

**Village of Howard, Wisconsin**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2017**

PREPARED BY:  
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Director of Administrative Services

# VILLAGE OF HOWARD, WISCONSIN

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## INTRODUCTORY SECTION



April 2, 2018

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, 2017, 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.

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.

#### **ACCOUNTING SYSTEM AND FINANCIAL POLICIES**

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

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

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

The village has many financial policies that affect the current period financial statements, such as; (1) policies that govern the development of the annual budget, (2) expending budgeted funds, (3) reporting of financial activities to elected officials (budgetary controls) and (4) other financial policies. The annual budget of the village lists many of these policies. The most significant financial policy affecting this CAFR (other than the adopted budget) would be the debt policy which states "no borrowing will be made to finance current operations and expenditures and no new borrowing will occur for any capital project unless a revenue source to pay the future debt service is identified, such as TID debt." Because the village has minimal interest costs and pays cash for reconstruction projects (both governmental and enterprise funds), the village has 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 2017, the village ended the year with 45 full-time employees. Howard's Public Safety department provides citizens with complete police, fire, and rescue protection. The village contracts with Brown County 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 and a driver, part-time assistant chief and three 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 and the Town of Howard became incorporated as the Village of Howard. Residential, commercial and industrial growth has steadily continued since that time, creating a dynamic suburban community on Green Bay's northwest side.

## VILLAGE'S ECONOMIC CONDITION

The village is ideally located in Northeastern Wisconsin, in an area called the Great Lakes Economic Region. This is an industrial area of highly skilled labor, centers of business and commerce and very profitable consumer markets. Howard is bordered on the east by the City of Green Bay to the south is the Village of Hobart and to the north are the Village of Suamico and Town of Pittsfield. The village is approximately 215 miles north of Chicago, 115 miles north of Milwaukee, 132 miles northeast of Madison and 285 miles east of Minneapolis. The village has two interstates bordering the community, 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 in 2017 to 2.5% (for the Green Bay Metro Area) after climbing during 2009 to reach 7.3% of the workforce.

### Major Employers

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

<u>Employer</u>	<u>Product/Service</u>	<u>Number of Employees</u>
United Healthcare	Insurance	2,050
Howard-Suamico School District	Education	645
Sanimax Corp.	Manufacturer of various products (feed, soap)	202
Fleet Farm	Retail store	195
Klemm Tank Lines	Trucking	184
Alive N Kickin	Manufacturer	150
Wisc. Dept. of Natural Resources	State Agency	150
Menard's Inc.	Retail	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. (3,133), Green Bay Public Schools (2,793), Bellin Health (2,892), the Oneida Tribe of Indians of Wisconsin (2,752), Schneider National Inc. (2,628), Aurora Health Care (2,305), Georgia-Pacific (1,875), Brown County government (1,802), and Green Bay Packaging, Inc. (1,575). *Source: <https://www.greatergb.org/economic-development/> in a document from May 2016.*

### Recent and Proposed Development

Since 2007, 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 1,381 units constructed. New commercial units constructed since 2007 total 127 units. There were also significant alterations in the form of additions and reconstruction projects completed since 2007. The total estimated construction cost of all projects since 2007 exceeded \$341 million. In 2017, estimated construction cost of building permits exceeded \$62 million, a record year for the village.

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 (TID #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. Menard's retail store is the fifth largest taxpayer in Howard beginning operations in 2012 and is in TID #4. Woodman's Food Market, the fourth largest taxpayer, opened for business in September 2000 after completing construction of over one mile of new roadway. (See statistical section for complete list of largest taxpayers.) CCAPTS LLC is a 290-unit apartment complex and is listed as the third largest taxpayer, began construction of the complex in 2010 with completion in 2014.

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. A three-storied, senior housing project was completed in 2016 that contains 132 units for residents, a 2017 value of \$15.5 million and various amenities (like a Starbucks) for residents and guest use. In 2017 the village began construction of two village owned, three-storied apartment buildings in TID #8 to provide more housing (123 units) and tax base for the district (the buildings will pay an in-lieu-of-tax payment to the TID while owned by the village). The two buildings have an estimated cost of construction of at least \$26 million with construction ending in 2018.

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 \$15 million retail store within the district. The village created two other TID Districts 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 and provide 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 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
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%
2008 December	169,800	5.4%	5.8%

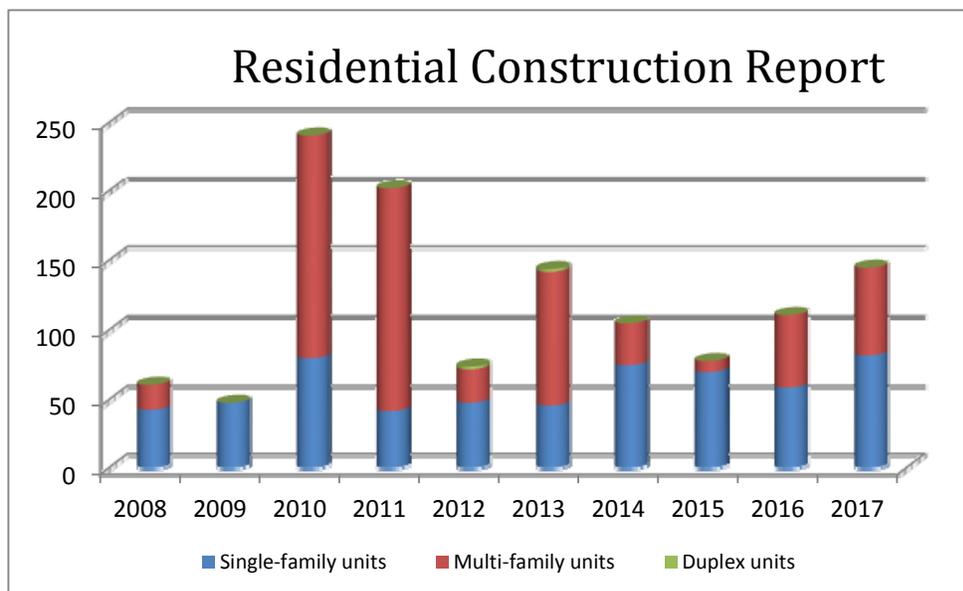
Source: Wisconsin Department of Workforce Development

## 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 42-82 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 and 63 units in 2017. Opening in 2016, was a 180 multi-family unit senior living complex being in the village center area. In 2018, the village will open two village owned apartment complexes in TID #8, the village center area. Another 35-unit apartment building is planned for the same area in 2019 or 2020. Also planned for a future year is an open-air pavilion with a sheet of ice to be located adjacent to the village owned apartments.

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 assets for the governmental activities and business-type activities, changes in net assets, governmental activities, village funds, outstanding debt at year-end, capital assets and other financial information. The information found in the MD&A can be valuable to any reader of the CAFR in gaining a better understanding of the financial position of the village.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Howard for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2016. 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-four 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, 2017. The village has received the GFOA budget award for the past twenty-three years and I believe the 2018 budget will obtain the award.

### **Acknowledgments**

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the administrative services department as well as the much valued assistance from our auditors. 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, progressive manner.

Respectfully submitted,



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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Village of Howard Wisconsin

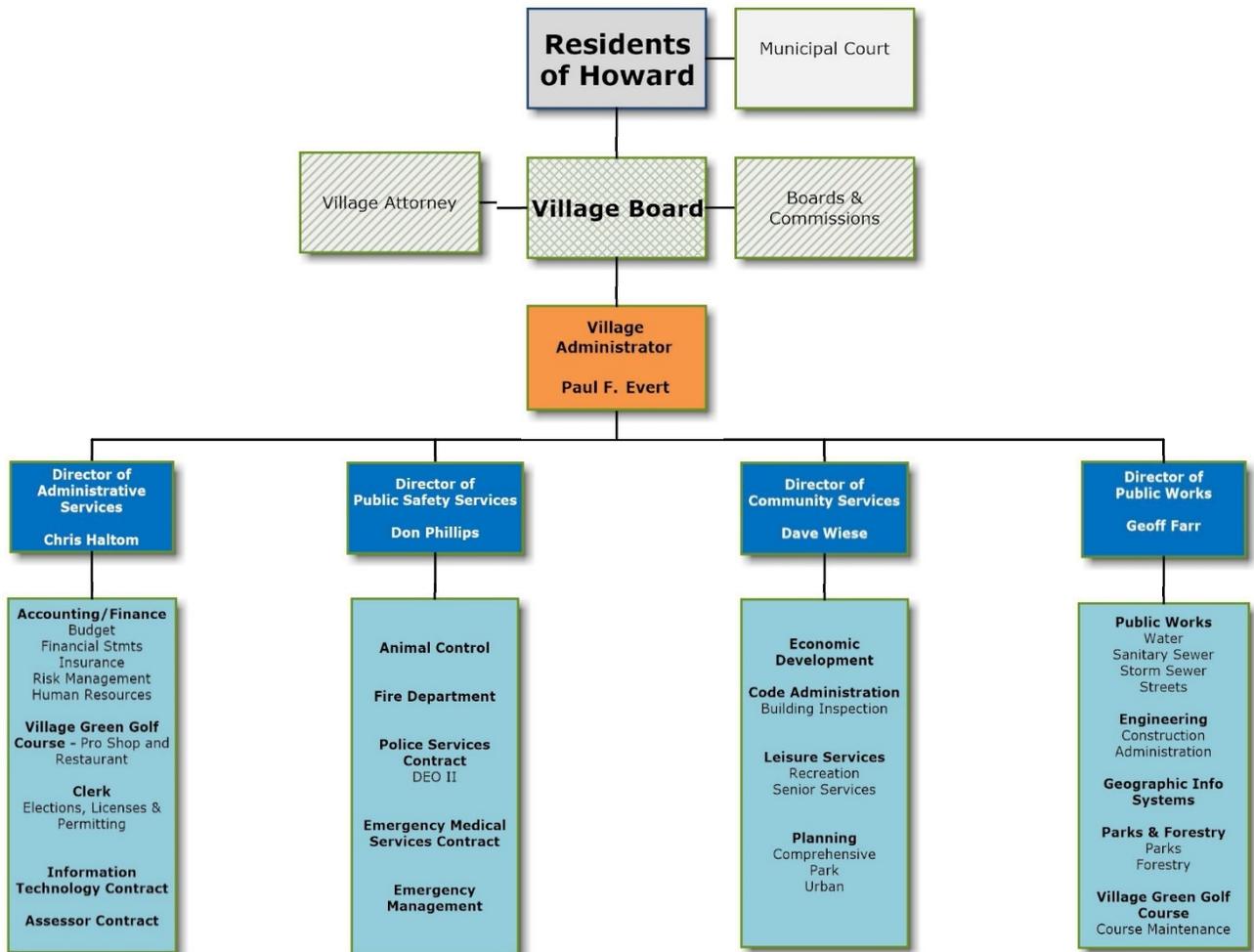
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2016

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



*Jeffrey R. Emer*

# Village Team - Organizational Flowchart Village of Howard, Wisconsin



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

**Elected Officials**

Burt R. McIntyre	President
Ron Bredael	Trustee Wards 1 & 2
Chris Nielsen	Trustee Wards 3 & 4
Cathy Hughes	Trustee Wards 5 & 6
Mike Hoppe	Trustee Wards 7 & 8
Jim Lemorande	Trustee Wards 9 & 10
Ray Suennen	Trustee Wards 11 & 12
Adam Lemorande	Trustee Wards 13, 14 & 18
Craig McCallister	Trustee Wards 15 - 17
Gregg Schreiber	Municipal Judge

**Appointed Officials**

Paul Evert	Administrator
Geoffrey Farr, PE	Director of Public Works
Christopher A. Haltom, CPA	Director of Admin. Services/Treasurer/Clerk
David Weise	Director of Community Development
Don Phillips	Director of Public Safety
Mike Kaster, PE	Director of Engineering
Bob Gagan, Attorney	Village Attorney (Contracted)
Mike Denor	Assessor (Contracted)

**Certified Public Accountants**

Kerber Rose SC, Shawano, Wisconsin

**Bond Counsel**

Foley & Lardner, Milwaukee, Wisconsin

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

## Independent Auditors' Report

To the Village Board  
Village of Howard  
Howard, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Howard, Wisconsin (Village) as of and for the year ended December 31, 2017, 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. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 of Howard, Wisconsin as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Village Board  
Village of Howard, Wisconsin

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of proportionate share of the net pension liability (asset) and employer contributions, and budgetary comparison information for the general fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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 of Howard's basic financial statements. The introductory section, supplementary information and statistical section as identified in the table of contents are presented for purposes of additional analysis and are 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, except the original and final budget 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, except the budget information, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections as well as the original and final budget information included in the supplementary information 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.



**KerberRose SC**  
**Certified Public Accountants**  
April 2, 2018

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## 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, 2017. The analysis should be read in conjunction with the transmittal letter pages 1-6 and the village's financial statements that begin on page 21.

### FINANCIAL HIGHLIGHTS

- The village's governmental activities net position decreased by \$1,299,000 or 2.8% at December 31, 2017. The business-type activities net position increased by \$4.0 million or 5.3%. The combined primary governmental net position increased by \$2.7 million or 2.2%.
- During 2017, the village had expenses that totaled \$21.3 million of which \$11.6 million were for governmental activities and \$9.7 million were for business-type activities.
- The General Fund reported an increase in fund balance of \$54,688. The General Fund has reported fund balance increases in 18 out of the last 24 years; the only years reporting deficits occurred when large fund transfers were made to other funds, except for the small decrease in 2014.
- TID #8 reported a decrease in fund balance of \$362,280 due to the fact the TID was completing infrastructure projects on Howard Commons and Elm Tree Hill.

### 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 21-23) provide information about activities of the village as a whole and present a longer-term view of the village's finances (also known as the government-wide statements). Fund financial statements start on page 24; for governmental activities, these statements 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 21. One of the most important questions asked about the village's finances is, "Is the village as a whole better off or worse off as a result of the year's financial activities?" The Statement of Net 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 it. You can think of the village's net position – the difference between assets and liabilities and deferred inflows of resources – as one way to measure the village's financial health, or financial position. The net position is reported on one day in time, the last day of the year. Over time, increases or decreases in the village's net position is 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 2017 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, community development (which includes recreation activities), general administration and capital projects. Property taxes, special assessments, state and federal grants (intergovernmental revenue), investment earnings and charges for services finance most of these activities.
- Business-type activities – The village charges a fee to customers to help cover all most of the cost of certain services provided. The village’s water, sewer, storm water utilities and golf course are reported here.

## **REPORTING THE VILLAGE’S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

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

- *Governmental funds* – Most of the village’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The accounting method used for reporting these funds is called the modified accrual method of accounting, which measures cash and all other financial resources that can readily be converted to cash. The governmental fund statements report a detailed short-term view of the village’s governmental operations and the basic services provided. Governmental fund information assists the reader in determining the availability of resources for the near future to finance programs of the village. The differences between the governmental fund reporting and the government-wide reports are described in reconciliations on the fund financial statements.
- *Proprietary funds* – These funds report the activity of the village’s enterprise funds. 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 2017 by \$2.7 million. The increase is a result of a combined decrease of \$1.3 million in governmental activities and an increase of \$4.0 million in business-type activities. The table below reports a summary of the Statement of Net Position.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 11.6	\$ 11.8	\$ 15.9	\$ 10.9	\$ 27.5	\$ 22.7
Capital assets, net of accumulated depreciation	<u>53.8</u>	<u>54.3</u>	<u>74.4</u>	<u>65.4</u>	<u>128.2</u>	<u>119.7</u>
Total assets	<u>65.4</u>	<u>66.1</u>	<u>90.3</u>	<u>76.3</u>	<u>155.7</u>	<u>142.4</u>
Deferred outflows	<u>.8</u>	<u>.9</u>	<u>.4</u>	<u>.6</u>	<u>1.2</u>	<u>1.5</u>
Current liabilities	1.6	1.6	2.6	1.8	4.2	3.4
Non-current liabilities	<u>11.1</u>	<u>11.0</u>	<u>9.9</u>	<u>.8</u>	<u>21.0</u>	<u>11.8</u>
Total liabilities	<u>12.7</u>	<u>12.6</u>	<u>12.5</u>	<u>2.6</u>	<u>25.2</u>	<u>15.2</u>
Deferred inflows	<u>7.6</u>	<u>7.2</u>	<u>.2</u>	<u>.2</u>	<u>7.8</u>	<u>7.4</u>
Net position;						
Net investment in capital assets	42.3	42.9	64.4	64.5	106.7	107.4
Restricted	1.0	1.1	.2	.3	1.2	1.4
Unrestricted	<u>2.6</u>	<u>3.2</u>	<u>13.4</u>	<u>9.3</u>	<u>16.0</u>	<u>12.5</u>
Total net position	<u>\$ 45.9</u>	<u>\$ 47.2</u>	<u>\$ 78.0</u>	<u>\$ 74.1</u>	<u>\$ 123.9</u>	<u>\$ 121.3</u>

The governmental activities net position decreased by 2.8%, with a balance of \$45.9 million in 2017 from \$47.2 million in 2016. The overall cost of providing services in the Governmental Activities increased by \$2.1 million in 2017 which was the largest contributing factor to the decrease in net position in 2017.

The business-type activities net position increased by 5.3%, increasing to \$78.0 million in 2017 from \$74.1 million in 2016. Current and other assets increased by \$5.0 million, of which \$4.0 million is remaining cash from a borrowing to fund a new apartment complex (a new fund in 2017) and the other \$1.0 was a result of operations. Capital assets increased \$9.0 million, of which \$6.5 million related to the new apartment complex and the remaining \$2.5 million was for new water, sewer and storm water infrastructure. Current liabilities increased by \$0.8 million and non-current liabilities increased by \$9.1 million. 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 assets:

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Government</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1.1	\$ 1.1	\$ 11.3	\$ 10.4	\$ 12.4	\$ 11.5
Operating grants and contributions	1.0	1.3	-	-	1.0	1.3
Capital grants and contributions	.1	.2	1.3	4.3	1.4	4.5
General revenues:						
Property taxes	6.9	6.6	-	-	6.9	6.6
Grants and contributions	.7	.7	-	-	.7	.7
Other revenues	<u>.2</u>	<u>.2</u>	<u>.1</u>	<u>.1</u>	<u>.3</u>	<u>.3</u>
Total revenues	<u>10.0</u>	<u>10.1</u>	<u>12.7</u>	<u>14.8</u>	<u>22.7</u>	<u>24.9</u>
<b>Program expenses</b>						
General government	1.4	1.4	-	-	1.4	1.4
Public safety	3.0	3.3	-	-	3.0	3.3
Public works	5.9	3.8	-	-	5.9	3.8
Community development	.9	.5	-	-	.9	.5
Interest on long-term debt	.4	.4	-	-	.4	.4
Water	-	-	4.7	4.5	4.7	4.5
Sewer	-	-	3.6	3.5	3.6	3.5
Storm water	-	-	.9	1.0	.9	1.0
Golf	<u>-</u>	<u>-</u>	<u>.5</u>	<u>.6</u>	<u>.5</u>	<u>.6</u>
Total expenses	<u>11.6</u>	<u>9.4</u>	<u>9.7</u>	<u>9.6</u>	<u>21.3</u>	<u>19.0</u>
Excess revenue over (under) expenses before transfers	(1.6)	.7	3.0	5.2	1.4	5.9
Transfers in (out)	<u>.3</u>	<u>-</u>	<u>1.0</u>	<u>-</u>	<u>1.3</u>	<u>-</u>
<b>Increase (decrease) in net position</b>	<b>(1.3)</b>	<b>.7</b>	<b>4.0</b>	<b>5.2</b>	<b>2.7</b>	<b>5.9</b>
Net position, beginning	<u>47.2</u>	<u>46.5</u>	<u>74.1</u>	<u>68.9</u>	<u>121.3</u>	<u>115.4</u>
<b>Net position, ending</b>	<b><u>\$ 45.9</u></b>	<b><u>\$ 47.2</u></b>	<b><u>\$ 78.1</u></b>	<b><u>\$ 74.1</u></b>	<b><u>\$ 124.0</u></b>	<b><u>\$ 121.3</u></b>

In 2017, the village's total revenue decreased by \$2.2 million (or about 8.8%) compared to 2016. The largest decrease was in capital grants and contributions of \$3.1 million. Operating grants and contributions decreased by \$.3 million; however, these amounts were offset by an increase in property taxes of \$.3 million as well as an increase in charges for services of \$.9 million.

The total expenses increased by \$2.3 million in 2017 or about 12.1% when compared to 2016. The primary reason for the decrease was public works of \$2.1 million relating to increasing cost of infrastructure improvements installed in 2017

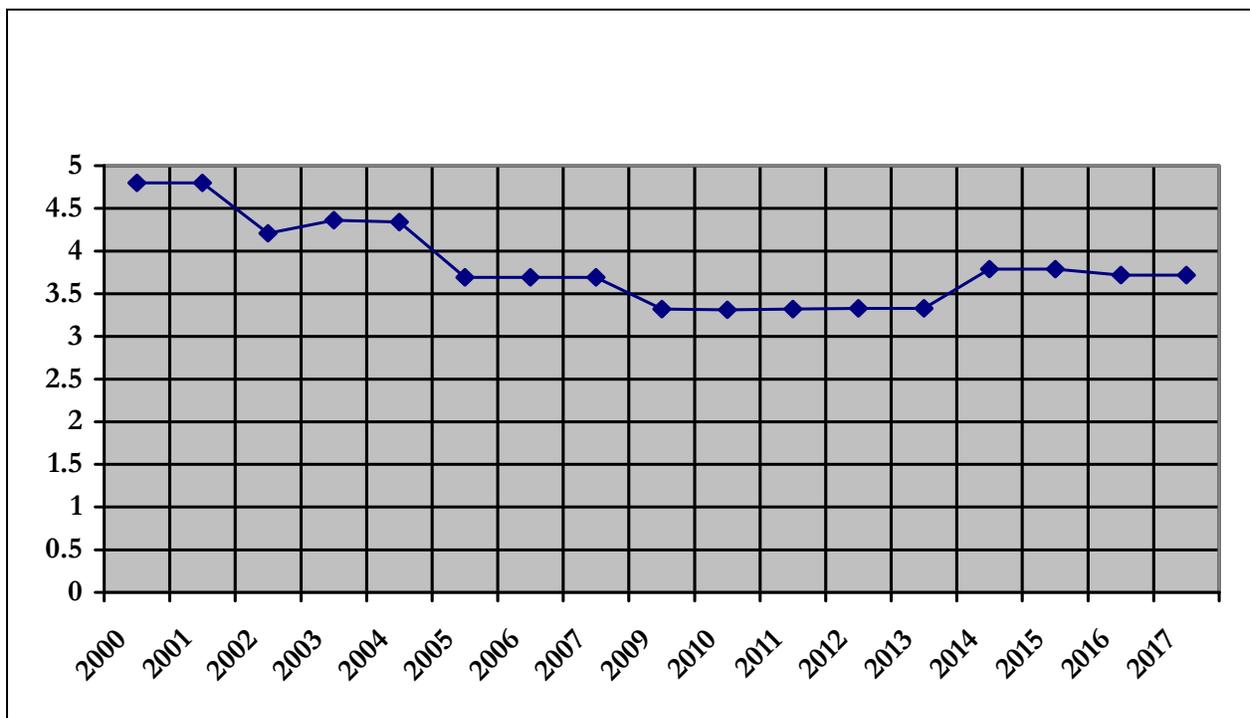
## Governmental Activities

The village's revenue for the 2017 governmental activities totaled \$10.0 million and decreasing by \$.1 million from 2016 (or 9.9% decrease). The governmental activities expenses totaled \$11.6 million in 2017 increasing by \$2.2 million from 2016 (or 23.4% increase). Transfers in increased by \$.3 million in 2017. The 2017 resulting change in net position for governmental activities was a decrease of \$1.3 million. In 2016, net assets increased by \$.7 million for governmental activities because of revenues exceeding expenses.

The village has established budget policies that helped the overall financial position increase in 2017. First, the village has budgeted for new growth from residential and commercial properties each the past 20 years. The growth in subdivisions lots has allowed for substantial growth in new housing over that period. 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 new apartment complex in 2017.

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 2017 was \$11.6 million compared to \$9.4 million in 2016. Taxpayers paid \$6.9 million of the total expenses in 2017, of which \$1.0 million was from tax incremental financing district (TID) leaving \$5.7 million paid from general taxpayers (outside of the TID boundary). The Statement of

Activities, located on pages 22 and 23, reports program revenues used to offset expenses of charges for services totaling \$1.1 million while grants and contributions totaled \$1.0 million.

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

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

	<u>Total Cost of Services</u>		<u>Net Revenue (Cost) of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Public works	\$ 5,865	\$ 3,819	\$ (4,566)	\$ (2,440)
Public safety	3,020	3,348	(2,747)	(2,652)
General government	1,437	1,407	(1,146)	(1,106)
Community development	897	534	(538)	(218)
Interest on debt	<u>373</u>	<u>344</u>	<u>(373)</u>	<u>(344)</u>
<b>Totals</b>	<u><u>\$11,592</u></u>	<u><u>\$ 9,452</u></u>	<u><u>\$ (9,370)</u></u>	<u><u>\$ (6,760)</u></u>

### **Business-type Activities**

Revenues from the village's business-type activities (see Table 2) totaled \$12.7 million in 2017 and \$14.8 million in 2016. Capital grants and contributions decreased by \$3.0 million due to fewer new subdivisions constructed in 2017. Charges for services increased by \$.9 million due to higher rates and usage.

Expenses of the business-type activities increased by \$.1 million in 2017; expenses totaled \$9.7 million in 2017 and \$9.6 million in 2016. Expenses increased primarily because of higher cost of providing services for water and sewer treatment expenses.

### **THE VILLAGE'S FUNDS**

The governmental funds (as presented on pages 24 and 25 for the balance sheet) reported a combined fund balance of \$2.1 million or a \$.4 million decrease from the previous year as borrowed funds were spent on project costs and debt payments are being made. The General Fund continues to report a healthy fund balance of \$2.8 million which is above the established policy minimum of 25% of actual expenditures or \$1.8 million. The Capital Improvement Fund has a fund balance of about \$.5 million that is assigned for future projects; the fund balance will fluctuate from year to year based on the reconstruction projects and the equipment purchased made each year as current resources are used to pay for such projects. In 2017, the Capital Improvement fund balance decreased by \$.2 million.

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 2017 were as follows:

- Road resurfacing projects totaled \$1.3 million.
- Cost to design a road and bridge replacement on Vincent Road totaled \$89,264.
- The funding of the engineering department net cost that totaled \$215,654.
- Funding of new equipment purchases and building repairs totaled \$705,000.

## General Fund Budgetary Highlights

The General Fund actual total revenue amount was below the budgeted total revenue by \$113,970 (see page 60). The total budgeted expenditures for the General Fund less than the actual expenditures by \$3,702 and other financing sources was \$172,360 over budget. In 2017, the General Fund ended the year with a surplus, or an increase in fund balance, of \$54,688.

## 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 2017 and is no longer a major fund. In 2017, 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 \$87 million legal debt limit. The general obligation bonds have been rated AA by Standard & Poor's and the NAN has a AA- rating. See Note 6 starting on page 50 for more details on debt.

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Totals</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
General Obligation Bonds and Notes (backed by the Village)	\$10.7	\$11.2	\$ .7	\$ .8	\$11.4	\$12.0
Note Anticipation Notes	.7	-	9.2	-	9.9	-
<b>Totals</b>	<b>\$11.4</b>	<b>\$11.6</b>	<b>\$9.9</b>	<b>\$ .9</b>	<b>\$21.3</b>	<b>\$10.2</b>

### Tax Incremental Financing District #3

This TID was a major fund of the village in 2017. This TID borrowed \$3.7 million in general obligation bonds in December 2013 to allow for funding of construction projects in 2014 and 2015. Tax incremental revenues totaled \$471,330 in 2017 a 31.4% increase from 2016. This TID transferred out \$344,463 to pay for debt payments and incurred expenditures of \$42,871 contributing to the fund balance increase of \$109,816. Fund balance at year end was a deficit of \$281,620.

### Tax Incremental Financing District #4

TID #4 is also a major fund of the village in 2017. This TID borrowed \$5.7 million in general obligation bonds in December 2013 to allow for funding of infrastructure projects and land purchase scheduled for 2014-2016 with over \$213,000 spent in 2017 to finalize projects. Tax incremental revenues totaled \$413,660 and the TID transferred out \$366,175 for debt payments. The fund balance was \$83,948 at year end, a decrease of \$109,976.

## Tax Incremental Financing District #8

A new TID in 2015, TID #8 was created as an overlay district over TID #3 to allow for capturing increment and cost associated with the village center. The village borrowed \$2.9 million in 2015 and \$690,550 in 2017 to help fund infrastructure improvements in the village center. The TID incurred about \$1 million in expenditures in 2017 contributing to a decrease in fund balance of \$362,280 and resulting in a fund balance deficit of \$1.4 million. The General Fund advanced \$1.3 million into this TID to help offset the negative fund balance. This advance will be repaid to the General Fund over the life of the TID.

## Capital Improvements Fund

The Capital Improvements Fund is another 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 \$503,754 compared with \$773,755 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 \$2.0 million compared with \$2.5 million in the previous year. Primary sources of revenue in this fund in 2017 was \$1.0 million in property taxes and \$748,060 in state aids. Other sources of revenue in this fund are public charges for service \$105,826 and miscellaneous \$138,613.

## Capital Assets

At the end of 2017, the village had \$128.3 million invested in capital assets. This amount represents an increase of \$8.7 million from the previous year for equipment purchases and new construction net of depreciation. 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 5 on pages 48 and 49 for more details on the following table:

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Totals</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land and other non-depreciated	\$ 8.4	\$ 8.9	\$ 2.8	\$ 2.6	\$11.2	\$11.5
Construction in progress	-	-	-	.2	-	.2
Buildings and improvements	6.1	6.2	7.8	1.5	13.9	7.7
Machinery and equipment	3.4	3.6	1.9	2.0	5.3	5.6
Sidewalks	5.8	4.7	-	-	5.8	4.7
Bridge & culverts	1.6	1.6	-	-	1.6	1.6
Roadway	28.6	29.3	-	-	28.6	29.3
Utility infrastructure	-	-	61.9	59.0	61.9	59.0
<b>Totals</b>	<b>\$53.9</b>	<b>\$54.3</b>	<b>\$74.4</b>	<b>\$65.3</b>	<b>\$128.3</b>	<b>\$119.6</b>

## **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 growth, provide opportunities and challenges for the village board and staff in preparing budgets and establishing customer rates.

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

The State of Wisconsin passed a law in 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 2017 budget increased the tax levy by \$126,740 which was equal to the maximum allowed Wisconsin law, the rate of growth of 2.29%.

The water utility is part of the Central Brown County Water Authority (Authority) primarily because the village's water supply contains elements that must be treated (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 and a 17.0% increase in 2017.

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

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

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF HOWARD, WISCONSIN**

Statement of Net Position

As of December 31, 2017

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 6,327,131	\$ 8,345,046	\$ 14,672,177
Receivables:			
Taxes	3,691,648	-	3,691,648
Accounts	127,519	1,036,611	1,164,130
Special Assessments	774,992	30,551	805,543
Loans	612,094	-	612,094
Prepays	-	3,112	3,112
Due from Other Governments	-	305,257	305,257
Inventories	-	102,468	102,468
<b>Total Current Assets</b>	<b>11,533,384</b>	<b>9,823,045</b>	<b>21,356,429</b>
<b>Noncurrent Assets</b>			
Special Assessments	-	6,012,825	6,012,825
Capital Assets, Nondepreciable:			
Land	8,393,102	2,788,391	11,181,493
Capital Assets, Depreciable:			
Land Improvements	2,758,966	1,437,508	4,196,474
Buildings and Improvements	5,974,536	7,005,589	12,980,125
Machinery and Equipment	6,753,017	4,628,078	11,381,095
Infrastructure	55,721,518	76,743,270	132,464,788
Less: Accumulated Depreciation	(25,771,677)	(18,163,003)	(43,934,680)
<b>Total Noncurrent Assets</b>	<b>53,829,462</b>	<b>80,452,658</b>	<b>134,282,120</b>
<b>TOTAL ASSETS</b>	<b>65,362,846</b>	<b>90,275,703</b>	<b>155,638,549</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	-	25,106	25,106
Deferred Outflows Related to Pension	824,818	449,231	1,274,049
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>824,818</b>	<b>474,337</b>	<b>1,299,155</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	348,079	1,968,401	2,316,480
Accrued and Other Current Liabilities	162,090	129,928	292,018
Developer Payable	-	295,782	295,782
Deposits	267,505	-	267,505
Accrued Interest Payable	28,183	3,135	31,318
Due To Other Governments	59,916	-	59,916
Long-Term Liabilities Due Within One Year	750,440	216,001	966,441
<b>Total Current Liabilities</b>	<b>1,616,213</b>	<b>2,613,247</b>	<b>4,229,460</b>
<b>Non-Current Liabilities</b>			
Due in More than One Year	11,059,829	9,826,944	20,886,773
<b>TOTAL LIABILITIES</b>	<b>12,676,042</b>	<b>12,440,191</b>	<b>25,116,233</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Levied for Subsequent Periods	7,196,508	-	7,196,508
Deferred Inflows Related to Pension	400,246	217,991	618,237
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>7,596,754</b>	<b>217,991</b>	<b>7,814,745</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	42,293,976	64,561,325	106,855,301
Restricted:			
Community Development Loans	302,086	-	302,086
Capital Improvements	378,778	-	378,778
Pension Benefits	330,229	179,857	510,086
Unrestricted	2,609,799	13,350,676	15,960,475
<b>TOTAL NET POSITION</b>	<b>\$ 45,914,868</b>	<b>\$ 78,091,858</b>	<b>\$ 124,006,726</b>

See Accompanying Notes

**VILLAGE OF HOWARD, WISCONSIN**

Statement of Activities

For the Year Ended December 31, 2017

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>FUNCTIONS/PROGRAMS</b>				
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 1,437,450	\$ 264,536	\$ 26,385	\$ -
Public Safety	3,020,036	272,315	1,186	-
Public Works	5,864,895	254,417	963,720	80,686
Community Development	896,531	358,366	-	-
Interest on Debt	364,889	-	-	-
<b>Total Governmental Activities</b>	<u>11,583,801</u>	<u>1,149,634</u>	<u>991,291</u>	<u>80,686</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water Utility	4,659,273	5,649,392	-	374,588
Sewer Utility	3,595,976	4,075,515	-	145,218
Storm Water Utility	870,877	1,052,004	-	780,416
Golf Course	548,639	534,459	-	-
<b>Total Business-Type Activities</b>	<u>9,674,765</u>	<u>11,311,370</u>	<u>-</u>	<u>1,300,222</u>
<b>Total Government</b>	<u>\$ 21,258,566</u>	<u>\$ 12,461,004</u>	<u>\$ 991,291</u>	<u>\$ 1,380,908</u>

**GENERAL REVENUES**

Taxes:

General Property Taxes

Property Taxes - Capital Projects

Tax Increments

Other Taxes

Federal and State Grants and Other Contributions

Not Restricted to Specific Functions

Interest and Investment Earnings

Stadium Sales Tax Rebate

Miscellaneous

**Total General Revenues**

**TRANSFERS**

**CHANGE IN NET POSITION**

**NET POSITION - BEGINNING OF YEAR**

**NET POSITION - END OF YEAR**

**Net (Expense) Revenue  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
\$ (1,146,529)	\$ -	\$ (1,146,529)
(2,746,535)	-	(2,746,535)
(4,566,072)	-	(4,566,072)
(538,165)	-	(538,165)
(364,889)	-	(364,889)
<u>(9,362,190)</u>	<u>-</u>	<u>(9,362,190)</u>
-	1,364,707	1,364,707
-	624,757	624,757
-	961,543	961,543
-	(14,180)	(14,180)
<u>-</u>	<u>2,936,827</u>	<u>2,936,827</u>
<u>(9,362,190)</u>	<u>2,936,827</u>	<u>(6,425,363)</u>
4,829,214	-	4,829,214
1,011,140	-	1,011,140
1,033,333	-	1,033,333
13,690	-	13,690
658,543	-	658,543
78,165	82,347	160,512
-	28,517	28,517
162,021	-	162,021
<u>7,786,106</u>	<u>110,864</u>	<u>7,896,970</u>
<u>277,437</u>	<u>989,920</u>	<u>1,267,357</u>
(1,298,647)	4,037,611	2,738,964
<u>47,213,515</u>	<u>74,054,247</u>	<u>121,267,762</u>
<u>\$ 45,914,868</u>	<u>\$ 78,091,858</u>	<u>\$ 124,006,726</u>

**VILLAGE OF HOWARD, WISCONSIN**

Balance Sheet

Governmental Funds

As of December 31, 2017

	<b>General</b>	<b>TIF #3</b>	<b>TIF #4</b>
<b>ASSETS</b>			
Cash and Investments	\$ 3,691,326	\$ -	\$ 345,520
Receivables:			
Taxes	2,472,615	143,996	227,072
Accounts	106,615	-	-
Special Assessments	-	-	143,943
Loans	-	-	-
Due from Other Funds	439,780	-	-
Advance to Other Fund	1,300,000	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,010,336</b>	<b>\$ 143,996</b>	<b>\$ 716,535</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts Payable	\$ 130,434	\$ -	\$ 45,538
Accrued and Other Current Liabilities	142,758	-	-
Deposits	-	7,113	-
Due to Other Fund	-	137,510	-
Due to Other Governments	59,916	-	-
Advance from Other Fund	-	-	-
<b>Total Liabilities</b>	<b>333,108</b>	<b>144,623</b>	<b>45,538</b>
Deferred Inflows of Resources			
Unavailable - Special Assessments	-	-	143,943
Unavailable - Long-Term Loans	-	-	-
Unavailable - Other	39,851	-	-
Taxes Levied for Subsequent Periods	4,817,693	280,993	443,106
<b>Total Deferred Inflows of Resources</b>	<b>4,857,544</b>	<b>280,993</b>	<b>587,049</b>
Fund Balances (Deficits)			
Nonspendable:			
Advance to Other Fund	1,300,000	-	-
Restricted for:			
Community Development Loans	-	-	-
Capital Improvements	-	-	83,948
Assigned:			
Capital Improvements	-	-	-
Unassigned:			
General Fund	1,519,684	-	-
Capital Projects Funds Deficits	-	(281,620)	-
<b>Total Fund Balances (Deficits)</b>	<b>2,819,684</b>	<b>(281,620)</b>	<b>83,948</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 8,010,336</b>	<b>\$ 143,996</b>	<b>\$ 716,535</b>

<b>TIF #8</b>	<b>Capital Improvement Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 84,970	\$ 1,514,181	\$ 691,134	\$ 6,327,131
111,673	681,178	55,114	3,691,648
-	20,904	-	127,519
-	631,049	-	774,992
-	66,209	545,885	612,094
-	-	-	439,780
-	-	-	1,300,000
<u>\$ 196,643</u>	<u>\$ 2,913,521</u>	<u>\$ 1,292,133</u>	<u>\$ 13,273,164</u>
\$ 45,651	\$ 103,473	\$ 22,983	\$ 348,079
-	19,332	-	162,090
-	260,392	-	267,505
-	-	302,270	439,780
-	-	-	59,916
1,300,000			1,300,000
<u>1,345,651</u>	<u>383,197</u>	<u>325,253</u>	<u>2,577,370</u>
-	631,050	-	774,993
-	66,272	545,885	612,157
-	-	-	39,851
217,918	1,329,248	107,550	7,196,508
<u>217,918</u>	<u>2,026,570</u>	<u>653,435</u>	<u>8,623,509</u>
-	-	-	1,300,000
-	-	302,086	302,086
-	-	294,830	378,778
-	503,754	-	503,754
-	-	-	1,519,684
(1,366,926)	-	(283,471)	(1,932,017)
<u>(1,366,926)</u>	<u>503,754</u>	<u>313,445</u>	<u>2,072,285</u>
<u>\$ 196,643</u>	<u>\$ 2,913,521</u>	<u>\$ 1,292,133</u>	<u>\$ 13,273,164</u>

See Accompanying Notes

**VILLAGE OF HOWARD, WISCONSIN**

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
As of December 31, 2017

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**Total Fund Balances - Governmental Funds** \$ 2,072,285

***Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:***

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 53,829,462

Other long-term assets are not available to pay current period expenditures. Amounts reported for governmental activities in the statement of net position but deferred in the funds balance sheet:

Special Assessments	774,993
Loans Receivable	612,157
Other Long-Term Receivables	39,851

The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource (use); therefore, it is not reported in the fund financial statements.

Net Pension Liability	(94,343)
Deferred Outflows of Resources	824,818
Deferred Inflows of Resources	(400,246)

Certain liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet.

Bonds and Notes Payable	(11,350,550)
Bond Premium	(193,289)
Bond Discount	8,353
Compensated Absences	(180,440)
Accrued Interest on Long-Term Obligations	(28,183)
	<u>(11,744,109)</u>

**Total Net Position - Governmental Activities** \$ 45,914,868

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Governmental Funds  
For the Year Ended December 31, 2017

	<u>General</u>	<u>TIF #3</u>	<u>TIF #4</u>
<b>REVENUES</b>			
Taxes	\$ 4,675,617	\$ 471,330	\$ 413,660
Special Assessments	-	-	21,795
Intergovernmental	724,678	25,185	41,807
Licenses and Permits	556,863	-	-
Fines and Forfeits	190,659	-	-
Public Charges for Services	132,242	-	-
Miscellaneous	315,071	635	2,774
<b>Total Revenues</b>	<u>6,595,130</u>	<u>497,150</u>	<u>480,036</u>
<b>EXPENDITURES</b>			
General Government	1,090,908	2,409	9,868
Public Safety	2,751,993	-	-
Public Works	2,876,848	-	-
Community Development	386,053	-	-
Debt Service			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	40,462	213,969
<b>Total Expenditures</b>	<u>7,105,802</u>	<u>42,871</u>	<u>223,837</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(510,672)</u>	<u>454,279</u>	<u>256,199</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Long-Term Debt	-	-	-
Bond Premium	-	-	-
Bond Discount	-	-	-
Transfers In	565,360	-	-
Transfers Out	-	(344,463)	(366,175)
<b>Total Other Financing Sources (Uses)</b>	<u>565,360</u>	<u>(344,463)</u>	<u>(366,175)</u>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	54,688	109,816	(109,976)
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<u>2,764,996</u>	<u>(391,436)</u>	<u>193,924</u>
<b>FUND BALANCES (DEFICITS) - ENDING</b>	<u>\$ 2,819,684</u>	<u>\$ (281,620)</u>	<u>\$ 83,948</u>

<u>TIF #8</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 167,025	\$ 1,011,140	\$ 148,342	\$ 6,887,114
-	36,968	47,690	106,453
194	748,060	6,082	1,546,006
2,447	-	150,423	709,733
-	-	-	190,659
-	105,826	-	238,068
2,263	138,613	279,706	739,062
<u>171,929</u>	<u>2,040,607</u>	<u>632,243</u>	<u>10,417,095</u>
30,173	269,507	51,562	1,454,427
-	29,915	-	2,781,908
58,268	248,935	-	3,184,051
-	-	29,509	415,562
-	-	565,000	565,000
26,789	-	350,159	376,948
906,045	1,762,251	406,925	3,329,652
<u>1,021,275</u>	<u>2,310,608</u>	<u>1,403,155</u>	<u>12,107,548</u>
<u>(849,346)</u>	<u>(270,001)</u>	<u>(770,912)</u>	<u>(1,690,453)</u>
690,550	-	-	690,550
9,419	-	-	9,419
(8,353)	-	-	(8,353)
-	-	915,188	1,480,548
(204,550)	-	-	(915,188)
<u>487,066</u>	<u>-</u>	<u>915,188</u>	<u>1,256,976</u>
(362,280)	(270,001)	144,276	(433,477)
<u>(1,004,646)</u>	<u>773,755</u>	<u>169,169</u>	<u>2,505,762</u>
<u>\$ (1,366,926)</u>	<u>\$ 503,754</u>	<u>\$ 313,445</u>	<u>\$ 2,072,285</u>

**VILLAGE OF HOWARD, WISCONSIN**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
 Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2017

<b>Net Change in Fund Balances (Deficits) - Total Governmental Funds</b>	\$	(433,477)
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay reported in governmental fund statements	2,522,042	
Depreciation expense reported in the statement of activities	<u>1,949,378</u>	
Amount by which capital outlays are greater than depreciation in current period		572,664
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, donations, and developer credits for land purchases) is to decrease net position.		(1,032,979)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.		(95,197)
Special assessments and revolving loans are recognized as income as payments are received in the fund financial statements but were recognized as revenue in the statement of activities at the time they were earned. Other revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they are available.		
Special Assessments	(112,731)	
Revolving Loans	(16,831)	
Other	<u>(43,147)</u>	(172,709)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure but is reported as a reduction in long-term debt in statement of net position and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year is:		565,000
Debt incurred in the governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities.		
The amount of debt incurred in the current year is		(690,550)
Governmental funds report debt premium as a revenue when debt is issued. The premium is included as a long-term liability on the statement of net position and allocated over the period the debt is outstanding in the statement of activities and reported as income.		
Debt premium received in the current period		(9,419)
Governmental funds report debt discount as an other financing use when debt is issued. The discount is included as a long-term liability on the statement of net position and allocated over the period the debt is outstanding in the statement of activities and reported as an expense.		
Debt discount incurred in the current period		8,353
Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Amounts earned in current year are more than amounts paid by		(22,392)
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.		
The amount of interest paid during the current period	350,188	
The amount of interest accrued during the current period	<u>(349,188)</u>	
Interest paid is more than interest accrued by		1,000
Governmental funds report debt discount/premium as expenditures/revenues. These are allocated over the period the debt is outstanding in the statement of activities and are reported as expense/income. This is the amount of amortization income in the current year.		
Debt Premium		<u>11,059</u>
<b>Change in Net Position - Governmental Activities</b>	\$	<u><u>(1,298,647)</u></u>

VILLAGE OF HOWARD, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2017

	Business-Type Activities					Total
	Water	Sewer	Storm Water	Golf Course	Howard Commons	
<b>CURRENT ASSETS</b>						
Cash and Investments	\$ 2,680,237	\$ 937,929	\$ 543,489	\$ 99,436	\$ 4,083,955	\$ 8,345,046
Receivables						
Customer	548,672	379,045	108,894	-	-	1,036,611
Special Assessments	11,593	13,466	5,492	-	-	30,551
Due from Other Governments	281,970	23,287	-	-	-	305,257
Prepaid Insurance	3,112	-	-	-	-	3,112
Inventories	77,663	14,479	-	10,326	-	102,468
<b>Total Current Assets</b>	<b>3,603,247</b>	<b>1,368,206</b>	<b>657,875</b>	<b>109,762</b>	<b>4,083,955</b>	<b>9,823,045</b>
<b>NON-CURRENT ASSETS</b>						
Special Assessments	1,183,807	1,507,221	3,321,797	-	-	6,012,825
Capital Assets:						
Utility Plant	32,232,952	26,544,245	23,808,147	3,373,832	6,643,660	92,602,836
Less: Accumulated Depreciation	(7,881,795)	(5,581,987)	(4,104,797)	(594,424)	-	(18,163,003)
<b>Total Noncurrent Assets</b>	<b>25,534,964</b>	<b>22,469,479</b>	<b>23,025,147</b>	<b>2,779,408</b>	<b>6,643,660</b>	<b>80,452,658</b>
<b>Total Assets</b>	<b>29,138,211</b>	<b>23,837,685</b>	<b>23,683,022</b>	<b>2,889,170</b>	<b>10,727,615</b>	<b>90,275,703</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Charge on Refunding	25,106	-	-	-	-	25,106
Deferred Outflows Related to Pension	199,899	123,838	99,503	25,991	-	449,231
<b>Total Deferred Outflows of Resources</b>	<b>225,005</b>	<b>123,838</b>	<b>99,503</b>	<b>25,991</b>	<b>-</b>	<b>474,337</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	323,028	260,041	146,409	2,812	1,236,111	1,968,401
Accrued and Other Current Liabilities	20,762	16,202	12,147	80,817	-	129,928
Accrued Interest Payable	3,135	-	-	-	-	3,135
Developer Payable	-	-	295,782	-	-	295,782
Current Portion of Compensated Absences	43,530	31,080	6,391	-	-	81,001
Current Portion of Long-Term Obligations	135,000	-	-	-	-	135,000
<b>Total Current Liabilities</b>	<b>525,455</b>	<b>307,323</b>	<b>460,729</b>	<b>83,629</b>	<b>1,236,111</b>	<b>2,613,247</b>
<b>NON-CURRENT LIABILITIES</b>						
General Obligation Bonds	580,000	-	-	-	9,188,614	9,768,614
Net Pension Liability	22,864	14,165	11,381	2,973	-	51,383
Compensated Absences	3,732	2,664	551	-	-	6,947
<b>Total Noncurrent Liabilities</b>	<b>606,596</b>	<b>16,829</b>	<b>11,932</b>	<b>2,973</b>	<b>9,188,614</b>	<b>9,826,944</b>
<b>Total Liabilities</b>	<b>1,132,051</b>	<b>324,152</b>	<b>472,661</b>	<b>86,602</b>	<b>10,424,725</b>	<b>12,440,191</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows Related to Pension	97,002	60,092	48,285	12,612	-	217,991
<b>NET POSITION</b>						
Net Investment in Capital Assets	23,661,263	20,962,258	19,703,350	2,779,408	(2,544,954)	64,561,325
Restricted for						
Pension Benefits	80,033	49,581	39,837	10,406	-	179,857
Unrestricted	4,392,867	2,565,440	3,518,392	26,133	2,847,844	13,350,676
<b>TOTAL NET POSITION</b>	<b>\$ 28,134,163</b>	<b>\$ 23,577,279</b>	<b>\$ 23,261,579</b>	<b>\$ 2,815,947</b>	<b>\$ 302,890</b>	<b>\$ 78,091,858</b>

**VILLAGE OF HOWARD, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2017

	<b>Business-Type Activities</b>					
	<b>Water</b>	<b>Sewer</b>	<b>Storm Water</b>	<b>Golf Course</b>	<b>Howard Commons</b>	<b>Total</b>
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 5,375,991	\$ 3,858,251	\$ 935,803	\$ 534,459	\$ -	\$ 10,704,504
Other	273,401	217,264	116,201	-	-	606,866
<b>Total Operating Revenues</b>	<u>5,649,392</u>	<u>4,075,515</u>	<u>1,052,004</u>	<u>534,459</u>	<u>-</u>	<u>11,311,370</u>
<b>OPERATING EXPENSES</b>						
Operation and Maintenance	3,656,932	2,888,938	618,319	481,070	-	7,645,259
Administration and General	342,891	338,270	-	21,123	-	702,284
Depreciation	628,559	368,768	252,558	46,446	-	1,296,331
<b>Total Operating Expenses</b>	<u>4,628,382</u>	<u>3,595,976</u>	<u>870,877</u>	<u>548,639</u>	<u>-</u>	<u>9,643,874</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,021,010</u>	<u>479,539</u>	<u>181,127</u>	<u>(14,180)</u>	<u>-</u>	<u>1,667,496</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest Income	23,311	1,635	3,244	-	14,967	43,157
Interest Income - Special Assessments	7,831	8,692	22,667	-	-	39,190
Stadium Sales Tax Rebate	-	-	28,517	-	-	28,517
Interest Expense	(19,633)	-	-	-	-	(19,633)
Amortization	(11,258)	-	-	-	-	(11,258)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>251</u>	<u>10,327</u>	<u>54,428</u>	<u>-</u>	<u>14,967</u>	<u>79,973</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	1,021,261	489,866	235,555	(14,180)	14,967	1,747,469
<b>CAPITAL CONTRIBUTIONS</b>	589,240	366,572	1,611,767	-	-	2,567,579
<b>TRANSFERS</b>	(553,808)	(11,552)	-	-	287,923	(277,437)
<b>CHANGES IN NET POSITION</b>	1,056,693	844,886	1,847,322	(14,180)	302,890	4,037,611
<b>NET POSITION - BEGINNING</b>	<u>27,077,470</u>	<u>22,732,393</u>	<u>21,414,257</u>	<u>2,830,127</u>	<u>-</u>	<u>74,054,247</u>
<b>NET POSITION - ENDING</b>	<u>\$ 28,134,163</u>	<u>\$ 23,577,279</u>	<u>\$ 23,261,579</u>	<u>\$ 2,815,947</u>	<u>\$ 302,890</u>	<u>\$ 78,091,858</u>

VILLAGE OF HOWARD, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

	Business-Type Activities					
	Water Utility	Sewer Utility	Storm Water	Golf Course	Howard Commons	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from User Charges	\$ 5,716,067	\$ 4,046,307	\$ 1,049,447	\$ 534,459	\$ -	\$ 11,346,280
Cash Payments to Suppliers	(3,350,157)	(2,849,102)	(444,223)	(223,198)	1,236,111	(5,630,569)
Cash Payments to Employees	(594,637)	(430,219)	(308,786)	(194,752)	-	(1,528,394)
<b>Net Cash Flows From Operating Activities</b>	<u>1,771,273</u>	<u>766,986</u>	<u>296,438</u>	<u>116,509</u>	<u>1,236,111</u>	<u>4,187,317</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental	-	-	28,517	-	-	28,517
Transfers (to) from Municipality	(553,808)	(11,552)	-	-	287,923	(277,437)
<b>Net Cash Flows From Noncapital and Related Financing Activities</b>	<u>(553,808)</u>	<u>(11,552)</u>	<u>28,517</u>	<u>-</u>	<u>287,923</u>	<u>(248,920)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of Capital Assets	(1,327,243)	(98,856)	(1,014,447)	(21,028)	(6,643,660)	(9,105,234)
Special Assessment Collections from Customers	156,419	251,651	668,730	-	-	1,076,800
Special Assessment Interest Income	7,831	8,692	22,667	-	-	39,190
Proceeds from Long-Term Debt	-	-	-	-	9,188,614	9,188,614
Principal Payments on Long-Term Debt	(130,000)	-	-	-	-	(130,000)
Interest Payments on Long-term Debt	(20,045)	-	-	-	-	(20,045)
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<u>(1,313,038)</u>	<u>161,487</u>	<u>(323,050)</u>	<u>(21,028)</u>	<u>2,544,954</u>	<u>1,049,325</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Sale of Land Held for Resale	-	-	50,175	-	-	50,175
Investment Income	23,311	1,635	3,244	-	14,967	43,157
<b>Net Cash Flows From Investing Activities</b>	<u>23,311</u>	<u>1,635</u>	<u>53,419</u>	<u>-</u>	<u>14,967</u>	<u>93,332</u>
<b>NET CHANGE IN CASH AND INVESTMENTS</b>	<u>(72,262)</u>	<u>918,556</u>	<u>55,324</u>	<u>95,481</u>	<u>4,083,955</u>	<u>5,081,054</u>
<b>CASH AND INVESTMENTS - BEGINNING</b>	<u>2,752,499</u>	<u>19,373</u>	<u>488,165</u>	<u>3,955</u>	<u>-</u>	<u>3,263,992</u>
<b>CASH AND INVESTMENTS - ENDING</b>	<u>\$ 2,680,237</u>	<u>\$ 937,929</u>	<u>\$ 543,489</u>	<u>\$ 99,436</u>	<u>\$ 4,083,955</u>	<u>\$ 8,345,046</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 1,021,010	\$ 479,539	\$ 181,127	\$ (14,180)	\$ -	\$ 1,667,496
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities						
Depreciation	628,559	368,768	252,558	46,446	-	1,296,331
Meter Depreciation Charged to Sewer	49,644	(49,644)	-	-	-	-
(Increase) Decrease in Operating Assets and Deferred Outflows Receivables						
Accounts	(47,912)	(5,921)	(2,557)	-	-	(56,390)
Due from Other Governments	114,587	(23,287)	-	-	-	91,300
Prepaid Insurance	(3,112)	-	-	-	-	(3,112)
Inventories	(1,542)	(4,033)	-	9,445	-	3,870
Deferred Outflows Related to Pension	36,224	11,795	70,653	11,925	-	130,597
(Decrease) Increase in Operating Liabilities and Deferred Inflows						
Accounts Payable	(14,754)	(14,977)	(166,006)	(567)	1,236,111	1,039,807
Accrued and Other Liabilities	(1,905)	4,826	(5,442)	68,994	-	66,473
Net Pension Liability	(19,272)	(10,039)	(18,983)	(3,793)	-	(52,087)
Compensated Absences	2,250	1,281	1,303	-	-	4,834
Deferred Inflows Related to Pension	7,496	8,678	(16,215)	(1,761)	-	(1,802)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 1,771,273</u>	<u>\$ 766,986</u>	<u>\$ 296,438</u>	<u>\$ 116,509</u>	<u>\$ 1,236,111</u>	<u>\$ 4,187,317</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>						
Contributions of Capital Assets from Village	\$ 214,652	\$ 221,354	\$ 831,351	\$ -	\$ -	\$ 1,267,357

**VILLAGE OF HOWARD, WISCONSIN**

Statement of Net Position

Fiduciary Fund

As of December 31, 2017

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	<u>Agency</u> <u>Tax Collection</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 11,567,140
Receivables	
Taxes	12,154,547
<b>Total Assets</b>	<u>\$ 23,721,687</u>
<b>LIABILITIES</b>	
Due to Other Governments	<u>\$ 23,721,687</u>

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## **Note 1 - Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Village of Howard, Wisconsin (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of the Village's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

### **Reporting Entity**

The Village of Howard is a municipal corporation governed by an elected president and eight-member board. In accordance with generally accepted accounting principles (GAAP), the financial statements are required to include the Village (the primary government) and any separate component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations whose nature and significant relationship with the Village are such that exclusion would cause the Village's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Village's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Village. The Village has not identified any component units that are required to be included in the financial statements.

### **Government-Wide and Fund Financial Statements**

#### Government-Wide 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 activities of the Village except those that are fiduciary. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 (including special assessments) 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.

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

#### Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary fund even though the latter is excluded from the government-wide financial statements. Governmental funds include general, special revenue, capital projects and debt service funds. Proprietary funds include enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **Government-Wide and Fund Financial Statements (Continued)**

#### Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses.

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

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

### **Governmental Funds**

Governmental funds are identified as either general, special revenue, debt service, or capital projects based upon the following guidelines:

#### General Fund

The general fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

#### Special Revenue Funds

Special revenue funds are used to account for the specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

#### Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Government-Wide and Fund Financial Statements (Continued)

#### Governmental Funds (Continued)

##### Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The Village 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 required to be accounted for in another fund.

##### Tax Incremental District No. 3 (TID #3)

This is a capital projects fund that accounts for property tax increments and other revenues generated within the District. These revenues finance district improvements in accordance with the project. The significant revenue source in this fund is tax increments.

##### Tax Incremental District No. 4 (TID #4)

This is a capital projects fund that accounts for property tax increments and other revenues generated within the District. These revenues finance district improvements in accordance with the project plan. The significant revenue source in this fund is tax increments.

##### Tax Incremental District No. 8 (TID #8)

This is a capital projects fund that accounts for property tax increments and other revenues generated within the District. These revenues finance district improvements in accordance with the project plan. The significant revenue source in this fund is tax increments.

##### Capital Improvement Fund

This fund is used to account for financial resources generated primarily from property taxes and developer contributions used for the acquisition or construction of equipment and/or major capital facilities.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Government-Wide and Fund Financial Statements (Continued)

#### Proprietary Funds

##### Enterprise Funds

Enterprise funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, or (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

The Village reports the following major proprietary funds:

##### Water Utility

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

##### Sewer Utility

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

##### Storm Water Utility

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

##### Golf Course

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

##### Howard Commons

The howard commons accounts for the financing of the construction, operation, and maintenance of the howard commons apartment complex.

#### Fiduciary Fund

##### Agency Funds

Agency funds are used to account for assets held by the Village as an agent for individuals, private organizations, and/or other governmental units. The Village's agency fund accounts for tax collection on behalf of other taxing units.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Government-Wide and Fund Financial Statements (Continued)

#### Non-Major Funds

The Village reports the following non-major funds:

Special Revenue Funds:

Community Development Fund

Gus Macker Fund

Debt Service Fund

Capital Projects Funds:

TIF #5 through TIF #7

Park Development Fund

#### Measurement Focus and Basis Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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. Under this method, 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.

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 enterprise funds 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.

The agency fund has no measurement focus and utilizes the accrual basis of accounting for reporting its assets and liabilities.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, Net Position and Fund Balance**

#### **Cash and Investments**

Cash and investments are combined. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. For investments stated at their fair value, fair values are based on quoted market prices. No investments are reported at amortized costs. Adjustments necessary to record investments at fair value are recorded in the statement of revenues, expenses and changes in net position as increases or decreases in investment income.

For purpose 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.

#### **Accounts Receivable**

Accounts receivable are recorded at their gross amount with uncollectible amounts being 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 financial statements.

#### **Inventories**

Inventories of proprietary fund types 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.

#### **Prepaid Items**

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

Prepaid items of governmental fund types in the fund financial statements are offset by nonspendable fund balance accounts to indicate that they do not represent spendable available financial resources. The cost is recorded as an expenditure at the time individual prepaid items are consumed rather than when purchased.

#### **Special Assessments**

Special assessments result from capital projects constructed through non-special assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred inflows of resources when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements and proprietary funds, special assessments are recorded as receivables and capital contribution revenue when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. The method of enforcing collections is the same as for general Village taxes.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, Net Position and Fund Balance (Continued)

#### 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 more and an estimated useful life in excess of one year. Business-type capital assets are defined by the Village as assets with an initial, individual cost of \$2,000 or 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. Donated capital assets are recorded at acquisition value at the date of donation.

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

The costs of normal maintenance and repairs that do not add to the value of the assets 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 - 20
Infrastructure	20 - 100	30 - 100

#### Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation, sick leave, and other benefits in accordance with bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, accrued vacation and sick pay are recognized as expenditures when liquidated with expendable available financial resources only if they have matured such as unused reimbursable leave still outstanding following any employee's resignation or retirement.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position and balance sheet sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Village has five items that qualifies for reporting in this category. A deferred charge on refunding, difference between expected and actual experiences - pension plan, changes in assumptions - pension plan, net difference between projected and actual earnings on pension plan investments - pension plan, and employer contributions subsequent to the measurement date - pension plan are reported in the government-wide and proprietary funds statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pension are explained in more detail in Note 9.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## **Note 1 - Summary of Significant Accounting Policies (Continued)**

### **Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, Net Position and Fund Balances (Deficits) (Continued)**

#### **Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statements of net position and balance sheet reports a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Village has seven items that qualify for reporting in this category. One which arises under both the modified accrual and full accrual basis of accounting, three that only arise under the modified accrual basis of accounting on the governmental funds balance sheet and three that arise under the full accrual basis on the statements of net position. Taxes levied for the subsequent period have not met the time requirement to be recognized as an acquisition of resources and is therefore reported as deferred inflows of resources on both the governmental funds balance sheet and the governmental activities statement of net position. The governmental funds report unavailable revenues from three sources: special assessments, long-term loans, and municipal fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The difference between expected and actual experiences – pension plan, net difference between projected and actual earnings on pension plan investments - pension plan, and changes in proportion and differences between employer contributions and proportionate share of contributions are recorded in the statements of net position and are explained in more detail in Note 9.

#### **Long-Term Obligations**

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences. Bond premiums and discounts are deferred and amortized over the life of the bonds.

Long-term debt for governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds are reported as an other financing source and payment of principal and interest are reported as expenditures. Bond premiums and discounts are reported as an other financing source or use. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

#### **Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are reported as nonspendable in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, Net Position and Fund Balance (Continued)

#### Equity Classifications

##### Government-Wide Statements

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted component of net position – Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation reduced by liabilities related to those assets.
- Unrestricted component of net position – Is the net amount that does not meet the definition of “restricted” or “net investment in capital assets.”

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

##### Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the Village Board for a specific intended purpose. The Village has not delegated that authority to others. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance, in the general fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The Village, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, Net Position and Fund Balance (Continued)**

**Equity Classifications (Continued)**

Fund Financial Statements (Continued)

The Village has adopted a minimum fund balance policy of 25% of current year actual expenditures for the general fund. These funds are to be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Actual 2017 General Fund Expenditures	\$ 7,105,802
Minimum Fund Balance %	25%
Minimum Fund Balance Amount	<u>\$ 1,776,451</u>

The Village's unassigned general fund fund balance of \$1,519,684 is below the range of the adopted minimum fund balance amount. The fund balance was below the minimum requirement due to the following activity.

In 2016, the Village Board approved loaning TIF #8 \$1,300,000 as a long-term advance from the general fund to finance project costs in the TIF instead of issuing long-term debt. The general fund will receive annual interest payments of 2.06% of the remaining balance and TIF #8 will begin repaying the advance in 2019. The first principal payment will be \$85,000 in 2019 and gradually increase to the final payment of \$107,000 in 2032. The long-term advance receivable is shown as unavailable fund balance in the general fund since it is not available to pay current obligations of the Village.

**Claims and Judgements**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide and proprietary funds statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

**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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from these estimates.

**Implementation of New Accounting Standards**

The Village implemented Governmental Accounting Standards Board (GASB) Statements No. 77 *Tax Abatement Disclosures* for the year ended December 31, 2017. Statement No. 77 requires disclosure of financial information about tax abatement agreements between individual taxpayers and the Village.

## VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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### Note 2 - Cash and Investments

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

The Village is required to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturity in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

The Village's cash and investments are subject to several types of risk, as explained in more detail below.

#### 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 failure 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.

Deposits in each bank are insured by the FDIC in the amount of \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest bearing demand deposit accounts. At December 31, 2017, the Village's deposits had a bank balance of \$7,595,533. The Village maintains its cash accounts at several financial institutions.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2017, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

**Note 2 - Cash and Investments (Continued)**

The following represents a summary of deposits as of December 31, 2017:

Fully Insured Deposits	\$ 500,000
Collateralized with Securities held by the Pledging of Financial Institution in the Village's Name	5,445,951
Uncollateralized	<u>1,649,582</u>
Total	<u><u>\$ 7,595,533</u></u>

Interest Rate Risk

It is the Village's policy that each investment may not have a maturity of more than seven years. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment.

At year end, the average maturity of investments is as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25-60 months</u>	<u>More than 60 months</u>
Local Government Investment Pool	<u>\$ 6,537,630</u>	<u>\$ 6,537,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Local Government Investment Pool, an external investment pool operates as a joint venture under Section 66.0301 of the Wisconsin Statutes. Membership in the joint venture is limited to school districts, technical colleges, and municipalities in Wisconsin. The governing body, the Board of Commissioners, is elected by the membership.

The Local Government Investment Pool is not registered with the U.S. Securities and Exchanges Commission and does not publish credit quality ratings. An investment in the Fund is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government, any state governmental agency of the Fund. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at cost, which approximates market. The balance in the Local Government Investment Pool at December 31, 2017 was \$6,537,630.

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not further limit its investment choices. As of December 31, 2017, the Village's credit quality ratings are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Aa</u>	<u>A</u>	<u>Not Rated</u>
Local Government Investment Pool	<u>\$ 6,537,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,537,630</u>

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. No investments are reported at amortized costs. Adjustments necessary to record investments at fair value are recorded in the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds as increases or decreases in investment income.

## VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

### Note 3 - Property Taxes

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

The Village bills its own property taxes and also levies taxes for the School Districts of Howard-Suamico and Pulaski, Brown County, Outagamie County, Northeast Wisconsin Technical College and the State of Wisconsin. The Brown County Treasurer collects property taxes billed by the Village in accordance with a contract between the County and the Village. The Brown County Treasurer then remits all property taxes collected to the Village for settlement with the other taxing authorities.

As part of Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

### Note 4 - Interfund Receivable, Payables and Transfers

Interfund receivables and payables between individual funds of the Village as of December 31, 2017 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	TIF #3	\$ 137,510	Year End Cash Flow Timing
General Fund	TIF #7	<u>302,270</u>	Year End Cash Flow Timing
Total		<u>\$ 439,780</u>	

Interfund advances between individual funds of the Village as of December 31, 2017 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	TIF #8	\$ 1,300,000	Loan to TIF #8 for project costs

Interfund transfers for the year ended December 31, 2017 as shown in the governmental and proprietary funds statements were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
TIF #3	Debt Service Fund	\$ 344,463	Share tax increment
TIF #4	Debt Service Fund	366,175	Retirement of debt
TIF #8	Debt Service Fund	204,550	Retirement of debt
Water Utility	General Fund	380,776	Payment in lieu of tax
Water Utility	General Fund	173,032	Distribution of surplus funds
Sewer Utility	General Fund	11,552	Payment in lieu of tax
Government Wide	Howard Commons Fund	<u>287,923</u>	Land
Total		<u>\$ 1,768,471</u>	

Capital contributions from the TIF districts to the Water Utility, Sewer Utility and Storm Water funds are shown as transfers on the government wide statement of activities. The amount transferred to the Water Utility, Sewer Utility and Storm Water funds from the TIF districts was \$214,652, \$221,354 and \$831,351 respectively.

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

**Note 5 - Capital Assets**

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Balance 1/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2017</u>
<b>Governmental Activities</b>				
Capital Assets not being Depreciated:				
Land	<u>\$ 8,880,954</u>	<u>-</u>	<u>\$ 487,852</u>	<u>\$ 8,393,102</u>
Other Capital Assets				
Land Improvements	2,758,966	-	-	2,758,966
Buildings	5,974,536	-	-	5,974,536
Machinery and Equipment	6,693,362	207,702	148,047	6,753,017
Infrastructure	<u>54,078,058</u>	<u>2,314,340</u>	<u>670,880</u>	<u>55,721,518</u>
Total Capital Assets being Depreciated	<u>69,504,922</u>	<u>2,522,042</u>	<u>818,927</u>	<u>71,208,037</u>
Less Accumulated Depreciation for:				
Land Improvements	756,890	62,708	-	819,598
Buildings	1,759,651	67,436	-	1,827,087
Machinery and Equipment	3,096,867	343,830	64,729	3,375,968
Infrastructure	<u>18,482,691</u>	<u>1,475,404</u>	<u>209,071</u>	<u>19,749,024</u>
Total Accumulated Depreciation	<u>24,096,099</u>	<u>1,949,378</u>	<u>273,800</u>	<u>25,771,677</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>45,408,823</u>	<u>572,664</u>	<u>545,127</u>	<u>45,436,360</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 54,289,777</u>	<u>\$ 572,664</u>	<u>\$ 1,032,979</u>	<u>\$ 53,829,462</u>

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

**Note 5 - Capital Assets (Continued)**

	<u>Balance 1/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2017</u>
<b>Business-Type Activities</b>				
Capital Assets not being Depreciated:				
Land	\$ 2,646,657	\$ 287,923	\$ 146,189	\$ 2,788,391
Construction in Progress	214,759	-	214,759	-
Total Capital Assets not being Depreciated	<u>2,861,416</u>	<u>287,923</u>	<u>360,948</u>	<u>2,788,391</u>
Capital Assets being Depreciated				
Land Improvements	1,347,633	89,875	-	1,437,508
Buildings	739,728	6,265,861	-	7,005,589
Machinery and Equipment	4,448,768	179,310	-	4,628,078
Infrastructure	73,178,774	3,924,443	359,947	76,743,270
Total Capital Assets being Depreciated	<u>79,714,903</u>	<u>10,459,489</u>	<u>359,947</u>	<u>89,814,445</u>
Less: Accumulated Depreciation for:				
Land Improvements	142,276	11,554	-	153,830
Buildings	451,585	12,737	-	464,322
Machinery and Equipment	2,449,367	251,164	-	2,700,531
Infrastructure	14,169,518	1,020,875	346,073	14,844,320
Total Accumulated Depreciation	<u>17,212,746</u>	<u>1,296,330</u>	<u>346,073</u>	<u>18,163,003</u>
Total Capital Assets being Depreciated, Net of Depreciation	<u>62,502,157</u>	<u>9,163,159</u>	<u>13,874</u>	<u>71,651,442</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 65,363,573</u>	<u>\$ 9,451,082</u>	<u>\$ 374,822</u>	<u>\$ 74,439,833</u>

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

<b>Governmental Activities</b>	
General Government	\$ 40,280
Public Safety	176,279
Public Works	1,636,217
Community Development	96,602
Total Depreciation Expense - Governmental Activities	<u>\$ 1,949,378</u>
<b>Business-Type Activities</b>	
Water Utility	\$ 628,559
Sewer Utility	368,768
Storm Water Utility	252,557
Golf Course	46,446
Total Depreciation Expense - Business-type Activities	<u>\$ 1,296,330</u>

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

**Note 6 - Long-Term Obligations**

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2017:

	<u>Outstanding 1/1/17</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/17</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
General Obligation Debt					
Bonds	\$ 11,225,000	\$ -	\$ 565,000	\$ 10,660,000	\$ 570,000
Note Anticipation Note	-	690,550	-	690,550	-
Premium	194,929	9,419	11,059	193,289	-
Discount	-	(8,353)	-	(8,353)	-
Total General Obligation Debt	11,419,929	691,616	576,059	11,535,486	570,000
Net Pension Liability	171,570	-	77,227	94,343	-
Compensated Absences	158,048	236,205	213,813	180,440	180,440
Total Governmental Activities Long-Term Liabilities	<u>\$ 11,749,547</u>	<u>\$ 927,821</u>	<u>\$ 867,099</u>	<u>\$ 11,810,269</u>	<u>\$ 750,440</u>
<b>Business-Type Activities</b>					
General Obligation Debt					
Bonds	\$ 845,000	\$ -	\$ 130,000	\$ 715,000	\$ 135,000
Note Anticipation Note	-	9,174,450	-	9,174,450	-
Premium	-	125,140	-	125,140	-
Discount	-	(110,976)	-	(110,976)	-
Total General Obligation Debt	845,000	9,188,614	130,000	9,903,614	135,000
Net Pension Liability	103,470	-	52,087	51,383	-
Compensated Absences	83,114	86,426	81,592	87,948	81,001
Total Business-Type Activities Long-Term Liabilities	<u>\$ 1,031,584</u>	<u>\$ 9,275,040</u>	<u>\$ 263,679</u>	<u>\$ 10,042,945</u>	<u>\$ 216,001</u>

Interest paid for governmental activities was \$350,188 for the year ended December 31, 2017. Interest paid for business-type activities was \$20,045 for the year ended December 31, 2017.

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

**Note 6 - Long-Term Obligations (Continued)**

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
<b>Governmental Activities</b>					
<b>Long-Term Obligations</b>					
2013A General Obligation Bonds	12/30/13	12/01/33	2.00-4.00%	\$ 7,830,000	\$ 6,740,000
2013B General Obligation Bonds	12/30/13	12/01/27	0.45-4.20%	1,545,000	1,145,000
2015 General Obligation Bonds	08/05/15	06/01/35	3.00-3.50%	2,890,000	2,775,000
2017 Note Anticipation Note	1018/17	12/01/21	2.00%	690,550	<u>690,550</u>
Total Governmental Activities Long-Term Obligations					<u>\$ 11,350,550</u>
<b>Business-Type Activities</b>					
<b>Long-Term Obligations</b>					
2011 General Obligation Refunding Bonds	08/04/11	05/01/22	0.90%-2.90%	\$ 1,695,000	\$ 715,000
2017 Note Anticipation Note	1018/17	12/01/21	2.00%	9,174,450	<u>9,174,450</u>
Total Business-Type Activities Long-Term Obligations					<u>\$ 9,889,450</u>

The annual principal and interest maturities for general obligation debt are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 570,000	\$ 362,199	\$ 135,000	\$ 222,731	\$ 705,000	\$ 584,930
2019	685,000	348,399	135,000	197,642	820,000	546,041
2020	700,000	335,749	145,000	193,997	845,000	529,746
2021	1,395,550	320,199	9,324,450	189,939	10,720,000	510,138
2022	725,000	285,338	150,000	2,175	875,000	287,513
2023 - 2027	3,750,000	989,913	-	-	3,750,000	989,913
2028 - 2032	2,600,000	443,625	-	-	2,600,000	443,625
2033 - 2035	925,000	50,525	-	-	925,000	50,525
	<u>\$ 11,350,550</u>	<u>\$ 3,135,947</u>	<u>\$ 9,889,450</u>	<u>\$ 806,484</u>	<u>\$ 21,240,000</u>	<u>\$ 3,942,431</u>

Estimated payments of accumulated employee benefits and other commitments are not included in the above schedule. For governmental activities, the other long-term liabilities are generally funded by the general fund.

**Legal Margin For Debt**

The 2017 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$1,674,736,700. The legal debt limit and margin of indebtedness as of December 31, 2017, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Equalized Valuation of the Village	\$ 1,674,736,700
Statutory Limitation Percentage	<u>5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	83,736,835
Outstanding General Obligation Debt Applicable to Debt Service	
Net of Unspent Bond Proceeds (\$2,636,100)	<u>18,803,000</u>
Legal Margin for New Debt	<u>\$ 64,933,835</u>

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

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**Note 7 - Individual Fund Balance Disclosure**

The following funds had deficit fund balances as of December 31, 2017:

Capital Projects Funds	
TIF #3	\$ 281,620
TIF #7	302,270
TIF #8	1,366,926
Park Development	<u>2,383</u>
Total Deficit Fund Balances	<u>\$ 1,953,199</u>

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

**Note 8 - Net Position**

**Government-Wide Statements**

Net position of the government-wide activities reported on the government-wide statement of net position at December 31, 2017 includes the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Net Capital Assets	\$ 53,829,462	\$ 74,439,833	\$ 128,269,295
Less: Related Long-Term Debt Outstanding	<u>(11,535,486)</u>	<u>(9,878,508)</u>	<u>(21,413,994)</u>
Net Investment in Capital Assets	<u>42,293,976</u>	<u>64,561,325</u>	<u>106,855,301</u>
Restricted for:			
Community Development Loans	302,086	-	302,086
Capital Improvements	378,778	-	378,778
Pension Benefits	<u>330,229</u>	<u>179,857</u>	<u>510,086</u>
Total Restricted	<u>1,011,093</u>	<u>179,857</u>	<u>1,190,950</u>
Unrestricted	<u>2,609,799</u>	<u>13,350,676</u>	<u>15,960,475</u>
Total Government-Wide Net Position	<u>\$ 45,914,868</u>	<u>\$ 78,091,858</u>	<u>\$ 124,006,726</u>

**Note 9 - Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

*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.

# VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

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## Note 9 - Defined Benefit Pension Plan (Continued)

### **General Information about the Pension Plan**

*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 prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

*Vesting.* 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.

*Benefits provided.* 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.

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.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

*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:

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

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**Note 9 - Defined Benefit Pension Plan (Continued)**

**General Information about the Pension Plan (Continued)**

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0	10
2008	6.6	0
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	(5.0)

*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, 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.

During the reporting period, the WRS recognized \$197,059 in contributions from the Village.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.6%	6.6%
Protective with Social Security	6.6%	9.4%

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

At December 31, 2017, the Village reported a liability of \$145,726 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the Village's proportion was 0.01768009%, which was an increase of 0.00075437% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Village recognized pension expense of \$370,549.

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

**Note 9 - Defined Benefit Pension Plan (Continued)**

At December 31, 2017, the Village reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 55,566	\$ 458,296
Changes in assumptions	152,363	-
Net differences between projected and actual earnings on pension plan investments	869,061	143,682
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	16,259
Employer contributions subsequent to the measurement date	197,059	-
<b>Total</b>	<u><u>\$ 1,274,049</u></u>	<u><u>\$ 618,237</u></u>

The \$197,059 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ending December 31,</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2018	\$ 375,482	\$ 186,663
2019	375,482	186,663
2020	314,075	186,359
2021	11,696	58,406
2022	255	146
	<u><u>\$ 1,076,990</u></u>	<u><u>\$ 618,237</u></u>

## VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

### Note 9 - Defined Benefit Pension Plan (Continued)

*Actuarial assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% 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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50.0%	45.0%	8.3%	5.4%
Fixed Income	24.5	37.0	4.2	1.4
Inflation Sensitive Assets	15.5	20.0	4.3	1.5
Real Estate	8.0	7.0	6.5	3.6
Private Equity/Debt	8.0	7.0	9.4	6.5
Multi-Asset	4.0	4.0	6.6	3.7
Total Core Fund	110.0%	120.0%	7.4%	4.5%
Variable Fund Asset Class				
U.S. Equities	70.0%	70.0%	7.6%	4.7%
International Equities	30.0	30.0	8.5	5.6
Total Variable Fund	100.0%	100.0%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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

VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

**Note 9 - Defined Benefit Pension Plan (Continued)**

*Single discount rate.* A single discount rate of 7.20% was used to measure the total pension liability (asset). This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 member 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 (asset).

*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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase To Discount Rate (8.20%)</u>
Village’s proportionate share of the net pension liability (asset)	\$ 1,917,121	\$ 145,726	(\$ 1,218,328)

*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://ef.wi.gov/publications/cafr.htm>

**Payables to the Pension Plan**

The Village is required to remit the monthly required contribution for both the employee and Village portions by the last day of the following month. The amount due to WRS as of December 31, 2017 was \$32,755 for December payrolls.

**Note 10 - Tax Incremental Districts**

The Village currently maintains separate capital projects funds to account for Tax Incremental Financing Districts (TIF), which were created in prior years in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was “frozen” and increment taxes resulting from increases to the property tax base were used to finance District improvements, including principal and interest on general obligation debt issued by the Village to finance such improvements. Districts No. 3, 4, 5, 6, 7 and 8 are currently implementing their construction plans and are accounted for in capital project funds.

The Village does not have any tax rebate agreements but the Village does have agreements with developers in TIF districts to allow for payments of tax increments if certain conditions are met.

Since the creation of the above Districts, the Village has provided various financing resources to the TIFs and has also recorded eligible TIF project costs in other funds of the Village. The foregoing amounts are not recorded as liabilities in the TIF funds, but can be recovered by the Village from any future excess tax increment revenues. Detail of the amounts recoverable by the Village as of December 31, 2017, from future tax increment revenues are as follows:

## VILLAGE OF HOWARD, WISCONSIN

Notes to Financial Statements

December 31, 2017

### Note 10 - Tax Incremental Districts (Continued)

	<u>TIF #3</u>	<u>TIF #4</u>	<u>TIF #5</u>	<u>TIF #7</u>	<u>TIF #8</u>	<u>Total</u>
Net Unreimbursed Project Costs	<u>\$ 3,536,187</u>	<u>\$ 5,936,309</u>	<u>\$ 1,703,589</u>	<u>\$ 302,270</u>	<u>\$ 4,947,477</u>	<u>\$ 5,542,046</u>

The intent of the Village is to recover the above amount from future TIF surplus funds, if any, prior to termination of the respective Districts. District 6 does not currently have project costs that have not been reimbursed.

### Note 11 - Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage. The Village has purchased commercial insurance for medical, dental and other risks. The Village is self-insured for short-term disability coverage and purchases commercial insurance for the other risks. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the three past years.

### Note 12 - Contingencies

From time to time the Village is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Village management, these issues, and any other proceedings known to exist at December 31, 2017, are not likely to have a material adverse impact on the Village's financial position.

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

### Note 13 - Tax Abatements

The Village entered into various property tax abatement agreements with developers for the purpose of attracting and retaining businesses and creating incentives and opportunities for appropriate private development. The Village will pay an agreed upon percentage of the annual tax incremental real estate taxes generated and collected from the new value of the property for an established period of time or up to an established dollar amount as specified in each agreement. For the year ended December 31, 2017, the Village abated property taxes as follows:

<u>Business</u>	<u>Purpose</u>	<u>Percent Abated</u>	<u>Amount Abated</u>
Woodfield Village II	Construction of residential senior apartments	95%	\$ 38,548
Menards, Inc	Construction of a home improvement store	80%	\$ 163,757
Vandervest Enterprises	Renovate existing restaurant/banquet hall and construct Harley-Davidson dealership	50%	\$ 19,094
New Perspective	Construction of senior living community	90%	\$ 64,720

**VILLAGE OF HOWARD, WISCONSIN**

Notes to Financial Statements

December 31, 2017

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**Note 14 - Subsequent Event**

As of February 2018, the Village board approved \$695,000 in General Obligation Promissory Notes for infrastructure improvements within the Village's Tax Incremental District No. 8 and \$16.3 million in Note Anticipation Notes for the construction of the first two buildings of the Howard Commons apartment complex.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Village of Howard**  
Schedules of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions  
Wisconsin Retirement System  
Last 10 Fiscal Years\*

**Schedule of Proportionate Share of the Net Pension Liability (Asset)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.01768009%	0.01692572%	0.01671162%
Village's proportionate share of the net pension liability (asset)	\$ 145,726	\$ 275,040	\$ (410,482)
Village's covered-employee payroll	\$ 2,595,719	\$ 2,410,629	\$ 2,361,411
Village's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	5.61%	11.41%	-17.38%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.12%	98.20%	102.74%

**Schedule of Employer Contributions**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 197,059	\$ 176,224	\$ 167,710
Contributions in relation to the contractually required contributions	(197,059)	(176,224)	(167,710)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 2,827,456	\$ 2,595,719	\$ 2,410,629
Contributions as a percentage of covered-employee payroll	6.97%	6.79%	6.96%

\*The amounts presented for each year were determined as of the previous calendar year-end. Ten years of data will be accumulated beginning with 2015.

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
General Fund

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 4,668,800	\$ 4,668,800	\$ 4,675,617	\$ 6,817
Intergovernmental	715,600	715,600	724,678	9,078
Licenses and Permits	502,700	502,700	556,863	54,163
Fines and Forfeits	214,500	214,500	190,659	(23,841)
Public Charges for Services	146,400	146,400	132,242	(14,158)
Miscellaneous	461,100	461,100	315,071	(146,029)
<b>Total Revenues</b>	<u>6,709,100</u>	<u>6,709,100</u>	<u>6,595,130</u>	<u>(113,970)</u>
<b>EXPENDITURES</b>				
General Government	1,078,700	1,078,700	1,090,908	(12,208)
Public Safety	2,765,500	2,765,500	2,751,993	13,507
Public Works	2,860,200	2,860,200	2,876,848	(16,648)
Community Development	397,700	397,700	386,053	11,647
<b>Total Expenditures</b>	<u>7,102,100</u>	<u>7,102,100</u>	<u>7,105,802</u>	<u>(3,702)</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(393,000)</u>	<u>(393,000)</u>	<u>(510,672)</u>	<u>(117,672)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>393,000</u>	<u>393,000</u>	<u>565,360</u>	<u>172,360</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	54,688	54,688
<b>FUND BALANCE - BEGINNING</b>	<u>2,764,996</u>	<u>2,764,996</u>	<u>2,764,996</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,764,996</u>	<u>\$ 2,764,996</u>	<u>\$ 2,819,684</u>	<u>\$ 54,688</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2017

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**Defined Benefit Pension Plan**

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

*Changes of assumptions.* There were no changes in the assumptions.

**Budgetary Process**

The Village follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- 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.
- The budget is adopted on a function basis.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all Village funds. Budget is defined as the originally approved budget plus or minus approved amendments. 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. Comparison schedules are presented on the same basis of accounting used in preparing the adopted budget.
- During the year, formal budgetary integration is employed as a management control device for the governmental and proprietary funds.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
- 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, 2017.

## **SUPPLEMENTARY INFORMATION**

**VILLAGE OF HOWARD, WISCONSIN**

Combining Balance Sheet

Nonmajor Governmental Funds

As of December 31, 2017

	<u>Capital Projects</u>	<u>Community Development</u>	<u>Total Nonmajor Funds</u>
<b>ASSETS</b>			
Cash and Investments	\$ 384,119	\$ 307,015	\$ 691,134
Receivables			
Taxes	55,114	-	55,114
Loans	-	545,885	545,885
<b>TOTAL ASSETS</b>	<u>\$ 439,233</u>	<u>\$ 852,900</u>	<u>\$ 1,292,133</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	\$ 18,054	\$ 4,929	\$ 22,983
Due to Other Fund	302,270	-	302,270
<b>Total Liabilities</b>	<u>320,324</u>	<u>4,929</u>	<u>325,253</u>
 Deferred Inflows of Resources:			
Unavailable - Long Term Loans	-	545,885	545,885
Taxes Levied for Subsequent Periods	107,550	-	107,550
<b>Total Deferred Inflows of Resources</b>	<u>107,550</u>	<u>545,885</u>	<u>653,435</u>
 Fund Balances			
Restricted for:			
Community Development Loans	-	302,086	302,086
Capital Improvements	294,830	-	294,830
Unassigned (Deficit)	(283,471)	-	(283,471)
<b>Total Fund Balances</b>	<u>11,359</u>	<u>302,086</u>	<u>313,445</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 439,233</u>	<u>\$ 852,900</u>	<u>\$ 1,292,133</u>

**VILLAGE OF HOWARD, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

	<u>Capital Projects</u>	<u>Community Development</u>	<u>Gus Macker</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
<b>REVENUES</b>					
Taxes	\$ 148,342	\$ -	\$ -	\$ -	\$ 148,342
Special Assessments	47,690	-	-	-	47,690
Intergovernmental	6,082	-	-	-	6,082
Licenses and Permits	150,423	-	-	-	150,423
Miscellaneous	20,698	259,008	-	-	279,706
<b>Total Revenues</b>	<u>373,235</u>	<u>259,008</u>	<u>-</u>	<u>-</u>	<u>632,243</u>
<b>EXPENDITURES</b>					
General Government	41,292	10,270	-	-	51,562
Community Development	28,252	-	1,257	-	29,509
Debt Service					
Principal	-	-	-	565,000	565,000
Interest	(29)	-	-	350,188	350,159
Capital Outlay	171,925	235,000	-	-	406,925
<b>Total Expenditures</b>	<u>241,440</u>	<u>245,270</u>	<u>1,257</u>	<u>915,188</u>	<u>1,403,155</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>131,795</u>	<u>13,738</u>	<u>(1,257)</u>	<u>(915,188)</u>	<u>(770,912)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers In	-	-	-	915,188	915,188
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>	131,795	13,738	(1,257)	-	144,276
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<u>(120,436)</u>	<u>288,348</u>	<u>1,257</u>	<u>-</u>	<u>169,169</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 11,359</u>	<u>\$ 302,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,445</u>

**VILLAGE OF HOWARD, WISCONSIN**

Combining Balance Sheet  
 Nonmajor Capital Project Funds  
 As of December 31, 2017

	<u>TIF #5</u>	<u>TIF #6</u>	<u>TIF #7</u>	<u>Park Development</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>ASSETS</b>					
Cash and Investments	\$ 38,935	\$ 332,763	\$ -	\$ 12,421	\$ 384,119
Receivables					
Taxes	21,164	33,950	-	-	55,114
<b>TOTAL ASSETS</b>	<u>\$ 60,099</u>	<u>\$ 366,713</u>	<u>\$ -</u>	<u>\$ 12,421</u>	<u>\$ 439,233</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS):</b>					
Liabilities					
Accounts Payable	\$ -	\$ 3,250	\$ -	\$ 14,804	\$ 18,054
Due to Other Fund	-	-	302,270	-	302,270
<b>Total Liabilities</b>	<u>-</u>	<u>3,250</u>	<u>302,270</u>	<u>14,804</u>	<u>320,324</u>
Deferred Inflows of Resources:					
Taxes Levied for Subsequent Periods	41,300	66,250	-	-	107,550
<b>Total Deferred Inflows of Resources</b>	<u>41,300</u>	<u>66,250</u>	<u>-</u>	<u>-</u>	<u>107,550</u>
Fund Balances (Deficits)					
Restricted for:					
Capital Improvements	-	297,213	-	(2,383)	294,830
Unassigned (Deficits)	18,799	-	(302,270)	-	(283,471)
<b>Total Fund Balances (Deficits)</b>	<u>18,799</u>	<u>297,213</u>	<u>(302,270)</u>	<u>(2,383)</u>	<u>11,359</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 60,099</u>	<u>\$ 366,713</u>	<u>\$ -</u>	<u>\$ 12,421</u>	<u>\$ 439,233</u>

**VILLAGE OF HOWARD, WISCONSIN**

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Nonmajor Capital Project Funds

For the Year Ended December 31, 2017

	<u>TIF #5</u>	<u>TIF #6</u>	<u>TIF #7</u>	<u>Park Development</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>REVENUES</b>					
Taxes	\$ 47,856	\$ 76,733	\$ 23,753	\$ -	\$ 148,342
Special Assessments	-	47,690	-	-	47,690
Intergovernmental	910	3,935	1,237	-	6,082
Licenses and Permits	-	-	-	150,423	150,423
Miscellaneous	-	2,711	-	17,987	20,698
<b>Total Revenues</b>	<u>48,766</u>	<u>131,069</u>	<u>24,990</u>	<u>168,410</u>	<u>373,235</u>
<b>EXPENDITURES</b>					
General Government	19,229	18,308	3,755	-	41,292
Community Development	-	-	-	28,252	28,252
Debt Service					
Interest Charges	(29)	-	-	-	(29)
Capital Outlay	-	-	-	171,925	171,925
<b>Total Expenditures</b>	<u>19,200</u>	<u>18,308</u>	<u>3,755</u>	<u>200,177</u>	<u>241,440</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	29,566	112,761	21,235	(31,767)	131,795
<b>FUND BALANCES (DEFICITS) - BEGINNING</b>	<u>(10,767)</u>	<u>184,452</u>	<u>(323,505)</u>	<u>29,384</u>	<u>(120,436)</u>
<b>FUND BALANCES (DEFICITS) - ENDING</b>	<u>\$ 18,799</u>	<u>\$ 297,213</u>	<u>\$ (302,270)</u>	<u>\$ (2,383)</u>	<u>\$ 11,359</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures, and Changes in Fund Deficit - Budget to Actual  
TIF #3 - Capital Projects Fund  
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 470,000	\$ 470,000	\$ 471,330	\$ 1,330
Intergovernmental	4,500	4,500	25,185	20,685
Miscellaneous	750	750	635	(115)
<b>Total Revenues</b>	<u>475,250</u>	<u>475,250</u>	<u>497,150</u>	<u>21,900</u>
<b>EXPENDITURES</b>				
General Government	1,000	1,000	2,409	(1,409)
Capital Outlay	37,500	37,500	40,462	(2,962)
<b>Total Expenditures</b>	<u>38,500</u>	<u>38,500</u>	<u>42,871</u>	<u>(4,371)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	436,750	436,750	454,279	17,529
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(344,463)</u>	<u>(344,463)</u>	<u>(344,463)</u>	<u>-</u>
<b>NET CHANGE IN FUND DEFICIT</b>	92,287	92,287	109,816	17,529
<b>FUND DEFICIT - BEGINNING</b>	<u>(391,436)</u>	<u>(391,436)</u>	<u>(391,436)</u>	<u>-</u>
<b>FUND DEFICIT - ENDING</b>	<u>\$ (299,149)</u>	<u>\$ (299,149)</u>	<u>\$ (281,620)</u>	<u>\$ 17,529</u>

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual

TIF #4 - Capital Projects Fund

For the Year Ended December 31, 2017

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 411,800	\$ 411,800	\$ 413,660	\$ 1,860
Special Assessments	21,800	21,800	21,795	(5)
Intergovernmental	41,600	41,600	41,807	207
Miscellaneous	500	500	2,774	2,274
<b>Total Revenues</b>	<u>475,700</u>	<u>475,700</u>	<u>480,036</u>	<u>4,336</u>
<b>EXPENDITURES</b>				
General Government	3,000	3,000	9,868	(6,868)
Capital Outlay	160,000	160,000	213,969	(53,969)
<b>Total Expenditures</b>	<u>163,000</u>	<u>163,000</u>	<u>223,837</u>	<u>(60,837)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>312,700</u>	<u>312,700</u>	<u>256,199</u>	<u>(56,501)</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(366,175)</u>	<u>(366,175)</u>	<u>(366,175)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(53,475)</u>	<u>(53,475)</u>	<u>(109,976)</u>	<u>(56,501)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>193,924</u>	<u>193,924</u>	<u>193,924</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 140,449</u>	<u>\$ 140,449</u>	<u>\$ 83,948</u>	<u>\$ (56,501)</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures, and Changes in Fund Deficit - Budget to Actual  
TIF #8 - Capital Projects Fund  
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 166,200	\$ 166,200	\$ 167,025	\$ 825
Intergovernmental	-	-	194	194
Licenses and Permits	-	-	2,447	2,447
Miscellaneous	-	-	2,263	2,263
<b>Total Revenues</b>	<u>166,200</u>	<u>166,200</u>	<u>171,929</u>	<u>5,729</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,000	2,000	30,173	(28,173)
Public Works	-	-	58,268	(58,268)
Debt Service				
Interest and Fiscal Charges	-	-	26,789	(26,789)
Capital Outlay	16,050,000	16,050,000	906,045	15,143,955
<b>Total Expenditures</b>	<u>16,052,000</u>	<u>16,052,000</u>	<u>1,021,275</u>	<u>15,030,725</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(15,885,800)</u>	<u>(15,885,800)</u>	<u>(849,346)</u>	<u>15,036,454</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Long-Term Debt	16,000,000	16,000,000	690,550	(15,309,450)
Bond Premium	-	-	9,419	9,419
Bond Discount	-	-	(8,353)	(8,353)
Transfers Out	(204,550)	(204,550)	(204,550)	-
<b>NET CHANGE IN FUND BALANCE</b>	(90,350)	(90,350)	(362,280)	(271,930)
<b>FUND DEFICIT - BEGINNING</b>	<u>(1,004,646)</u>	<u>(1,004,646)</u>	<u>(1,004,646)</u>	<u>-</u>
<b>FUND DEFICIT - ENDING</b>	<u>\$ (1,094,996)</u>	<u>\$ (1,094,996)</u>	<u>\$ (1,366,926)</u>	<u>\$ (271,930)</u>

**VILLAGE OF HOWARD, WISCONSIN**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Capital Improvement Fund - Capital Projects Fund  
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 1,011,140	\$ 1,011,140	\$ 1,011,140	\$ -
Special Assessments	46,800	46,800	36,968	(9,832)
Intergovernmental	747,900	747,900	748,060	160
Public Charges for Services	69,400	69,400	105,826	36,426
Miscellaneous	3,500	3,500	138,613	135,113
<b>Total Revenues</b>	<u>1,878,740</u>	<u>1,878,740</u>	<u>2,040,607</u>	<u>161,867</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	269,507	(269,507)
Public Works	-	-	248,935	(248,935)
Capital Outlay	2,348,000	2,348,000	1,762,251	585,749
<b>Total Expenditures</b>	<u>2,348,000</u>	<u>2,348,000</u>	<u>2,310,608</u>	<u>37,392</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(469,260)	(469,260)	(270,001)	199,259
<b>FUND BALANCE - BEGINNING</b>	<u>773,755</u>	<u>773,755</u>	<u>773,755</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 304,495</u>	<u>\$ 304,495</u>	<u>\$ 503,754</u>	<u>\$ 199,259</u>

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual

Debt Service Fund

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	\$ 565,000	\$ 565,000	\$ 565,000	\$ -
Interest and Fiscal Charges	350,188	350,188	350,188	-
<b>Total Expenditures</b>	<u>915,188</u>	<u>915,188</u>	<u>915,188</u>	<u>-</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(915,188)</u>	<u>(915,188)</u>	<u>(915,188)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>915,188</u>	<u>915,188</u>	<u>915,188</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget to Actual

TIF #5 - Capital Projects Fund

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 47,600	\$ 47,600	\$ 47,856	\$ 256
Intergovernmental	900	900	910	10
<b>Total Revenues</b>	<u>48,500</u>	<u>48,500</u>	<u>48,766</u>	<u>266</u>
<b>EXPENDITURES</b>				
General Government	500	500	19,229	(18,729)
Debt Service				
Interest and Fiscal Charges	300	300	(29)	329
Capital Outlay	<u>16,300</u>	<u>16,300</u>	<u>-</u>	<u>16,300</u>
<b>Total Expenditures</b>	<u>17,100</u>	<u>17,100</u>	<u>19,200</u>	<u>(2,100)</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	31,400	31,400	29,566	(1,834)
<b>FUND DEFICIT - BEGINNING</b>	<u>(10,767)</u>	<u>(10,767)</u>	<u>(10,767)</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 20,633</u>	<u>\$ 20,633</u>	<u>\$ 18,799</u>	<u>\$ (1,834)</u>

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual

TIF #6 - Capital Projects Fund

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 76,300	\$ 76,300	\$ 76,733	\$ 433
Special Assessments	5,000	5,000	47,690	42,690
Intergovernmental	3,900	3,900	3,935	35
Miscellaneous	150	150	2,711	2,561
<b>Total Revenues</b>	<u>85,350</u>	<u>85,350</u>	<u>131,069</u>	<u>45,719</u>
<b>EXPENDITURES</b>				
General Government	1,000	1,000	18,308	(17,308)
Debt Service				
Interest and Fiscal Charges	400	400	-	400
Capital Outlay	723,200	723,200	-	723,200
<b>Total Expenditures</b>	<u>724,600</u>	<u>724,600</u>	<u>18,308</u>	<u>706,292</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(639,250)	(639,250)	112,761	752,011
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Long-Term Debt	625,000	625,000	-	(625,000)
<b>NET CHANGE IN FUND BALANCE</b>	(14,250)	(14,250)	112,761	127,011
<b>FUND BALANCE - BEGINNING</b>	<u>184,452</u>	<u>184,452</u>	<u>184,452</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 170,202</u>	<u>\$ 170,202</u>	<u>\$ 297,213</u>	<u>\$ 127,011</u>

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Deficit - Budget to Actual

TIF #7 - Capital Projects Fund

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 23,600	\$ 23,600	\$ 23,753	\$ 153
Intergovernmental	1,200	1,200	1,237	37
<b>Total Revenues</b>	<u>24,800</u>	<u>24,800</u>	<u>24,990</u>	<u>190</u>
<b>EXPENDITURES</b>				
General Government	2,000	2,000	3,755	(1,755)
Debt Service				
Interest and Fiscal Charges	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
<b>Total Expenditures</b>	<u>3,500</u>	<u>3,500</u>	<u>3,755</u>	<u>(255)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	21,300	21,300	21,235	(65)
<b>FUND DEFICIT - BEGINNING</b>	<u>(323,505)</u>	<u>(323,505)</u>	<u>(323,505)</u>	<u>-</u>
<b>FUND DEFICIT - ENDING</b>	<u>\$ (302,205)</u>	<u>\$ (302,205)</u>	<u>\$ (302,270)</u>	<u>\$ (65)</u>

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget to Actual

Park Development Fund - Capital Projects Fund

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Licenses and Permits	\$ 127,502	\$ 127,502	\$ 150,423	\$ 22,921
Miscellaneous	135	135	17,987	17,852
<b>Total Revenues</b>	<u>127,637</u>	<u>127,637</u>	<u>168,410</u>	<u>40,773</u>
<b>EXPENDITURES</b>				
Community Development	-	-	28,252	(28,252)
Capital Outlay	179,500	179,500	171,925	7,575
<b>Total Expenditures</b>	<u>179,500</u>	<u>179,500</u>	<u>200,177</u>	<u>(20,677)</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(51,863)	(51,863)	(31,767)	20,096
<b>FUND BALANCE - BEGINNING</b>	<u>29,384</u>	<u>29,384</u>	<u>29,384</u>	<u>-</u>
<b>FUND DEFICIT - ENDING</b>	<u>\$ (22,479)</u>	<u>\$ (22,479)</u>	<u>\$ (2,383)</u>	<u>\$ 20,096</u>

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual

Community Development Fund - Special Revenue Fund

For the Year Ended December 31, 2017

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Miscellaneous	<u>\$ 124,400</u>	<u>\$ 101,500</u>	<u>\$ 259,008</u>	<u>\$ 157,508</u>
<b>EXPENDITURES</b>				
General Government	23,000	23,000	10,270	12,730
Capital Outlay	<u>260,000</u>	<u>380,000</u>	<u>235,000</u>	<u>145,000</u>
<b>Total Expenditures</b>	<u>283,000</u>	<u>403,000</u>	<u>245,270</u>	<u>157,730</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(158,600)	(301,500)	13,738	315,238
<b>FUND BALANCE - BEGINNING</b>	<u>288,348</u>	<u>288,348</u>	<u>288,348</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 129,748</u>	<u>\$ (13,152)</u>	<u>\$ 302,086</u>	<u>\$ 315,238</u>

**VILLAGE OF HOWARD, WISCONSIN**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget to Actual

Gus Macker Fund - Special Revenue Fund

For the Year Ended December 31, 2017

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Public Charges for Services	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Miscellaneous	14,000	14,000	-	(14,000)
<b>Total Revenues</b>	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>(24,000)</u>
<b>EXPENDITURES</b>				
Culture and Recreation	<u>15,000</u>	<u>15,000</u>	<u>1,257</u>	<u>13,743</u>
<b>NET CHANGE IN FUND BALANCE</b>	9,000	9,000	(1,257)	(10,257)
<b>FUND BALANCE - BEGINNING</b>	<u>1,257</u>	<u>1,257</u>	<u>1,257</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<u>\$ 10,257</u>	<u>\$ 10,257</u>	<u>\$ -</u>	<u>\$ (10,257)</u>

## **STATISTICAL SECTION**

Schedule 1

**VILLAGE OF HOWARD, WISCONSIN**

Net Position by Component

Last Ten Years

For the Years Ended December 31,

(accrual basis of accounting)

	2008	2009	2010	2011
<b>Governmental activities</b>				
Net investment in capital assets	\$ 36,072,726	\$ 38,547,937	\$ 39,295,183	\$ 39,379,378
Restricted	1,048,315	1,030,191	1,031,182	1,030,917
Unrestricted	6,939,437	6,176,674	7,664,024	8,360,853
<b>Total governmental activities net position</b>	<b>\$ 44,060,478</b>	<b>\$ 45,754,802</b>	<b>\$ 47,990,389</b>	<b>\$ 48,771,148</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 47,478,515	\$ 47,783,439	\$ 50,272,132	\$ 51,899,574
Restricted	197,693	205,813	214,282	-
Unrestricted	7,263,405	7,474,881	6,907,724	6,415,690
<b>Total business-type activities net position</b>	<b>\$ 54,939,613</b>	<b>\$ 55,464,133</b>	<b>\$ 57,394,138</b>	<b>\$ 58,315,264</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 83,551,241	\$ 86,331,376	\$ 89,567,315	\$ 91,278,952
Restricted	1,246,008	1,236,004	1,245,464	1,030,917
Unrestricted	14,202,842	13,651,555	14,571,748	14,776,543
<b>Total primary government net position</b>	<b>\$ 99,000,091</b>	<b>\$ 101,218,935</b>	<b>\$ 105,384,527</b>	<b>\$ 107,086,412</b>

2012	2013	2014	2015	2016	2017
\$ 40,236,590	\$ 41,796,334	\$ 41,456,853	\$ 39,802,127	\$ 42,869,848	\$ 42,293,976
843,396	2,320,551	4,091,959	1,769,572	1,122,791	1,011,093
8,188,056	6,527,011	4,892,118	4,978,197	3,220,876	2,609,799
<u>\$ 49,268,042</u>	<u>\$ 50,643,896</u>	<u>\$ 50,440,930</u>	<u>\$ 46,549,896</u>	<u>\$ 47,213,515</u>	<u>\$ 45,914,868</u>
\$ 52,124,207	\$ 56,503,272	\$ 58,998,091	\$ 59,964,780	\$ 64,518,573	\$ 64,561,325
-	-	303,208	308,606	254,565	179,857
8,063,971	6,192,842	6,605,844	8,634,196	9,279,109	13,350,676
<u>\$ 60,188,178</u>	<u>\$ 62,696,114</u>	<u>\$ 65,907,143</u>	<u>\$ 68,907,582</u>	<u>\$ 74,052,247</u>	<u>\$ 78,091,858</u>
\$ 92,360,797	\$ 98,299,606	\$ 100,454,944	\$ 99,766,907	\$ 107,388,421	\$ 106,855,301
843,396	2,320,551	4,395,167	2,078,178	1,377,356	1,190,950
16,252,027	12,719,853	11,497,962	13,612,393	12,499,985	15,960,475
<u>\$ 109,456,220</u>	<u>\$ 113,340,010</u>	<u>\$ 116,348,073</u>	<u>\$ 115,457,478</u>	<u>\$ 121,265,762</u>	<u>\$ 124,006,726</u>

**Schedule 2**

**VILLAGE OF HOWARD, WISCONSIN**

Changes in Net Position

Last Ten Years

For the Years Ended December 31,

(accrual basis of accounting)

	2008	2009	2010	2011
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,382,707	\$ 1,257,626	\$ 1,955,969	\$ 1,124,592
Public safety	2,665,384	2,434,628	2,611,273	2,763,614
Public works	3,696,044	3,931,735	3,611,093	4,668,221
Community development	668,293	678,144	637,115	557,703
Interest on debt	258,309	213,497	156,774	141,098
Total governmental activities expenses	<u>8,670,737</u>	<u>8,515,630</u>	<u>8,972,224</u>	<u>9,255,228</u>
Business-type activities:				
Water	3,589,368	3,759,595	3,667,703	4,366,218
Sewer	1,663,577	1,875,683	1,826,843	1,980,817
Stormwater	585,968	605,647	520,419	624,334
Golf course	562,453	573,130	582,341	400,607
Total business-type activities expenses	<u>6,401,366</u>	<u>6,814,055</u>	<u>6,597,306</u>	<u>7,371,976</u>
Total primary government expenses	<u>\$ 15,072,103</u>	<u>\$ 15,329,685</u>	<u>\$ 15,569,530</u>	<u>\$ 16,627,204</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Fines and forfeitures	\$ 170,649	\$ 168,453	\$ 189,839	\$ 206,137
Building, zoning permits and fees	115,575	69,466	112,117	136,324
Recreation program fees and rentals	118,883	112,782	98,143	90,127
All other charges for services	118,002	123,033	630,056	210,139
Operating grants and contributions	1,114,661	1,074,270	1,016,966	1,285,261
Capital grants and contributions	734,144	677,618	1,360,473	333,619
Total governmental activities program revenue	<u>2,371,914</u>	<u>2,225,622</u>	<u>3,407,594</u>	<u>2,261,607</u>
Business-type activities:				
Charges for service				
Water	4,811,779	4,358,953	4,242,799	4,489,964
Sewer	2,155,709	1,856,272	1,939,995	2,106,016
Stormwater	707,103	707,817	699,105	707,948
Golf course	643,632	631,401	598,526	462,386
Capital grants and contributions	523,537	33,367	1,253,258	884,646
Total business-type activities program revenue	<u>8,841,760</u>	<u>7,587,810</u>	<u>8,733,683</u>	<u>8,650,960</u>
Total primary government program revenues	<u>\$ 11,213,674</u>	<u>\$ 9,813,432</u>	<u>\$ 12,141,277</u>	<u>\$ 10,912,567</u>

(Continued on next page.)

2012	2013	2014	2015	2016	2017
\$ 1,759,784	\$ 1,145,930	\$ 1,226,326	\$ 1,319,256	\$ 1,406,971	\$ 1,437,450
2,737,135	2,652,988	2,912,814	2,742,729	3,348,100	3,020,036
4,088,893	4,540,818	4,927,409	8,924,035	3,819,508	5,864,895
388,085	420,479	477,531	455,174	533,802	896,531
126,183	112,200	274,470	389,800	344,188	364,889
9,100,080	8,872,415	9,818,550	13,830,994	9,452,569	11,583,801
4,208,177	4,496,462	4,639,722	4,391,989	4,463,063	4,659,273
2,560,198	2,439,673	2,873,402	2,915,019	3,509,162	3,595,976
701,941	766,059	889,093	793,313	989,196	870,877
308,427	273,889	581,419	532,567	602,405	548,639
7,778,743	7,976,083	8,983,636	8,632,888	9,563,826	9,674,765
\$ 16,878,823	\$ 16,848,498	\$ 18,802,186	\$ 22,463,882	\$ 19,016,395	\$ 21,258,566

\$ 215,379	\$ 187,943	\$ 211,356	\$ 214,822	\$ 235,700	\$ 237,213
187,625	253,194	211,604	228,958	241,416	303,399
66,255	61,011	60,710	55,027	51,732	49,189
435,273	682,552	483,792	648,798	604,671	559,833
912,692	1,044,870	822,403	881,773	1,343,125	991,291
184,353	169,893	113,140	361,552	215,228	80,686
2,001,577	2,399,463	1,903,005	2,390,930	2,691,872	2,221,611

5,001,339	5,021,901	5,118,964	5,555,647	5,695,965	5,649,392
2,426,658	2,828,159	3,002,584	3,007,807	3,046,033	4,075,515
748,796	758,314	824,293	1,133,968	1,079,631	1,052,004
340,576	315,124	534,096	447,283	536,289	534,459
1,000,404	1,888,010	1,890,794	4,236	4,296,163	1,300,222
9,517,773	10,811,508	11,370,731	10,148,941	14,654,081	12,611,592
\$ 11,519,350	\$ 13,210,971	\$ 13,273,736	\$ 12,539,871	\$ 17,345,953	\$ 14,833,203

**VILLAGE OF HOWARD, WISCONSIN**

Changes in Net Position

Last Ten Years

For the Years Ended December 31,

(accrual basis of accounting)

	2008	2009	2010	2011
<b>Expenses (from previous page)</b>				
Governmental activities	\$ 8,670,737	\$ 8,515,630	\$ 8,972,224	\$ 9,255,228
Business-type activities	6,401,366	6,814,055	6,597,306	7,371,976
Total primary government expenses	<u>15,072,103</u>	<u>15,329,685</u>	<u>15,569,530</u>	<u>16,627,204</u>
<b>Program Revenues (from previous page)</b>				
Governmental activities	2,371,914	2,225,622	3,407,594	2,261,607
Business-type activities	8,841,760	7,587,810	8,733,683	8,650,960
Total primary government program revenues	<u>11,213,674</u>	<u>9,813,432</u>	<u>12,141,277</u>	<u>10,912,567</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(6,298,823)	(6,290,008)	(5,564,630)	(6,993,621)
Business-type activities	2,440,394	773,755	2,136,377	1,278,984
<b>Total primary government net revenue</b>	<u>(3,858,429)</u>	<u>(5,516,253)</u>	<u>(3,428,253)</u>	<u>(5,714,637)</u>
<b>General Revenue and Other</b>				
<b>Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	3,935,655	3,975,443	4,327,214	4,303,755
Property taxes, levied for debt services	1,803,389	1,916,031	1,630,277	1,319,865
Other taxes	13,719	11,572	9,960	11,420
Unrestricted grants and contributions	950,182	913,973	815,699	816,472
Interest and investment earnings	361,603	225,683	92,501	97,812
Miscellaneous	823,499	542,978	665,020	805,496
Gain (loss) on sale of asset(s)	194,290	18,311	1,413	2,200
Transfers in (out)	378,459	380,341	258,133	417,360
Total governmental activities	<u>8,460,796</u>	<u>7,984,332</u>	<u>7,800,217</u>	<u>7,774,380</u>
Business-type activities				
Interest and investment earnings	141,924	130,606	51,261	59,502
Miscellaneous	-	500	500	-
Transfers in (out)	(378,459)	(380,341)	(258,133)	(417,360)
Total business-type activities	<u>(236,535)</u>	<u>(249,235)</u>	<u>(206,372)</u>	<u>(357,858)</u>
Total primary government	<u>8,224,261</u>	<u>7,735,097</u>	<u>7,593,845</u>	<u>7,416,522</u>
<b>Changes in Net Position</b>				
Governmental activities	2,161,973	1,694,324	2,235,587	780,759
Business-type activities	2,203,859	524,520	1,930,005	921,126
Total primary government	<u>\$ 4,365,832</u>	<u>\$ 2,218,844</u>	<u>\$ 4,165,592</u>	<u>\$ 1,701,885</u>

2012	2013	2014	2015	2016	2017
\$9,100,080	\$8,872,415	\$8,872,415	\$13,830,994	\$9,452,569	\$11,583,801
7,778,743	7,976,083	7,976,083	8,632,888	9,563,826	9,674,765
16,878,823	16,848,498	16,848,498	22,463,882	19,016,395	21,258,566
2,001,577	2,399,463	2,399,463	2,390,930	2,691,872	2,221,611
9,517,773	10,811,508	10,811,508	10,148,941	14,654,081	12,611,592
11,519,350	13,210,971	13,210,971	12,539,871	17,345,953	14,833,203
(7,098,503)	(6,472,952)	(6,472,952)	(11,440,064)	(6,760,697)	(9,362,190)
1,739,030	2,835,425	2,835,425	1,516,053	5,090,255	2,936,827
(5,359,473)	(3,637,527)	(3,637,527)	(9,924,011)	(1,670,442)	(6,425,363)
4,461,054	4,609,073	4,586,587	4,473,573	5,614,261	5,840,354
1,208,880	1,534,289	1,763,629	2,460,749	936,859	1,033,333
10,473	13,909	13,333	14,831	13,078	13,690
653,480	681,319	775,836	848,203	658,424	658,543
74,654	50,366	96,427	71,203	71,918	78,165
946,278	424,734	422,550	59,588	111,252	162,021
-	-	-	-	-	-
419,576	400,153	(462,277)	(379,117)	18,524	277,437
7,774,395	7,713,843	7,196,085	7,549,030	7,424,316	8,063,543
54,170	72,664	58,449	69,031	42,897	82,347
-	-	-	1,036,238	30,037	28,517
(419,576)	(400,153)	462,277	379,117	(18,524)	989,920
(365,406)	(327,489)	520,726	1,484,386	54,410	1,100,784
7,408,989	7,386,354	7,716,811	9,033,416	7,478,726	9,164,327
675,892	1,240,891	723,133	(3,891,034)	663,619	(1,298,647)
1,373,624	2,507,936	3,356,151	3,000,439	5,144,665	4,037,611
\$2,049,516	\$3,748,827	\$4,079,284	\$ (890,595)	\$ 5,808,284	\$ 2,738,964

**Schedule 3**

**VILLAGE OF HOWARD, WISCONSIN**

Fund Balances, Governmental Funds,

Last Ten Years

For the Years Ended December 31,

(modified accrual basis of accounting)

	2008	2009	2010	2011	2012
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved					
Designated	2,292,299	2,499,687	2,666,400	-	-
Undesignated	294,874	143,252	58,507	-	-
Nonspendable - prepaid items					
Prepaid items					
Advances to Other Fund	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	3,011,064	3,223,247
Total general fund	<u>2,587,173</u>	<u>2,642,939</u>	<u>2,724,907</u>	<u>3,011,064</u>	<u>3,223,247</u>
All Other Governmental Funds					
Reserved	2,257,544	1,419,890	1,584,183	-	-
Unreserved, reported in					
Special revenue funds	644,302	562,307	394,514	-	-
Capital projects funds	678,437	849,259	2,054,733	-	-
Restricted				2,465,611	2,356,458
Assigned				2,430,505	2,390,904
Unassigned				(316,048)	(610,438)
Total all other governmental funds	<u>\$ 3,580,283</u>	<u>\$ 2,831,456</u>	<u>\$ 4,033,430</u>	<u>\$ 4,580,068</u>	<u>\$ 4,136,924</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.

2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
71,802	250,166	51,940	67,002	-
-	-	-	1,300,000	1,300,000
-	-	-	-	-
-	-	-	-	-
2,637,788	2,444,898	2,671,177	1,397,994	1,519,684
2,709,590	2,695,064	2,723,117	2,764,996	2,819,684
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,071,124	8,231,512	1,672,734	697,365	680,864
2,442,153	1,051,166	1,402,977	773,755	503,754
(406,887)	(421,968)	(770,013)	(1,730,354)	(1,932,017)
\$ 12,106,390	\$ 8,860,710	\$ 2,305,698	\$ (259,234)	\$ (747,399)

## 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)

	2008	2009	2010	2011	2012
<b>Revenues</b>					
Taxes	\$ 5,753,866	\$ 5,904,554	\$ 5,973,824	\$ 5,638,858	\$ 5,680,407
Special assessments	195,683	205,564	84,813	140,071	65,833
Intergovernmental	2,312,599	2,055,161	2,181,586	2,101,798	1,566,107
Licenses and permits	163,985	327,257	190,309	477,208	458,368
Fines and forfeits	436,473	169,110	755,484	206,137	386,000
Charges for services	352,178	712,196	573,641	288,503	336,541
Miscellaneous	1,480,121	693,684	768,522	830,689	840,323
<b>Total revenues</b>	<b>10,694,905</b>	<b>10,067,526</b>	<b>10,528,179</b>	<b>9,683,264</b>	<b>9,333,579</b>
<b>Expenditures</b>					
General government	\$ 1,325,974	\$ 1,104,825	\$ 1,398,099	\$ 1,688,428	\$ 1,709,163
Public safety	2,419,062	2,285,910	2,487,415	2,720,579	2,597,208
Public works	1,767,351	2,757,068	3,162,767	2,995,766	3,596,790
Culture and recreation	687,693	-	-	-	-
Community development	-	604,738	555,659	504,032	388,085
Debt service					
Principal	1,205,000	2,420,000	620,000	811,896	1,056,477
Interest	254,377	209,206	113,661	114,212	109,160
Bond issuance costs	-	-	-	-	-
Capital outlay	4,889,838	1,759,181	2,086,840	768,168	718,366
<b>Total expenditures</b>	<b>12,549,295</b>	<b>11,140,928</b>	<b>10,424,441</b>	<b>9,603,081</b>	<b>10,175,249</b>
Excess of revenues over (under) expenditures	(1,854,390)	(1,073,402)	103,738	80,183	(841,670)
<b>Other Financing Sources (Uses)</b>					
Proceeds from Long-Term Debt	-	-	-	-	-
Bond Premium	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers in	1,421,421	3,942,521	1,868,108	1,580,382	1,578,401
Transfers out	(1,042,962)	(3,562,180)	(1,471,260)	(827,770)	(1,158,825)
Long-term debt issued	-	-	783,356	-	191,133
<b>Total Other Financing Sources (Uses)</b>	<b>378,459</b>	<b>380,341</b>	<b>1,180,204</b>	<b>752,612</b>	<b>610,709</b>
<b>Net change in fund balances</b>	<b>\$(1,475,931)</b>	<b>\$ (693,061)</b>	<b>\$ 1,283,942</b>	<b>\$ 832,795</b>	<b>\$ (230,961)</b>
Debt service as a percentage of noncapital expenditures	16.4%	28.0%	8.8%	10.5%	12.3%

2013	2014	2015	2016	2017
\$ 6,157,425	\$ 6,363,549	\$ 6,949,138	\$ 6,564,078	\$ 6,887,114
125,661	48,389	203,302	193,757	106,453
1,612,491	1,530,285	1,560,501	1,845,907	1,546,006
649,589	593,377	659,306	623,119	709,733
187,943	211,356	214,822	193,628	190,659
413,999	239,812	245,680	220,667	238,068
737,656	608,758	1,199,024	708,833	739,062
9,884,764	9,595,526	11,031,773	10,349,989	10,417,095
\$ 1,051,417	\$ 1,219,191	\$ 1,346,153	\$ 1,844,332	\$ 1,454,427
2,527,513	2,712,910	2,562,676	2,693,625	2,781,908
3,352,679	4,204,097	8,396,008	3,514,231	3,184,051
-	-	-	-	-
362,372	395,351	365,405	388,945	415,562
1,705,259	457,494	350,000	350,000	565,000
130,890	266,629	274,643	386,001	376,948
71,772	-	89,596	-	-
3,266,070	4,123,741	7,684,566	4,126,037	3,329,652
12,467,972	13,379,413	21,069,047	13,303,171	12,107,548
(2,583,208)	(3,783,887)	(10,037,274)	(2,953,182)	(1,690,453)
9,375,000	-	2,890,000	-	690,550
128,901	-	92,284	-	9,419
-	-	-	-	(8,353)
2,577,065	1,573,680	2,092,900	1,290,222	1,480,548
(2,176,912)	(1,050,000)	(1,564,868)	(860,093)	(915,188)
-	-	-	-	-
9,904,054	523,680	3,510,316	430,129	1,256,976
\$ 7,320,846	\$ (3,260,207)	\$ (6,526,958)	\$ (2,523,053)	\$ (433,477)

20.7%      7.8%      5.3%      8.0%      10.7%

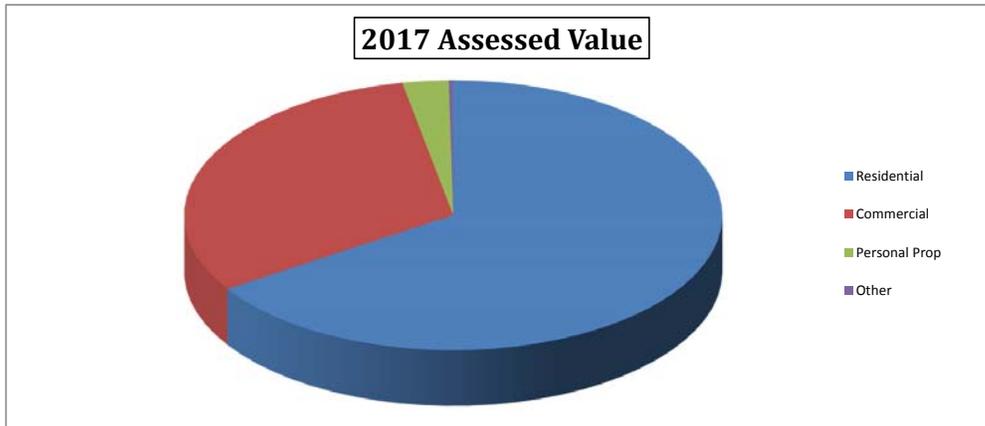
Schedule 5

**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				
2008	\$ 930,259,500	\$ 384,647,100	\$ 43,980,000	\$ 3,814,100	\$ 1,362,700,700	\$ 1,395,675,400	97.64%	\$3.32
2009	\$ 944,927,100	\$ 389,817,000	\$ 44,554,800	\$ 3,926,000	\$ 1,383,224,900	\$ 1,412,174,200	97.95%	\$3.31
2010	\$ 953,575,800	\$ 393,753,600	\$ 40,846,900	\$ 3,947,300	\$ 1,392,123,600	\$ 1,381,526,100	100.77%	\$3.31
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

**Note:** The 2016 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.

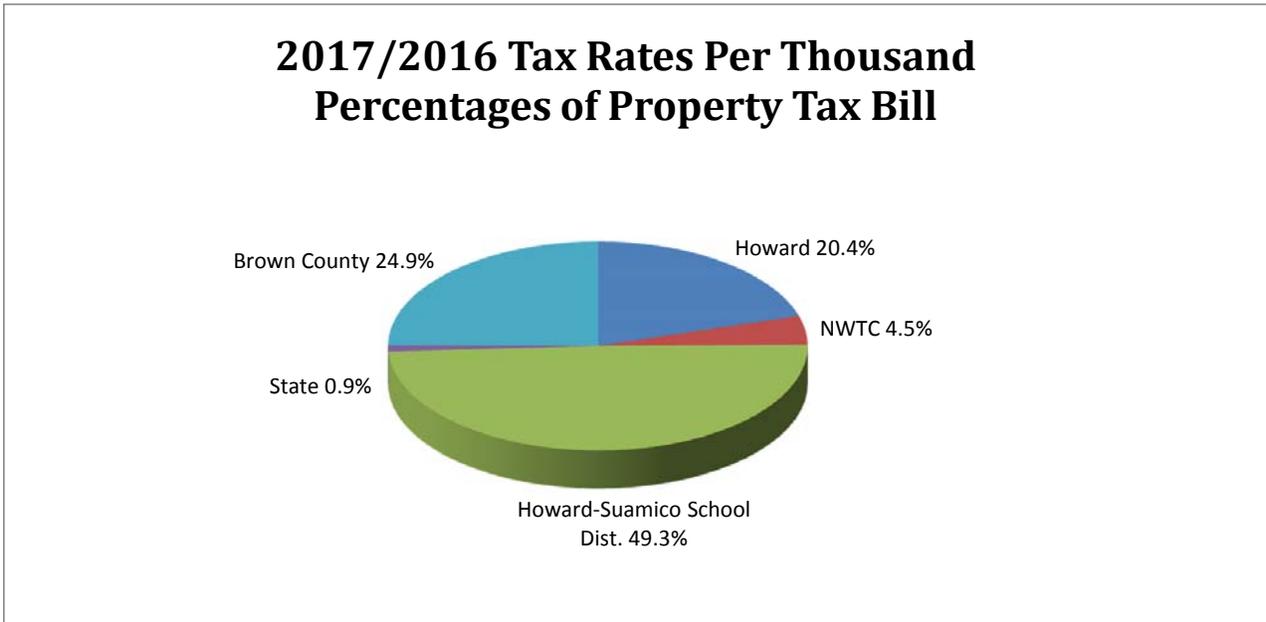


**VILLAGE OF HOWARD, WISCONSIN**  
 Property Tax Rates - Direct and Overlying Governments  
 Last Ten Fiscal Years

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
2008/2007	\$3.07	\$ 0.25	\$ 3.32	18.3%	\$ 8.50	46.9%	\$ 1.47	8.1%	\$ 4.67	25.8%	\$ 0.17	0.9%
2009/2008	\$3.07	\$ 0.24	\$ 3.31	18.1%	\$ 8.50	46.5%	\$ 1.52	8.3%	\$ 4.79	26.2%	\$ 0.17	0.9%
2010/2009	\$3.31	\$ -	\$ 3.31	17.8%	\$ 8.79	47.2%	\$ 1.57	8.4%	\$ 4.77	25.6%	\$ 0.17	0.9%
2011/2010	\$3.25	\$ 0.06	\$ 3.31	17.6%	\$ 9.08	48.3%	\$ 1.60	8.5%	\$ 4.62	24.6%	\$ 0.17	0.9%
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%

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 with 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 2017 was 1.50%. Prior to the 2006 budget, there were no limits on increases in the tax levy.



## VILLAGE OF HOWARD, WISCONSIN

Ten Largest Taxpayers  
Current Year and Nine Years Ago

Taxpayer / Ownership	2017 Assessed Valuation	Rank	Percentage of Total Assessments	2008 Assessed Valuation	Rank	Percentage of Total Assessments
United Healthcare <i>Insurance company</i>	\$ 38,125,000	1	2.35%	\$ 42,199,900	1	3.10%
SPG Holding (formerly GDC Packerland) <i>Warehousing</i>	\$ 22,479,500	2	1.39%	\$ 6,783,700	9	0.50%
CCAPTS LLC <i>Apartments</i>	\$ 18,815,000	3	1.16%	-	-	-
Howard Real Estate <i>Senior Living Apartments</i>	\$ 15,513,800	4		-	-	-
Elana LLC (formerly Beaver Dam) <i>Apartment complex</i>	\$ 15,480,000	5	0.95%	\$ 14,486,100	3	1.06%
Menard Inc. <i>Retail outlet</i>	\$ 15,059,500	6	0.93%	-	-	-
Woodman's Food Market <i>Groceries</i>	\$ 14,638,800	7	0.90%	\$ 15,169,200	2	1.11%
Meijer Stores LP <i>Groceries</i>	\$ 14,327,700	8		-	-	-
Mills Property, Inc. <i>Retail outlet</i>	\$ 9,913,600	9	0.61%	\$ 8,074,200	5	0.59%
Omnova Solutions <i>Manufacturing</i>	\$ 8,504,300	10	0.52%	\$ 9,523,300	4	0.70%
Comfort Suites & Rock Gardens <i>Hotel/restaurant</i>	-		-	\$ 7,464,800	8	0.55%
Lexington Homes Inc <i>Developer</i>	-		-	\$ 7,715,500	6	0.57%
Watermolen - Sole Proprietor <i>Apartments</i>	-		-	\$ 7,489,500	7	0.55%
B&D Warehouse <i>Warehousing</i>	-		-	\$ 6,010,100	10	0.44%
Total	\$ 172,857,200		8.82%	\$ 111,416,700		9.17%

Comfort Suites & Rock Gardens, Watermolen and B&D Warehouse still operate in Howard with substantial valuation but not large enough value to be placed into the Top 10 list for 2017. Lexington Homes LLC sold most of their properties in Howard after development.

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

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
2007/2006	\$ 22,707,706	\$ 22,689,902	99.92%	\$ 1,329	\$ 22,691,231	99.93%
2008/2007	\$ 24,177,750	\$ 24,143,787	99.86%	\$ 30,310	\$ 24,174,097	99.98%
2009/2008	\$ 24,928,799	\$ 24,900,573	99.89%	\$ 1,058	24,901,631	99.89%
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%	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.

Schedule 9

VILLAGE OF HOWARD, WISCONSIN

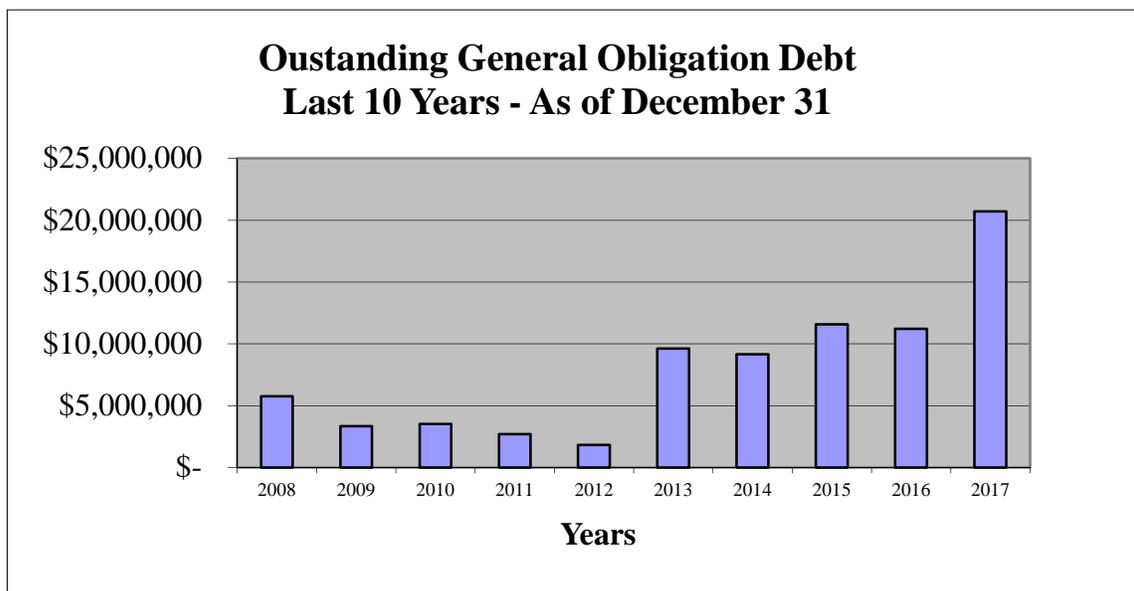
Ratios of Outstanding Debt by Type

Last Ten Years

Year	(1) Governmental Activities	(2) Business-Type Activities				(1 + 2)		
	Outstanding General Obligation Debt	Water Outstanding General Obligation Debt	Water and Sewer Revenue Bonds and Other Debt	Average Number of Customers	Ratio of Revenue Bonds to Average No. Customers	Total Primary Government Debt	Percent of Personal Income	Debt Per Capita
2008	\$ 5,775,000	\$ -	\$ 4,091,396	5,721	\$ 715.15	\$ 9,866,396	0.11%	\$ 618.00
2009	\$ 3,355,000	\$ -	\$ 3,569,661	5,885	\$ 606.57	\$ 6,924,661	0.07%	\$ 429.84
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	\$ 20,724,100 ***	\$ 715,000 ***	\$ -	6,369	\$ -	\$ 21,439,100	N/A	\$ 1,106.76

\*\*\* Restatement 2011 - 2014 amounts to report water portion of general obligation debt separately from General Government.

\*\* See Schedule 14 for Personal Income for Brown County, Wisconsin and population data for the Village of Howard.



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
				**	*
2008	\$ 9,866,396	\$ 35,781	\$ 9,830,615	0.72%	\$ 362.55
2009	\$ 6,924,661	\$ 10,421	\$ 6,914,240	0.50%	\$ 429.19
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	0.34%	\$ 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	\$ 21,439,100	\$ 2,636,100	\$ 18,803,000	1.16%	\$ 970.68

\* See Schedule 14 for population information.

\*\* See Schedule 5 for assessed values.

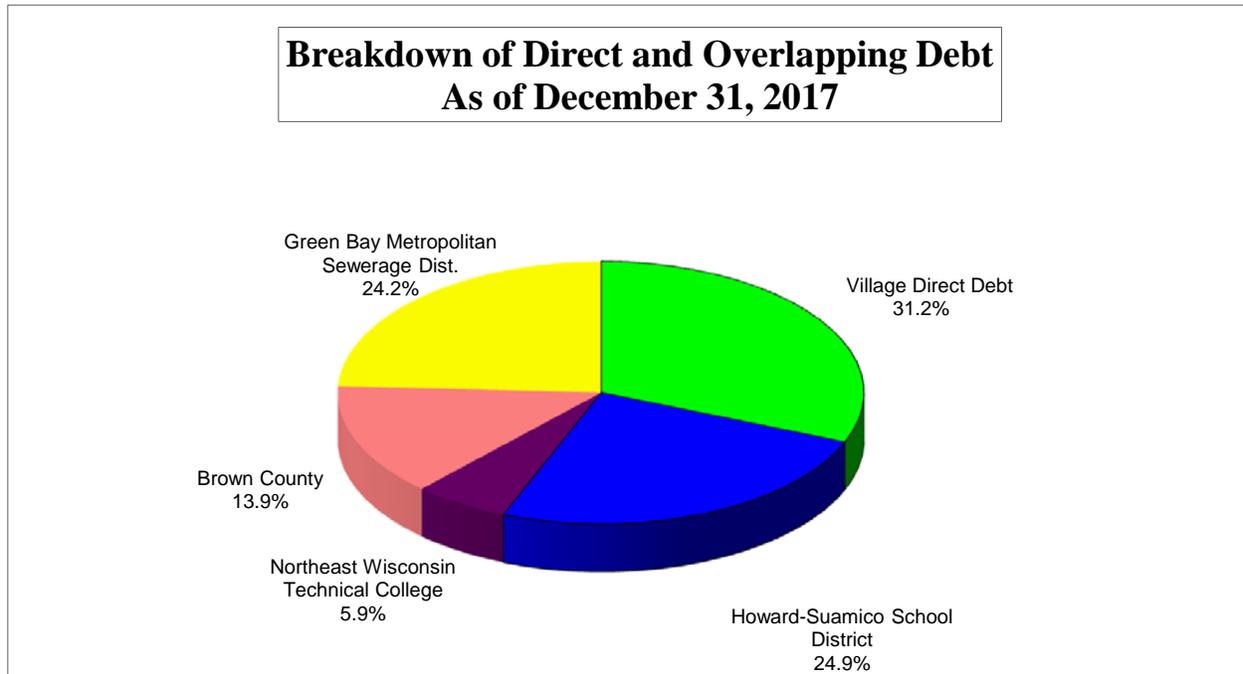
Source: Population was derived from the Wisconsin Department of Administration estimates, except for the 2010 population that was derived from the U.S. census.

Schedule 11

**VILLAGE OF HOWARD, WISCONSIN**  
 Computation of Direct and Overlapping Debt and  
 Ratio to Assessed Value and Per Capita Debt  
 December 31, 2017

	Total Debt	Village Share		Ratio to Assessed Value
		Percentage	Amount	
<b>Direct Debt:</b>				
General Obligation Debt	\$21,439,100	100.00%	\$21,439,100	1.32%
Village Direct Debt			<u>\$21,439,100</u>	
<b>Overlapping Debt:</b>				
Howard-Suamico School District	\$28,950,000	59.180432%	\$17,132,735	1.06%
Northeast Wisconsin Technical College	\$96,775,000	4.161205%	\$4,027,007	0.25%
Brown County	\$117,445,000	8.138235%	\$9,557,950	0.59%
Green Bay Metropolitan Sewerage Dist.	\$192,342,123	8.660000%	\$16,656,828	1.03%
Total Overlapping Debt			<u>\$47,374,520</u>	2.92%
Total Direct and Overlapping Debt			<u>\$68,813,620</u>	4.24%

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, 2017

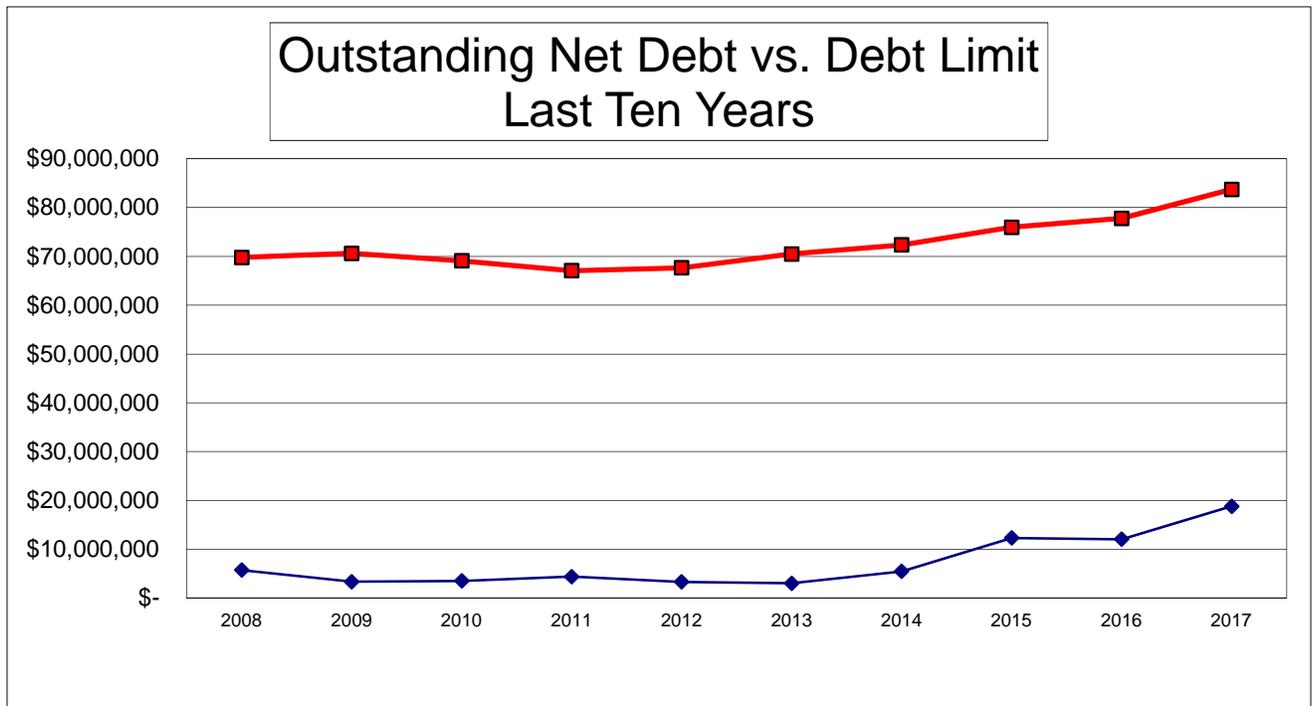
Equalized Value, January 1		<u>\$ 1,674,736,700</u>
Debt Limit (5% of Equalized Value)		\$83,736,835
General Obligation Debt	\$ 21,439,100	
Less: Unspent Bond Proceeds	<u>2,636,100</u>	
Net General Obligation Debt		<u>18,803,000</u>
Legal Debt Margin		<u><u>\$64,933,835</u></u>

	2008	2009	2010	2011
Debt limit	\$ 69,783,770	\$ 70,608,710	\$ 69,076,305	\$ 67,071,740
Net general obligation debt	5,739,219	3,344,579	3,507,884	4,398,035
Legal debt margin	<u>\$ 64,044,551</u>	<u>\$ 67,264,131</u>	<u>\$ 65,568,421</u>	<u>\$ 62,673,705</u>

Ratio of net general obligation debt to the debt limit	<u>8.2%</u>	<u>4.7%</u>	<u>5.1%</u>	<u>6.6%</u>
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Note: Under state law, the Village's legal debt limit is 5% of the equalized valuation.

Debt limits can exceed state managed level with voter approval.



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2012	2013	2014	2015	2016	2017
\$ 67,669,660	\$ 70,502,830	\$ 72,339,930	\$ 75,980,410	\$ 77,783,570	\$ 83,736,835
3,324,374	3,041,921	5,473,953	12,322,133	12,070,000	18,803,000
<u>\$ 64,345,286</u>	<u>\$ 67,460,909</u>	<u>\$ 70,428,924</u>	<u>\$ 63,658,277</u>	<u>\$ 65,713,570</u>	<u>\$ 64,933,835</u>
<u>4.9%</u>	<u>4.3%</u>	<u>7.3%</u>	<u>16.2%</u>	<u>15.5%</u>	<u>22.5%</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
2007	\$ 7,891,345	\$ 6,768,497	\$ 1,122,848	\$ 2,278,646	\$ 601,868	\$ 611,723	3.72
2008	\$ 7,179,400	\$ 5,483,745	\$ 1,695,655	\$ 2,736,907	\$ 609,948	\$ 611,723	4.47
2009	\$ 6,324,954	\$ 5,635,278	\$ 689,676	\$ 1,633,005	\$ 611,538	\$ 611,723	2.67
2010	\$ 6,224,568	\$ 5,494,546	\$ 730,022	\$ 1,650,205	\$ 607,048	\$ 611,723	2.70
2011	\$ 7,480,213	\$ 6,664,395	\$ 815,818	\$ 2,023,779	\$ 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

## 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
2008	15,965	\$ 9,241,666,000	\$37,769	5.8%	5,263
2009	16,110	\$ 9,234,452,000	\$37,338	8.2%	5,527
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	N/A	N/A	2.5%	6,116

## Data Obtained From:

- (1) Wisconsin Department of Administration
  - (2) U.S. Dept. of Commerce, Bureau of Economic Analysis website:  
[www.bea.gov/regional/bearfacts/countybf.cfm](http://www.bea.gov/regional/bearfacts/countybf.cfm)
  - (3) Wisconsin's Worknet website at <http://worknet.wisconsin.gov/worknet>.  
The Village of Howard data is only published with each census; 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	2017			2008		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
<b>Howard Employers</b>						
United Healthcare	1,974	1	1.14%	1,750	1	1.03%
Howard-Suamico School District	645	2	0.37%	554	2	0.33%
Sanimax Corporation	202	3	0.12%	200	5	0.12%
Fleet Farm	195	4	0.11%	255	3	0.15%
Klemm Tank Lines	184	5	0.11%	140	9	0.08%
Menard's Inc	170	6	0.10%	-	-	-
Alive N Kickin	150	7	0.09%	150	7	0.09%
Wisconsin Dept of Natural Resources	150	8	0.09%	-	-	-
Wipfli LLP	120	9	0.07%	130	10	0.08%
Woodman's Food Market	101	10	0.06%	150	6	0.09%
Selmer Co.	-	-	-	250	4	0.15%
Stock Lumber	-	-	-	140	8	0.08%
	<u>3,891</u>		<u>2.25%</u>	<u>3,579</u>		<u>2.11%</u>
<b>Green Bay MSA</b>						
Humana Inc.	3,283	1	1.90%	2,900	4	1.71%
Green Bay Public Schools	2,793	2	1.62%	2,762	5	1.63%
Bellin Health	2,729	3	1.58%	2,031	6	1.20%
Oneida Tribe of Indians	2,700	4	1.56%	2,910	3	1.71%
Schneider National Inc	2,633	5	1.53%	3,696	1	2.18%
Georgia-Pacific	2,100	6	1.22%	3,181	2	1.87%
United Healthcare *	2,050	7	1.19%	1,750	7	1.03%
Aurora Health Care	2,009	8	0.00%	1,613	10	0.95%
Brown County (government)	1,802	9	1.04%	-	-	-
St. Vincent Hospital	1,605	10	-	1,733	9	1.02%
Shopko Stores Inc.	-	-	-	1,728	8	1.02%
	<u>23,704</u>		<u>11.65%</u>	<u>24,304</u>		<u>14.32%</u>
Total Labor Force	<u>172,576</u>			<u>169,717</u>		

\* A Howard business.

Source: Green Bay Chamber website <http://resources.titeltown.org/resources> or by contacting the companies directly; Green Bay MSA employment counts are as of December 2016 and 2007.

**Schedule 16****VILLAGE OF HOWARD, WISCONSIN**

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

Function	2008	2009	2010	2011
General government	5.70	5.70	5.70	4.80
Public safety	3.00	3.00	3.00	1.00
Public works	9.35	9.35	9.40	13.25
Community development	5.90	4.90	4.90	3.00
Capital outlay - engineering	3.00	3.00	3.00	2.20
Water utility	4.90	4.90	4.90	5.30
Sewer utility	3.90	3.90	3.90	4.30
Golf Course	2.35	2.35	1.40	0.30
Storm water utility	3.80	3.80	3.80	3.80
Total	42.0	41.0	40.0	38.0

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

Function	2008	2009	2010	2011
General government	33	33	33	31
Public safety	49	49	49	52
Public works	4	4	4	18
Community development	62	62	62	49
Capital outlay - engineering	6	6	3	1
Water utility	-	-	-	-
Sewer utility	-	-	-	-
Golf Course	20	20	19	7
Storm water utility	-	-	-	-
Total	174	174	170	158

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2012	2013	2014	2015	2016	2017
4.50	4.50	4.50	4.50	4.50	5.00
2.00	2.00	3.00	3.00	3.00	4.50
12.65	10.65	10.65	12.65	13.65	12.90
3.00	3.00	3.00	3.00	3.00	3.40
1.20	1.20	1.20	2.20	2.20	2.40
5.30	5.30	5.30	5.30	5.30	6.30
4.30	4.30	4.30	4.30	4.30	5.30
0.25	1.05	1.05	1.25	1.25	1.20
3.80	5.00	5.00	3.80	3.80	4.00
37.0	37.0	38.0	40.0	41.0	45.0

2012	2013	2014	2015	2016	2017
31	31	31	31	31	31
51	51	56	55	55	56
19	19	19	19	19	19
50	55	32	32	32	32
1	5	1	5	5	8
-	-	-	-	-	-
-	-	-	-	-	-
7	7	20	20	20	28
-	-	-	-	-	-
159	168	159	162	162	174

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

Function/Program	2008	2009	2010	2011	2012
General government:					
Acreage sold	4.72	-	1.50	-	-
Registered voters	12,099	9,966	10,233	12,184	13,045
Parcels reassessed	782	402	503	520	443
Public safety:					
Police					
Incidents	10,679	10,948	10,948	12,645	13,301
Citations/warnings issued	2,871	3,919	3,856	4,166	5,567
Fire					
Inspections	2,234	2,200	2,372	2,452	2,493
Code Administration					
Permits issued	938	872	1,127	838	879
Public works:					
Tons of waste	4,370	4,075	4,234	3,986	4,215
Tons of recycling	1,195	1,440	1,532	1,368	1,434
Culture and recreation:					
Ice rink open-days	58	39	35	39	3
Program participants	5,413	4,117	3,974	3,187	3,187
Capital outlay-engineering					
New subdivisions	-	-	-	-	1
New lots created	-	-	-	-	14
Watermains added (L.F.)	8,449	2,311	10,931	5,149	1,738
Watermains removed (L.F.)	6,063	2,332	7,235	5,115	1,732
Water utility					
Million gallons pumped	1	1	1	1	1
Million gallons purchased	622	569	630	676	722
Sewer utility					
Average daily sewage, thousand gallons	2,027	2,034	1,906	2,212	2,282
Golf course					
Rounds of golf	19,856	19,620	18,114	13,475	18,955

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

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2013	2014	2015	2016	2017
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-	2.00	33.00	6.34	8.50
13,110	11,083	10,918	12,717	11,341
410	400	400	6,718	510

11,762	11,590	12,088	11,382	11,624
4,511	5,066	4,542	4,485	3,843

2,495	2,500	2,376	2,123	2,423
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859	918	921	875	921
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4,189	4,242	4,458	5,088	4,795
1,440	1,526	1,517	1,558	1,587

53	60	60	38	33
2,631	2,881	2,550	2,538	2,550

1	1	-	3	2
35	63	-	180	42
9,892	9,608	3,902	11,153	6,758
5,034	2,170	538	750	379

14	1	1	1	0.9
679	663	598	578	573

2,272	2,336	2,142	2,466	2,252
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15,010	12,699	12,471	12,950	13,699
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**Schedule 18**

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

Function/Program	2008	2009	2010	2011
<b>Public safety:</b>				
Police				
Patrol units	5	5	5	5
Fire				
Stations	2	2	2	2
<b>Public works:</b>				
Street mileage	105	105	105	105
Street lights	1,133	1,141	1,143	1,175
Roundabouts	9	11	11	13
<b>Culture and recreation:</b>				
Acreage	528	528	528	528
Playgrounds	9	9	9	9
Baseball/softball fields	9	9	9	9
Soccer fields	17	17	17	17
<b>Water utility</b>				
Watermain (miles)	93	93	94	94
<b>Sewer utility</b>				
Mains (miles)	86	86	87	87
<b>Golf course (9 hole course)</b>				
Golf carts	22	22	22	25
<b>Storm water</b>				
Ponds constructed	-	-	2	-

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

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2012	2013	2014	2015	2016	2017
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5	5	6	6	6	6
2	2	2	2	2	2
105	106	106	107	108	110
1,202	1,214	1,227	1,315	1,388	1,388
14	14	14	17	17	17
528	528	528	528	528	531
9	9	9	10	10	10
9	9	9	9	9	9
17	17	17	19	19	19
94	95	95	97	97	97
87	88	88	90	90	90
25	25	25	25	25	25
1	1	1	1	1	1