10,095,550 | \$ 445,000 | \$ 35,214,450 | \$ - | 6,582 | \$ - | \$ 45,755,000 | N/A | \$ 2,324.95 |



Note: Note Anticipation Notes are technically not considered General Obligation Debt but are included in the chart above.

Schedule 10

VILLAGE OF HOWARD, WISCONSIN
 Ratio of Net Primary Government Debt to Assessed Value and
 Net Primary Government Debt Per Capita
 Last Ten Fiscal Years

| Fiscal Year | Total Primary Government Debt | Less: Unspent Bond Proceeds | Net Primary Government Debt | Ratio to Assessed Value | Net Primary Government Debt Per Capita |
|-------------|-------------------------------|-----------------------------|-----------------------------|-------------------------|--|
| | | | | ** | * |
| 2010 | \$ 6,549,033 | \$ 10,472 | \$ 6,538,561 | 0.47% | \$ 375.80 |
| 2011 | \$ 4,695,809 | \$ 3,425 | \$ 4,692,384 | 0.34% | \$ 264.69 |
| 2012 | \$ 3,552,369 | \$ 3,379 | \$ 3,548,990 | 0.24% | \$ 195.36 |
| 2013 | \$ 11,073,769 | \$ 7,750,574 | \$ 3,323,195 | 0.22% | \$ 181.12 |
| 2014 | \$ 10,207,533 | \$ 4,656,047 | \$ 5,551,486 | 0.29% | \$ 296.82 |
| 2015 | \$ 12,545,000 | \$ 428,854 | \$ 12,116,146 | 0.80% | \$ 641.03 |
| 2016 | \$ 12,070,000 | \$ - | \$ 12,070,000 | 0.76% | \$ 625.55 |
| 2017 | \$ 21,240,000 | \$ - | \$ 21,240,000 | 1.31% | \$ 1,100.80 |
| 2018 | \$ 36,865,000 | \$ - | \$ 36,865,000 | 2.23% | \$ 1,903.10 |
| 2019 | \$ 45,755,000 | \$ - | \$ 45,755,000 | 2.37% | \$ 2,324.95 |

* See Schedule 14 for population information.

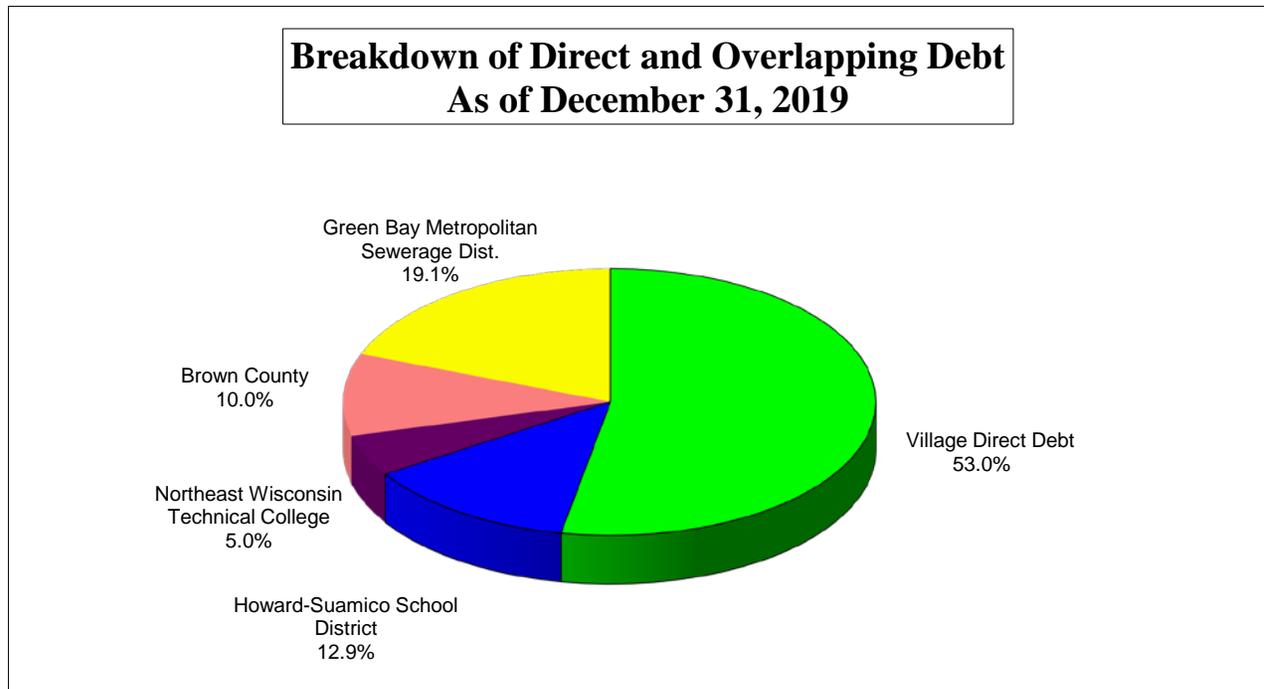
** See Schedule 5 for assessed values.

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

VILLAGE OF HOWARD, WISCONSIN
 Computation of Direct and Overlapping Debt and
 Ratio to Assessed Value and Per Capita Debt
 December 31, 2019

| | Total Debt | Village Share | | Ratio to Assessed Value |
|--|----------------------|---------------|---------------------|-------------------------|
| | | Percentage | Amount | |
| Direct Debt: | | | | |
| General Obligation Debt | \$9,850,000 | | | |
| Note Anticipation Notes | <u>\$35,905,000</u> | | | |
| Total | <u>\$45,755,000</u> | 100.00% | <u>\$45,755,000</u> | 2.37% |
| Village Direct Debt | | | <u>\$45,755,000</u> | |
| Overlapping Debt: | | | | |
| Howard-Suamico School District | \$19,092,019 | 58.434621% | \$11,156,349 | 0.58% |
| Northeast Wisconsin Technical College | \$101,410,000 | 4.274630% | \$4,334,902 | 0.22% |
| Brown County | \$104,340,000 | 8.252762% | \$8,610,932 | 0.45% |
| Green Bay Metropolitan Sewerage Dist. | \$190,914,051 | 8.660000% | \$16,533,157 | 0.85% |
| Total Overlapping Debt | | | <u>\$40,635,340</u> | 2.10% |
| Total Direct and Overlapping Debt | | | <u>\$86,390,340</u> | 4.47% |

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.



Schedule 12

VILLAGE OF HOWARD, WISCONSIN

Computation of Legal Debt Margin

December 31, 2019

| | |
|--|----------------------------|
| Equalized Value, January 1 | <u>\$ 1,917,535,200</u> |
| Debt Limit (5% of Equalized Value) | \$95,876,760 |
| General Obligation Debt | \$ 9,850,000 |
| Note Anticipation Notes ⁽¹⁾ | <u>35,905,000</u> |
| Total | <u>45,755,000</u> |
| Legal Debt Margin | <u><u>\$50,121,760</u></u> |

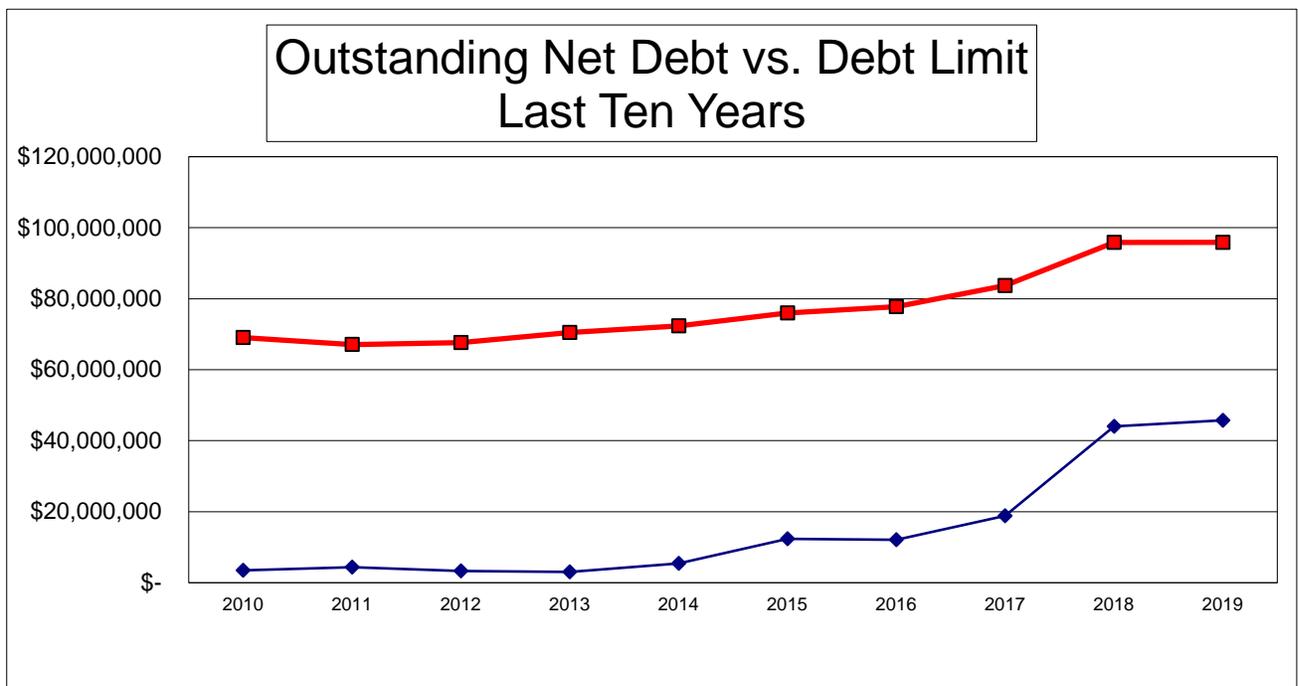
⁽¹⁾ The Village has pledged, as part of the note anticipation notes, to maintain sufficient capacity to refinance the

| | 2010 | 2011 | 2012 | 2013 |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit | \$ 69,076,305 | \$ 67,071,740 | \$ 67,669,660 | \$ 70,502,830 |
| Net general obligation debt | 3,507,884 | 4,398,035 | 3,324,374 | 3,041,921 |
| Legal debt margin | <u>\$ 65,568,421</u> | <u>\$ 62,673,705</u> | <u>\$ 64,345,286</u> | <u>\$ 67,460,909</u> |

| Ratio of net general obligation debt to the debt limit | 2010 | 2011 | 2012 | 2013 |
|--|------|------|------|------|
| | 5.1% | 6.6% | 4.9% | 4.3% |

Note: Under state law, the Village's legal debt limit is 5% of the equalized valuation.

Debt limits can exceed state managed leve with voter approval.





note anticipation notes into general obligation debt.

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 72,339,930 | \$ 75,980,410 | \$ 77,783,570 | \$ 83,736,835 | \$ 95,875,360 | \$ 95,876,760 |
| 5,473,953 | 12,322,133 | 12,070,000 | 18,803,000 | 44,054,303 | 45,755,000 |
| <u>\$ 70,428,924</u> | <u>\$ 63,658,277</u> | <u>\$ 65,713,570</u> | <u>\$ 64,933,835</u> | <u>\$ 51,821,057</u> | <u>\$ 50,121,760</u> |
| <u>7.3%</u> | <u>16.2%</u> | <u>15.5%</u> | <u>22.5%</u> | <u>45.9%</u> | <u>47.7%</u> |

VILLAGE OF HOWARD, WISCONSIN
 Combined Water and Sewer Utilities
 Revenue Bond Coverage
 Last Ten Fiscal Years

| Year | Gross Revenue | Expenses | Change in Net Position | Total Funds Available For Debt Service | Current Debt Service Payment | Highest Annual Debt Service | Coverage |
|------|---------------|--------------|------------------------|--|------------------------------|-----------------------------|----------|
| 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 | \$ 227,537 | \$ 233,185 | 8.68 |
| 2012 | \$ 8,264,320 | \$ 7,127,951 | \$ 1,136,369 | \$ 1,568,796 | \$ 228,670 | \$ 233,185 | 6.73 |
| 2013 | \$ 9,191,214 | \$ 7,282,812 | \$ 1,908,402 | \$ 2,839,249 | \$ 233,185 | \$ 233,185 | 12.18 |
| 2014 | \$ 9,076,651 | \$ 7,877,882 | \$ 1,198,769 | \$ 2,461,468 | \$ 231,033 | \$ 231,033 | 10.65 |
| 2015 | \$ 8,988,739 | \$ 7,307,008 | \$ 1,681,731 | \$ 3,152,509 | \$ 149,093 | \$ 156,450 | 20.27 |
| 2016 | \$ 10,413,346 | \$ 8,527,354 | \$ 1,885,992 | \$ 3,444,652 | \$ 147,280 | \$ 156,450 | 22.02 |
| 2017 | \$ 10,722,188 | \$ 8,820,609 | \$ 1,901,579 | \$ 3,495,157 | \$ 150,045 | \$ 156,450 | 22.34 |
| 2018 | \$ 9,724,907 | \$ 7,227,031 | \$ 2,497,876 | \$ 4,659,322 | \$ 152,325 | \$ 156,450 | 29.78 |
| 2019 | \$ 10,416,761 | \$ 9,880,499 | \$ 536,262 | \$ 2,028,905 | \$ 149,153 | \$ 156,450 | 12.97 |

Notes: Funds available for debt service represents an amount equal to change in net assets 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. Revenue 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; all of these bonds were paid off in 2011 (or earlier years) as part of a refinancing with general obligation debt that has no coverage requirement.

VILLAGE OF HOWARD, WISCONSIN
Demographic Statistics

| Year | (1) | (2) | (2) & (3) | (4) | (5) |
|------|------------|---------------------------------------|-----------------------------------|---------------------------------|----------------------|
| | Population | Brown County Total Personal Income | Brown County Per Capita Income | Unemployment Rate - December | School Enrollment |
| 2010 | 17,399 | \$ 9,535,753,000 | \$38,322 | 7.4% | 5,633 |
| 2011 | 17,728 | \$ 9,928,992,000 | \$39,493 | 6.7% | 5,817 |
| 2012 | 18,166 | \$ 10,661,706,000 | \$42,136 | 6.4% | 5,808 |
| 2013 | 18,348 | \$ 10,990,719,000 | \$43,171 | 5.7% | 5,857 |
| 2014 | 18,703 | \$ 11,730,951,000 | \$45,704 | 4.2% | 5,959 |
| 2015 | 18,901 | \$ 14,453,783,000 | \$46,584 | 3.9% | 6,051 |
| 2016 | 19,295 | \$ 12,321,859,000 | \$47,319 | 3.4% | 6,145 |
| 2017 | 19,371 | \$ 13,002,379,000 | \$49,618 | 2.5% | 6,116 |
| 2018 | 19,508 | \$ 16,578,948,000 | \$51,553 | 2.5% | 6,076 |
| 2019 | 19,680 | N/A | N/A | 3.0% | 6,071 |

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
 - (3) Wisconsin's Worknet website at <http://worknet.wisconsin.gov/worknet>.
The Village of Howard data is only published with each census; 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 or Green Bay MSA statistics were used. (The Village is located in Brown County and is part of the Green Bay MSA.)

Schedule 15

VILLAGE OF HOWARD, WISCONSIN

Principal Employers in Howard and
Principal Employers in Green Bay Area
Current Year

| Employer | 2019 | | | 2010 | | |
|-------------------------------------|----------------|------|------------------------------------|----------------|------|------------------------------------|
| | Employees | Rank | Percentage of Total MSA Employment | Employees | Rank | Percentage of Total MSA Employment |
| Howard Employers | | | | | | |
| United Healthcare | 1,963 | 1 | 1.14% | 1,825 | 1 | 1.07% |
| Howard-Suamico School District | 664 | 2 | 0.38% | 541 | 2 | 0.32% |
| Sanimax Corporation | 202 | 3 | 0.12% | 202 | 3 | 0.12% |
| Fleet Farm | 195 | 4 | 0.11% | 195 | 4 | 0.11% |
| Klemm Tank Lines | 184 | 5 | 0.11% | 184 | 5 | 0.11% |
| Menard's Inc | 170 | 6 | 0.10% | - | - | - |
| Alive N Kickin | 150 | 7 | 0.09% | 150 | 6 | 0.09% |
| Wisconsin Dept of Natural Resources | 150 | 8 | 0.09% | 150 | 7 | - |
| Wipfli LLP | 120 | 9 | 0.07% | 120 | 9 | 0.07% |
| Woodman's Food Market | 101 | 10 | 0.06% | 101 | 10 | 0.06% |
| Stock Lumber | - | - | - | 140 | 8 | 0.08% |
| | <u>3,899</u> | | <u>2.26%</u> | <u>3,468</u> | | <u>1.95%</u> |
| Green Bay MSA | | | | | | |
| Humana Inc. | 3,283 | 1 | 1.90% | 3,146 | 1 | 1.85% |
| Green Bay Public Schools | 2,793 | 2 | 1.62% | 2,655 | 4 | 1.56% |
| Bellin Health | 2,729 | 3 | 1.58% | 1,998 | 6 | 1.17% |
| Oneida Tribe of Indians | 2,700 | 4 | 1.56% | 2,916 | 3 | 1.71% |
| Schneider National Inc | 2,633 | 5 | 1.52% | 3,094 | 2 | 1.82% |
| Georgia-Pacific | 2,100 | 6 | 1.22% | 2,600 | 5 | 1.53% |
| Aurora Health Care | 2,009 | 8 | 0.00% | 1,703 | 8 | 1.00% |
| United Healthcare * | 1,974 | 7 | 1.14% | 1,825 | 7 | 1.07% |
| Brown County (government) | 1,802 | 9 | 1.04% | - | - | - |
| St. Vincent Hospital | 1,605 | 10 | - | 1,637 | 9 | 0.96% |
| American Foods Group | - | - | - | 1,591 | 10 | 0.93% |
| | <u>23,628</u> | | <u>11.59%</u> | <u>23,165</u> | | <u>13.60%</u> |
| Total Labor Force | <u>172,794</u> | | | <u>170,378</u> | | |

* A Howard business.

Source: Green Bay Chamber website <http://resources.titletown.org/resources> or by contacting the companies directly; Green Bay MSA employment counts are as of December 2019 and 2010.

Schedule 16

VILLAGE OF HOWARD, WISCONSIN

Full-time Equivalent Village Government Employees by Function
Last Ten Years

| Function | 2010 | 2011 | 2012 | 2013 |
|------------------------------|-------|-------|-------|-------|
| General government | 5.70 | 4.80 | 4.50 | 4.50 |
| Public safety | 3.00 | 1.00 | 2.00 | 2.00 |
| Public works | 9.40 | 13.25 | 12.65 | 10.65 |
| Community development | 4.90 | 3.00 | 3.00 | 3.00 |
| Capital outlay - engineering | 3.00 | 2.20 | 1.20 | 1.20 |
| Water utility | 4.90 | 5.30 | 5.30 | 5.30 |
| Sewer utility | 3.90 | 4.30 | 4.30 | 4.30 |
| Golf Course | 1.40 | 0.30 | 0.25 | 1.05 |
| Storm water utility | 3.80 | 3.80 | 3.80 | 5.00 |
| Total | 40.00 | 37.95 | 37.00 | 37.00 |

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

| Function | 2010 | 2011 | 2012 | 2013 |
|------------------------------|------|------|------|------|
| General government | 33 | 31 | 31 | 31 |
| Public safety | 49 | 52 | 51 | 51 |
| Public works | 4 | 18 | 19 | 19 |
| Community development | 62 | 49 | 50 | 55 |
| Capital outlay - engineering | 3 | 1 | 1 | 5 |
| Water utility | - | - | - | - |
| Sewer utility | - | - | - | - |
| Golf Course | 19 | 7 | 7 | 7 |
| Storm water utility | - | - | - | - |
| Total | 170 | 158 | 159 | 168 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------|-------|-------|-------|-------|-------|
| 4.50 | 4.50 | 4.50 | 5.00 | 5.00 | 5.00 |
| 3.00 | 3.00 | 3.00 | 4.50 | 5.50 | 5.50 |
| 10.65 | 12.65 | 13.65 | 12.90 | 13.90 | 13.90 |
| 3.00 | 3.00 | 3.00 | 3.40 | 3.40 | 4.40 |
| 1.20 | 2.20 | 2.20 | 2.40 | 2.40 | 2.40 |
| 5.30 | 5.30 | 5.30 | 6.30 | 6.30 | 6.30 |
| 4.30 | 4.30 | 4.30 | 5.30 | 5.30 | 5.30 |
| 1.05 | 1.25 | 1.25 | 1.20 | 1.20 | 1.20 |
| 5.00 | 3.80 | 3.80 | 4.00 | 4.00 | 4.00 |
| 38.00 | 40.00 | 41.00 | 45.00 | 47.00 | 48.00 |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------|------|------|------|------|------|
| 31 | 31 | 31 | 31 | 31 | 31 |
| 56 | 55 | 55 | 56 | 56 | 56 |
| 19 | 19 | 19 | 19 | 19 | 19 |
| 32 | 32 | 32 | 32 | 32 | 30 |
| 1 | 5 | 5 | 8 | 8 | 6 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 20 | 20 | 20 | 28 | 28 | 20 |
| - | - | - | - | - | - |
| 159 | 162 | 162 | 174 | 174 | 162 |

Schedule 17

VILLAGE OF HOWARD, WISCONSIN
 Operating Indicators by Function/Program
 Last Ten Years

| Function/Program | 2010 | 2011 | 2012 | 2013 |
|--|--------|--------|--------|--------|
| General government: | | | | |
| Acreage sold | 1.50 | - | - | - |
| Registered voters | 10,233 | 12,184 | 13,045 | 13,110 |
| Parcels reassessed | 503 | 520 | 443 | 410 |
| Public safety: | | | | |
| Police | | | | |
| Incidents | 10,948 | 12,645 | 13,301 | 11,762 |
| Citations/warnings issued | 3,856 | 4,166 | 5,567 | 4,511 |
| Fire | | | | |
| Inspections | 2,372 | 2,452 | 2,493 | 2,495 |
| Code Administration | | | | |
| Permits issued | 1,127 | 838 | 879 | 859 |
| Public works: | | | | |
| Tons of waste | 4,234 | 3,986 | 4,215 | 4,189 |
| Tons of recycling | 1,532 | 1,368 | 1,434 | 1,440 |
| Culture and recreation: | | | | |
| Ice rink open-days | 35 | 39 | 3 | 53 |
| Program participants | 3,974 | 3,187 | 3,187 | 2,631 |
| Capital outlay-engineering | | | | |
| New subdivisions | - | - | 1 | 1 |
| New lots created | - | - | 14 | 35 |
| Watermains added (L.F.) | 10,931 | 5,149 | 1,738 | 9,892 |
| Watermains removed (L.F.) | 7,235 | 5,115 | 1,732 | 5,034 |
| Water utility | | | | |
| Million gallons pumped | 1 | 1 | 1 | 14 |
| Million gallons purchased | 630 | 676 | 722 | 679 |
| Sewer utility | | | | |
| Average daily sewage, thousand gallons | 1,906 | 2,212 | 2,282 | 2,272 |
| Golf course | | | | |
| Rounds of golf | 18,114 | 13,475 | 18,955 | 15,010 |

Note: The Village contracts with Brown County Sheriff for police services and obtained data from them on police issues.

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------|--------|--------|--------|--------|--------|
| 2.00 | 33.00 | 6.34 | 8.50 | 4.80 | 4.80 |
| 11,083 | 10,918 | 12,717 | 11,341 | 11,693 | 11,898 |
| 400 | 400 | 6,718 | 510 | 379 | 7,028 |
| 11,590 | 12,088 | 11,382 | 11,624 | 13,451 | 9,278 |
| 5,066 | 4,542 | 4,485 | 3,843 | 3,694 | 1,516 |
| 2,500 | 2,376 | 2,123 | 2,423 | 2,097 | 2,565 |
| 918 | 921 | 875 | 921 | 895 | 1,010 |
| 4,242 | 4,458 | 5,088 | 4,795 | 4,629 | 4,595 |
| 1,526 | 1,517 | 1,558 | 1,587 | 1,555 | 1,473 |
| 60 | 60 | 38 | 33 | 39 | 17 |
| 2,881 | 2,550 | 2,538 | 2,615 | 2,830 | 2,979 |
| 1 | - | 3 | 2 | 3 | 1 |
| 63 | - | 180 | 42 | 92 | 53 |
| 9,608 | 3,902 | 11,153 | 6,758 | 10,768 | 8,840 |
| 2,170 | 538 | 750 | 379 | - | 650 |
| 1 | 1 | 1 | 0.9 | 1.1 | 1.1 |
| 663 | 598 | 578 | 573 | 624 | 624 |
| 2,336 | 2,142 | 2,466 | 2,252 | 2,252 | 2,784 |
| 12,699 | 12,471 | 12,950 | 13,699 | 13,748 | 13,600 |

Schedule 18

VILLAGE OF HOWARD, WISCONSIN
 Capital Assets Statistics by Function/Program
 Last Ten Years

| Function/Program | 2010 | 2011 | 2012 | 2013 |
|-------------------------------|-------|-------|-------|-------|
| Public safety: | | | | |
| Police | | | | |
| Patrol units | 5 | 5 | 5 | 5 |
| Fire | | | | |
| Stations | 2 | 2 | 2 | 2 |
| Public works: | | | | |
| Street mileage | 105 | 105 | 105 | 106 |
| Street lights | 1,143 | 1,175 | 1,202 | 1,214 |
| Roundabouts located in Howard | 11 | 13 | 14 | 14 |
| Culture and recreation: | | | | |
| Acreage | 528 | 528 | 528 | 528 |
| Playgrounds | 9 | 9 | 9 | 9 |
| Baseball/softball fields | 9 | 9 | 9 | 9 |
| Soccer fields | 17 | 17 | 17 | 17 |
| Water utility | | | | |
| Watermain (miles) | 94 | 94 | 94 | 95 |
| Sewer utility | | | | |
| Mains (miles) | 87 | 87 | 87 | 88 |
| Golf course (9 hole course) | | | | |
| Golf carts | 22 | 25 | 25 | 25 |
| Storm water | | | | |
| Ponds constructed | 2 | - | 1 | 1 |

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

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------|------|------|------|------|------|
|------|------|------|------|------|------|

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| 6 | 6 | 6 | 6 | 6 | 6 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 106 | 107 | 108 | 109 | 110 | 111 |
| 1,227 | 1,315 | 1,388 | 1,410 | 1,575 | 1,580 |
| 17 | 17 | 24 | 31 | 31 | 31 |
| 528 | 528 | 528 | 531 | 531 | 531 |
| 9 | 10 | 10 | 10 | 10 | 11 |
| 9 | 9 | 9 | 9 | 9 | 9 |
| 17 | 19 | 19 | 19 | 19 | 19 |
| 95 | 97 | 97 | 98 | 99 | 100 |
| 88 | 90 | 90 | 91 | 92 | 93 |
| 25 | 25 | 28 | 34 | 34 | 34 |
| 1 | 3 | 1 | 2 | 3 | 1 |

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



Independent auditors' 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, in accordance with the 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, 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 (the "Village") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon which includes an emphasis of matter paragraph as indicated on page 2 dated June 25, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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 a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village's financial statements are free from 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.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin

June 25, 2020