

# **VILLAGE OF HOBART, WISCONSIN**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**INCLUDING AUDITORS' REPORTS  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31,**

**2013**

Prepared by Village Staff  
Andrew J. Vickers, M.P.A.  
Village Administrator  
Mary Smith, CMC, WCMC  
Clerk Treasurer

**VILLAGE OF HOBART, WISCONSIN**

December 31, 2013

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**VILLAGE OF HOBART, WISCONSIN**

December 31, 2013

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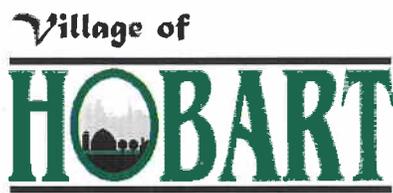
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May 1, 2014

Village President Richard R. Heidel  
Village Trustees  
Village of Hobart Citizens  
Village of Hobart  
Hobart, Wisconsin 54155

The comprehensive annual financial report for the Village of Hobart, Wisconsin for the fiscal year ended December 31, 2013, is hereby submitted. This report consists of management's representations concerning the finances of the Village of Hobart. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village of Hobart has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Hobart's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Hobart's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Hobart's financial statements have been audited by Schenck SC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Hobart for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village of Hobart's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

General accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village of Hobart's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The Village of Hobart is located in northeast Wisconsin in Brown County, approximately 120 miles northwest of the City of Milwaukee, adjacent to the western border of the City of Green Bay and 20 miles northeast of the City of Appleton. The Village encompasses approximately 33 square miles. The Town of Hobart was incorporated as the Village of Hobart on May 13, 2002. With a 2013 Wisconsin Department of Administration population estimate of 7,070, the population of Hobart has increased 14.4% since the 2010 Federal Census report of 6,182 and 38.9% since the 2000 Federal Census report of 5,090. The population and

square mile statistics combine to produce a population density of 214 persons per square mile. This indicates ample land for future growth and orderly development. The Village of Hobart is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board.

The Village of Hobart operates under the board-administrator form of government. Policy making and legislative authority are vested in a governing Village Board consisting of a Village President, elected for a three-year term, and four Trustees elected at-large for two year, staggered terms. The Village Board is elected on a non-partisan basis and is responsible, among other things, for passing ordinances, adopting the budget, appointing certain department director officials, and member appointments to various boards, committees, and commissions. A Village Administrator is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the government, economic development, monitoring and lobbying on state and federal legislation affecting the Village, and annually compiling an executive budget recommendation

The Village provides a full range of municipal services contemplated by statute or character, including public safety, streets, sanitation, parks/recreation/culture, public improvements, planning and zoning, water, sewer and storm water systems, and general administrative services. Public safety is provided with two fire stations and 30 volunteer firefighters, and a police department with 6.25 FTE sworn officers. The Public Works Division is responsible for the engineering, designing and inspection of Village construction projects, maintenance of public roadways within the Village, and a variety of other public works services throughout the year. The Village also provides for refuse and garbage disposal for its residents through an outside contract for services. Total full time equivalent (FTE) municipal employment numbers 18.225. The Pulaski Community School District and West DePere School District serve the Village and provides a comprehensive program for students in kindergarten through twelfth grade. Higher education is provided by the University of Wisconsin-Green Bay and Northeast Wisconsin Technical College, both located in Green Bay, and St. Norbert College located in DePere, Wisconsin.

The annual operating budget serves as the foundation for the Village of Hobart's financial planning and control. The operating budget includes proposed expenditures and the means of financing them and is legally enacted by Village Board action no later than November 30 each calendar year. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund or other activity. Expenditures cannot legally exceed appropriations at this level. The general fund, debt service fund, tax incremental districts and capital projects fund have legally adopted budgets. For the general fund, the budget-to-actual comparison is presented as part of the basic financial statements for the governmental funds.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village of Hobart operates. The basic financial statements focus on Hobart's financial position (existing resources and claims to those resources). Users of financial statements also desire information useful in assessing whether Hobart's financial position is likely to improve or deteriorate in the future (a government's economic condition). This letter provides relevant information for Hobart relating to each of the following:

**Long-term Financial Planning.** The Village of Hobart is developing a Five-Year Capital Improvement Plan (CIP). The plan will contain capital and infrastructure costs of \$5,000 or more based on the Village's capitalization policy. The CIP will detail annual funding sources, expenditures, and narrative descriptions for the capital improvements. The CIP will be updated on an annual basis and be used as a planning document during the annual budget process. The Village Board will also hold its first ever strategic planning session in 2014, which will help to prioritize financial decisions in the context of agreed values, goals and community vision toward the future.

**Relevant Financial Policies.** The Village of Hobart has adopted a comprehensive set of financial policies as guidelines for the annual budget process. The adopted policies consist of the following: General Fund Balance; Debt Management; Cash Management; Capitalization Threshold; Credit Card Utilization; Purchasing and Disbursement.

**Economic Information/Outlook.** The Village of Hobart is a growing community with an estimated 2013 population of 7,070 and a 2013 equalized valuation of \$671,653,400. The equalized valuation has grown by 9.12% since 2010 and 101.3% since 2000. Between 2013 and 2012, the Village gained 4.77% in the full value of its real and personal property, with the largest actual dollar increases in residential and commercial properties.

The Village of Hobart has continued a pattern of economic growth in 2013. The area's economic prosperity has translated into increased wages for the community and more spendable income to support new business development and growth. In 2013, the Village's top employer is Bayland Buildings-BayCo Properties, a real estate and commercial construction company with 167 employees. EMT International a web processing designer and manufacturer with 160 employees is the Village's second largest employer. Metal fabricator High View Custom Fab-HCR Inv. has a workforce of 50 employees, engineering consultant firm Robert E. Lee & Associates has a workforce of 49, and golf course and country club, Thornberry Creek Golf Course, has a staff of 48.

For the third straight year, the Village of Hobart has ranked in the top 5 for new housing starts among all cities, villages and towns in the state of Wisconsin. In 2013, Hobart experienced 80 new single family housing starts, 7 multi-family, and a number of commercial/industrial expansions. The Village has established two tax increment districts (TIDs); TID 1 in 2009 and TID 2 in 2011. The focused economic development of the Village within these two TIDs has resulted in \$61,929,200 in *equalized* incremental value. TID 1 had \$47,573,000 in *equalized* incremental value upon updated assessments as of January 1, 2013; TID 2 had \$14,356,200 *equalized* incremental value. The Village projects that by the end of 2014, TID 1 will have over 500 new residential dwelling units comprised of both single family and multi-family dwellings. A recently-approved plat for a subdivision, Woodfield Prairie, features 41 single family, high-end homes expected to sell in the \$500,000-\$700,000 price range. The subdivision will also feature a neighborhood pool and access to a public conservancy area to be developed in future years.

Despite the Village's focused economic development strategy utilizing tax increment financing, housing starts elsewhere in the Village also remains strong. High-end residential building, with homes valued at \$500,000- \$1,800,000, continues in the Thornberry Creek and Stone Gables subdivisions. The recently-platted Polo Point Second Addition will feature an additional 87 lots expecting to feature homes in the \$250,000-\$350,000 range. Current Village housing trends are expected to be maintained for the next 2-3 years as existing lot inventory remains high.

The Wisconsin Department of Transportation has funded and will be constructing major highway improvements to STH 29, the northern boundary of the Village and its TID 1. 2013 marked the beginning of

the project with an expected completion date of a diamond interchange at CTH FF in August 2014. The highway improvements will be a catalyst for commercial growth in northern Hobart over the next several years, by improving highway access and safety to the Village's commercial opportunities.

The unemployment rate for the Village of Hobart in December 2013 was 5.1 percent which is a decrease from the 5.9 percent rate for December 2012. The state's December unemployment rate was 6.3 percent, with a U.S. unemployment rate of 6.7 percent.

The Village continues to update the Village's homepage and website, ([www.hobart-wi.org](http://www.hobart-wi.org)), including the compilation and coordination of website information for all Village departments and services.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for the Excellence in Financial Reporting to the Village of Hobart, Wisconsin for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of all Village Departments. We would like to express our appreciation to Village team members who assisted and contributed to the preparation of this report. We would also like to thank the Village Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Hobart's finances.

Respectfully submitted,



Andrew J. Vickers, M.P.A.,  
Village Administrator



Mary Smith, CMC, WCMC  
Clerk/Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

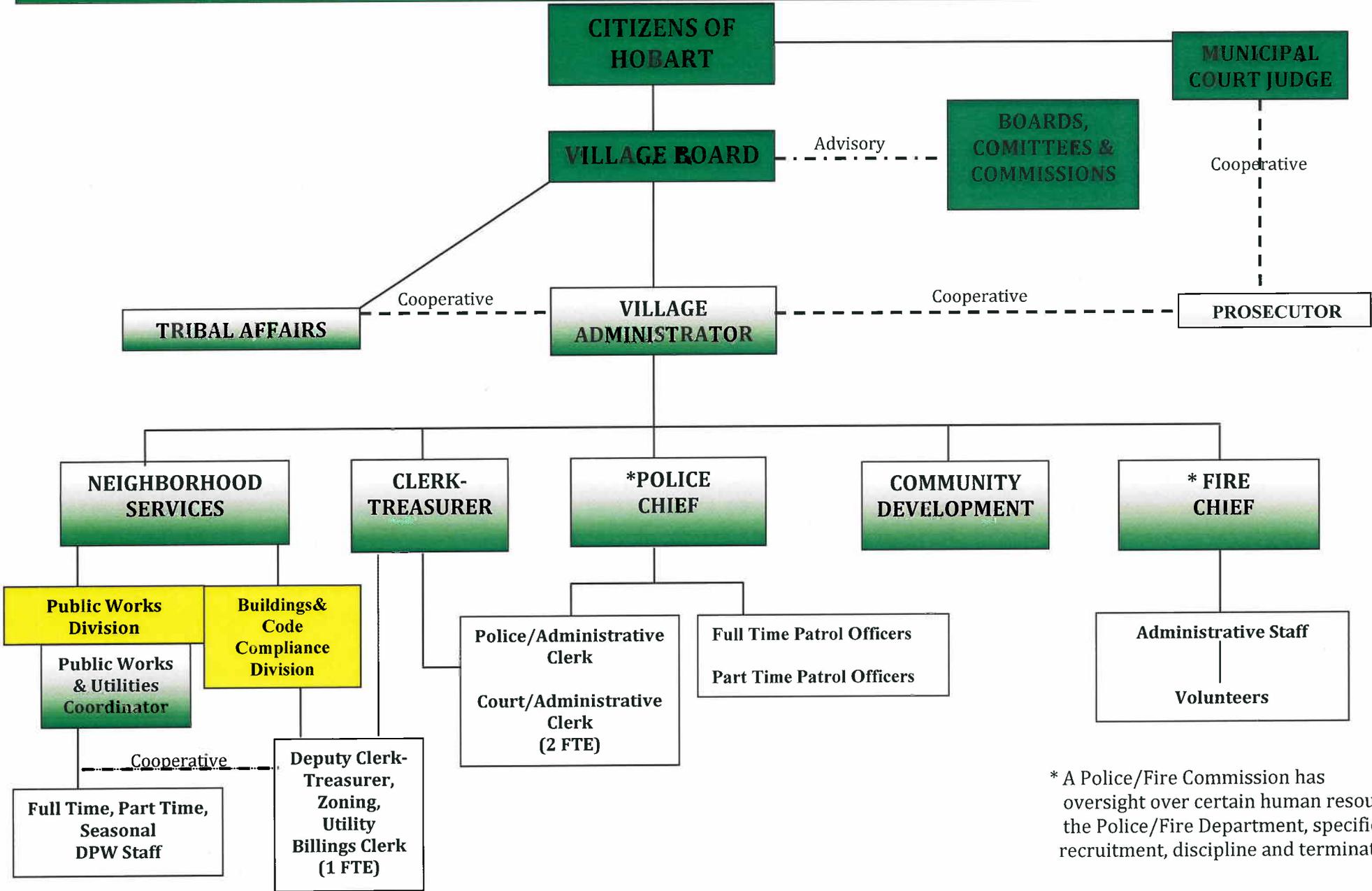
**Village of Hobart**  
**Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

# VILLAGE OF HOBART, WI ORGANIZATIONAL CHART BY TITLE



\* A Police/Fire Commission has oversight over certain human resources of the Police/Fire Department, specifically recruitment, discipline and termination.

GENERAL INFORMATION  
VILLAGE OF HOBART ELECTED OFFICIALS  
December 31, 2013

		Term Expires
PRESIDENT	Richard R. Heidel	April 2014
TRUSTEES	David Dillenberg	April 2015
	Ed Kazik	April 2014
	Debbie Schumacher	April 2014
	Donna Severson	April 2015

GENERAL INFORMATION

VILLAGE OF HOBART DEPARTMENT HEADS / APPOINTED OFFICIALS

December 31, 2013

		Length of Time In This Position	Length of Employment With Village of Hobart
Administrator	Andrew Vickers	4 1/2 years	5 1/2 years
Director of Development & Tribal Affairs	Elaine Willman	5 years	6 years
Police Chief	Randy Bani	10 1/2 years	10 1/2 years
Fire Chief (volunteer)	Jerry Lancelle	2 years	25 years
Director of Neighborhood Services	Allyn Dannhoff	4 years	4 years
Financial Consultant	Brian Ruechel	3 1/2 years	3 1/2 years
Clerk / Treasurer	Mary Smith	30 1/2 years	30 1/2 years
Deputy Clerk / Treasurer	Cindy Kocken	15 1/2 years	15 1/2 years
Public Works Coordinator	Jerry Lancelle	2 1/2 years	2 1/2 years

CERTIFIED PUBLIC ACCOUNTANTS  
Schenck SC, Green Bay, Wisconsin

BOND COUNSEL  
Quarles & Brady, Milwaukee, Wisconsin

FINANCIAL CONSULTANTS  
Mike Hallmann, Lantern & Associates, Muskego, Wisconsin



## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Hobart, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Hobart, Wisconsin ("the Village") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 21 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Report on Summarized Financial Information**

We have previously audited the Village of Hobart, Wisconsin's 2012 financial statements, and our report dated March 18, 2013, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, and each major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

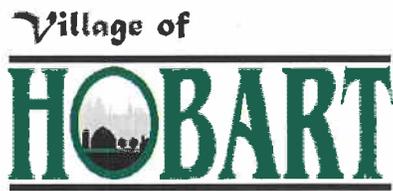
## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
March 25, 2014

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



## VILLAGE OF HOBART

### Management's Discussion and Analysis December 31, 2013

As management of the Village of Hobart, Wisconsin, we offer readers of the Village's basic financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 4 - 7 of this report.

#### Financial Highlights

- The assets of the Village exceeded its liabilities and deferred inflows of resources as of December 31, 2013 by \$11,661,907 (*net position*). Of this amount, (\$1,981,391) (unrestricted net position) is negative because the Village has issued debt for noncapital items relating to development projects in Tax Increment Districts.
- The Village's net position increased by \$1,737,793 due to revenues and transfers in exceeding expenditures and transfers out.
- As of December 31, 2013, the Village's governmental funds reported combined ending fund balances of \$3,143,862, a decrease of \$1,071,003 in comparison with the prior year. The decrease resulted from expenditures relating to capital outlay in Tax Increment Districts. Approximately 0.7% of the fund balance amount, \$23,515 is nonspendable for delinquent taxes and assessments. Approximately 3.4%, \$108,194 is restricted for park development and memorial brick/trees. Approximately 58.5%, \$1,837,626 is assigned for development and capital projects. Approximately 37.4%, \$1,174,527 is unassigned and *available for spending* at the Village's discretion.
- As of December 31, 2013, the unassigned general fund balance of \$1,174,527 was approximately 43.4% of total general fund expenditures.
- The Village's total debt decreased by \$1,287,503 during 2013. On April 15, 2013 \$6,450,000 in general obligation notes were issued for the purpose of paying the cost of refinancing the December 15, 2009 general obligation notes balloon payment to a long term debt obligation.

#### Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplemental information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include: general government, public safety, public works, health and human services, culture and recreation, conservation and development, and interest on debt. The business-type activities of the Village include water, sewer, and storm water utilities.

The government-wide financial statements can be found on pages 22 - 24 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, tax increment district #1 fund, tax increment district #2 fund, and capital projects fund which are all considered to be major funds.

The Village adopts an annual appropriated budget for its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 25 - 29 of this report.

Supplementary information found on pages 49 - 55 of this report provides budget comparison statements for all governmental funds.

**Proprietary funds.** The Village maintains a single type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its water, sewer and storm water utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and storm water utilities funds, all of which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 30 - 32 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 - 48 of this report.

**Other information.** Supplemental schedules can be found on pages 49 - 55.

## Government-wide Financial Analysis

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities and deferred inflows of resources by \$11,661,907 at the close of 2013.

Village of Hobart's Net Position (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 17,719	\$ 18,664	\$ 2,138	\$ 2,415	\$ 19,857	\$ 21,079
Capital assets	12,057	11,478	19,935	18,526	31,992	30,004
Total Assets	29,776	30,142	22,073	20,941	51,849	51,083
Long-term liabilities outstanding	17,143	17,775	8,141	8,689	25,284	26,464
Other liabilities	10,763	11,077	198	292	10,961	11,369
Total Liabilities	27,906	28,852	8,339	8,981	36,245	37,833
Deferred inflows of resources	3,941	3,326	-	-	3,941	3,326
Net Position						
Invested in capital assets, net of related debt	1,742	1,844	11,793	9,837	13,535	11,681
Restricted	108	54	-	-	108	54
Unrestricted	(3,921)	(3,934)	1,940	2,123	(1,981)	(1,811)
Total Net Position	\$ (2,071)	\$ (2,036)	\$ 13,733	\$ 11,960	\$ 11,662	\$ 9,924

The Village reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At December 31, 2013 the governmental activities unrestricted net position is negative because the Village has issued debt for noncapital items relating to development projects in Tax Increment Districts.

An additional portion of the Village's governmental net position \$108,194 represents resources that are subject to external restrictions on how they may be used. \$102,824 is restricted for park development and \$5,370 is restricted for memorial bricks and trees.

**Change in net position.** The Village's governmental activities net position at the end of the year amounted to a negative \$2,071,161. The change in net position during 2013 was a decrease of \$35,682 due to expenditures exceeding revenues and transfers in. The governmental activities net position is negative due to the Village issuing debt for capital items relating to developments projects in Tax Increment Districts.

Net position of the water utility enterprise fund at the end of the year amounted to \$6,941,423. The change in net position during 2013 was an increase of \$779,618. Operating income of \$138,307 from revenues exceeding expenditures and capital contributions resulted in the net position increase. The 2013 operating income was consistent with the prior year.

Net position of the sewer utility enterprise fund at the end of the year amounted to \$4,258,982. The change in net position during 2013 was an increase of \$389,695. Operating income of \$146,370 from revenues exceeding expenditures and capital contributions resulted in the net position increase. The 2013 operating income was consistent with the prior year.

Net position of the storm water utility enterprise fund at the end of the year amounted to \$2,532,663. The change in net position during 2013 was an increase of \$604,162. Operating income of \$193,685 from revenues exceeding expenditures and capital contributions resulted in the net position increase. The operating income for storm water increased due to additional charges for service and a reduction in projects during 2013.

Key elements of the Village's change in net position are shown in the chart below.

<b>Village of Hobart's Change in Net Position</b>						
<b>(In thousands of dollars)</b>						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 1,039	\$ 960	\$ 2,155	\$ 2,034	\$ 3,194	\$ 2,994
Operating grants and contributions	280	313	-	-	280	313
Capital grants and contributions	-	259	1,578	1,205	1,578	1,464
<b>General Revenues</b>						
Property taxes	3,326	2,952	-	70	3,326	3,022
Other taxes	62	64	-	-	62	64
Grants and contributions not restricted to specific programs	68	68	-	-	68	68
Other	65	105	41	37	106	142
<b>Total Revenues</b>	<b>4,840</b>	<b>4,721</b>	<b>3,774</b>	<b>3,346</b>	<b>8,614</b>	<b>8,067</b>
<b>Expenses</b>						
General government	810	693	-	-	810	693
Public safety	1,308	1,208	-	-	1,308	1,208
Public works	991	792	-	-	991	792
Health and human services	3	2	-	-	3	2
Culture and recreation	13	30	-	-	13	30
Conservation and development	1,101	2,005	-	-	1,101	2,005
Interest on long-term debt	687	696	-	-	687	696
Water utility	-	-	791	804	791	804
Sewer utility	-	-	858	765	858	765
Storm Water utility	-	-	314	412	314	412
<b>Total Expenses</b>	<b>4,913</b>	<b>5,426</b>	<b>1,963</b>	<b>1,981</b>	<b>6,876</b>	<b>7,407</b>
<b>Change in Net Position Before Transfers</b>	<b>(73)</b>	<b>(705)</b>	<b>1,811</b>	<b>1,365</b>	<b>1,738</b>	<b>660</b>
<b>Transfers</b>	<b>38</b>	<b>1,949</b>	<b>(38)</b>	<b>(1,949)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(35)</b>	<b>1,244</b>	<b>1,773</b>	<b>(584)</b>	<b>1,738</b>	<b>660</b>
<b>Cumulative Effect of Change in Accounting Principle</b>	<b>-</b>	<b>(171)</b>	<b>-</b>	<b>(196)</b>	<b>-</b>	<b>(367)</b>
<b>Net Position - January 1</b>	<b>(2,036)</b>	<b>(3,109)</b>	<b>11,960</b>	<b>12,740</b>	<b>9,924</b>	<b>9,631</b>
<b>Net Position - December 31</b>	<b>\$ (2,071)</b>	<b>\$ (2,036)</b>	<b>\$ 13,733</b>	<b>\$ 11,960</b>	<b>\$ 11,662</b>	<b>\$ 9,924</b>

The cumulative effect of change in accounting principle for 2012 results from the Village adoption of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which requires debt issuance costs to be expensed in the period incurred, rather than recorded as assets and amortized over the life of the related debt issue. The cumulative effect of change was to decrease the December 31, 2012 net position of the governmental activities by \$170,417 and the net position of the business-type activities and proprietary funds by \$195,995.

## Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

As of December 31, 2013, the Village's governmental funds reported combined ending fund balances of \$3,143,862, a decrease of \$1,071,003 in comparison with the prior year. The decrease resulted from expenditures relating to capital outlay development in Tax Increment Districts. Approximately 37.4% of this amount (\$1,174,527) constitutes *unassigned fund balance*, which is available for spending at the Village's discretion. The remainder of fund balance is not available for new spending because it has already been committed for the following: nonspendable for delinquent taxes and assessments (\$23,515) restricted for park development and memorial brick/trees (\$108,194) and assigned for development and capital projects (\$1,837,626).

The general fund is the main operating fund of the Village. At the end of the current year, unassigned fund balance of the general fund was \$1,174,527. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 43.4% of total general fund expenditures.

The fund balance of the Village's general fund decreased by \$135,917. The decrease resulted from an increase of revenues over budget of \$285,569 due to building and other permits which was offset by increases in legal and police expenditures and, most importantly, a sizable transfer to the capital projects fund for financing future capital projects of \$358,497 which transfer was performed in accordance with the General Fund Balance Policy adopted by the Village Board.

The funds for tax increment finance (TIF) district #1 and #2 account for the revenues and expenses of the Village's two TIF districts. District #1 was created in 2009 and District #2 was created in 2011.

The capital projects fund has a total fund balance of \$961,186 which represents unspent revenues carried over for financing future capital projects.

**Proprietary funds.** The Village's proprietary funds provide the same type of information found in the Village's government-wide financial statements, but in more detail.

Unrestricted net position of the water utility enterprise fund at the end of the year amounted to \$903,028. Total net position was \$6,941,423 and the total increase in net position was \$779,618. Operating income of \$138,307 from revenues exceeding expenditures and capital contributions resulted in the net position increase. The 2013 operating income was consistent with the prior year.

Unrestricted net position of the sewer utility enterprise fund at the end of the year amounted to \$538,567. Total net position was \$4,258,982 and the total increase in net position was \$389,695. Operating income of \$146,370 from revenues exceeding expenditures and capital contributions resulted in the net position increase. The 2013 operating income was consistent with the prior year.

Unrestricted net position of the storm water utility enterprise fund at the end of the year amounted to \$498,224. Total net position was \$2,532,663 and the total increase in net position was \$604,162. Operating income of \$193,685 from revenues exceeding expenditures and capital contributions resulted in the net position increase. The operating income for storm water increased due to additional charges for service and a reduction in projects during 2013.

Other factors concerning the finances of these funds have already been addressed in the discussion of the Village's business-type activities.

## General Fund Budget Highlights

No adjustments were made to the 2013 original adopted and final budget.

Actual revenues exceeded budgeted revenues by \$285,569 primarily due to positive variances in Village Building permit revenue, and local aids from the Town of Lawrence for public safety purposes, among other cumulative small variances within departmental line items.

Actual expenditures exceeded budget by \$86,176 primarily due to increased and unexpected Police Department salary and wages, and Village legal costs.

## Capital Asset and Debt Administration

**Capital assets.** The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2013 amounts to \$31,991,545 (net of accumulated depreciation). This investment in capital assets includes land, buildings and land improvements, machinery and equipment, infrastructure, and construction in progress. The total increase in the Village's investment in capital assets for the current year was \$1,987,313.

Village of Hobart's Capital Assets						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 6,758,873	\$ 6,686,941	\$ 573,701	\$ 573,701	\$ 7,332,574	\$ 7,260,642
Buildings and Improvements	1,127,224	1,127,224	21,659,306	19,262,007	22,786,530	20,389,231
Machinery and equipment	1,606,716	1,573,551	3,367,367	3,355,492	4,974,083	4,929,043
Infrastructure	4,177,291	3,754,319	-	-	4,177,291	3,754,319
Construction in progress	494,346	155,954	183,159	733,783	677,505	889,737
Less accumulated depreciation	(2,107,596)	(1,819,896)	(5,848,842)	(5,398,844)	(7,956,438)	(7,218,740)
Total	\$ 12,056,854	\$ 11,478,093	\$ 19,934,691	\$ 18,526,139	\$ 31,991,545	\$ 30,004,232

During 2013, land increased \$71,932 for governmental activities, buildings and improvements capital assets increased \$2,397,299 for business-type activities, machinery and equipment assets increased \$33,165 for governmental and \$11,875 for business activities, governmental infrastructure asset activities increased \$422,972, construction in progress increased \$338,392 for governmental and decreased \$550,624 for business activities. An increase of \$737,698 was recognized in accumulated depreciation for the Village's capital assets.

More detailed information on the Village's capital asset activity may be found in Note C(4) of the notes to the financial statements.

**Long-term debt.** At the end of the current fiscal year, the Village had total notes outstanding of \$25,066,942. Of this amount, \$17,959,305 comprises debt backed by the full faith and credit of the government and \$4,715,000 are note anticipation notes which will be converted to general obligation debt at some future time, and \$2,392,637 is for interceptor costs being paid to the Green Bay Metropolitan Sewerage District.

Village of Hobart's Outstanding Debt						
General Obligation Debt and Notes Payable						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General obligation notes	\$ 12,210,500	\$ 12,950,000	\$ 5,748,805	\$ 6,119,391	\$ 17,959,305	\$ 19,069,391
Note anticipation notes	4,715,000	4,715,000	-	-	4,715,000	4,715,000
Notes payable -						
Green Bay MSD	-	-	2,392,637	2,570,054	2,392,637	2,570,054
Total	\$ 16,925,500	\$ 17,665,000	\$ 8,141,442	\$ 8,689,445	\$ 25,066,942	\$ 26,354,445

During 2013 the Village's total debt decreased by \$1,287,503. The 2013 decrease resulted from principal debt retirement of \$1,110,086 in general obligation notes, and \$177,417 in notes payable – Green Bay MSD. On April 15, 2013 \$6,450,000 in general obligation notes were issued for the purpose of paying the cost of refinancing the December 15, 2009 general obligation notes balloon payment to a long term debt obligation. The 2009 general obligation notes had a \$6,450,000 principal balloon payment due March 1, 2015. The 2013 refinancing achieved the amortization of this debt on a long term basis and obtained near historic low interest rates that eliminated future interest rate risk. The 2013 general obligation notes have interest rates ranging from 2.25% to 3.70%; the 2009 refinanced notes carried a fixed interest rate of 3.75%.

State statutes limit the amount of general obligation debt the Village may issue to 5% of its total equalized valuation. The current debt limitation for the Village is \$33,582,670, which is significantly in excess of the Village's \$17,959,305 in outstanding general obligation debt. It should be noted, however, that the Village must reserve a portion of its borrowing capacity for the \$4,715,000 of anticipation notes which will be converted to general obligation debt at some time in the future.

The Village's debt credit rating was upgraded by Standard and Poor's from AA- to AA in 2012. Access to the diverse Green Bay area employment base; very strong economic indicators, and positive financial operations and the maintenance of a very strong general fund balance were factors cited for the rating upgrade. Standard and Poor's affirmed the AA credit rating for the April 15, 2013 debt issuance.

More detailed information on the Village's long-term debt activity may be found in Note C(6) of the notes to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

The following economic factors currently affect the Village of Hobart and were considered in developing the 2014 fiscal year budget.

- The unemployment rate for the Village of Hobart in currently 5.1 percent which is a decrease from the 5.9 percent rate a year ago.
- Taxable assessed value for the Village increased by 4.9 percent.
- A 0% property tax rate increase (Village-only tax rate) with no service or employee reductions.
- Additional funds made available to the Capital Projects Fund for road re-paving projects and vehicle equipment reserve accounts established for the Public Works and Fire Departments.
- Expected increases in health insurance premium costs shared by the Village and its employees needed financial accommodation;
- Interest rates are expected to remain at low levels throughout the fiscal year.

For the third straight year, the Village of Hobart has ranked in the top 5 for new housing starts among all cities, villages and towns in the state of Wisconsin. In 2013, Hobart experienced 80 new single family housing starts, 7 multi-family, and a number of commercial/industrial expansions. The Village has established two tax increment districts (TIDs); TID 1 in 2009 and TID 2 in 2011. The focused economic development of the Village within these two TIDs has resulted in over \$61,929,200 *equalized* incremental value. TID 1 had \$47,573,000 *equalized* incremental value upon updated assessments as of January 1, 2013; TID 2 had \$14,356,200 *equalized* incremental value. The Village projects that by the end of 2014, TID 1 will have over 500 new residential dwelling units comprised of both single family and multi-family dwellings. A recently-approved plat for a subdivision, Woodfield Prairie, features 41 single family, high-end lots with expected home construction valuation in the \$500,000-\$700,000 range. The subdivision will also feature a neighborhood pool and access to a public conservancy area to be developed in future years.

Despite the Village's focused economic development strategy utilizing tax increment financing, housing starts elsewhere in the Village also remains strong. High-end residential building, with homes valued at \$500,000-\$1,800,000, continues in the Thornberry Creek and Stone Gables subdivisions. The recently-platted Polo Point Second Addition will feature an additional 87 lots expecting to feature homes in the \$250,000-\$350,000 range. Current Village housing trends are expected to be maintained for the next 2-3 years as existing lot inventory remains high.

The Wisconsin Department of Transportation has funded and will be constructing major highway improvements to STH 29, the northern boundary of the Village and its TID 1. 2013 marked the beginning of the project with an expected completion date of a diamond interchange at CTH FF in August 2014. The highway improvements will be a catalyst for commercial growth in northern Hobart over the next several years, by improving highway access and safety to the Village's commercial opportunities.

### **Contacting the Village's Financial Management**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Village Administrator, 2990 S. Pine Tree Road, Hobart, Wisconsin 54155.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF HOBART, WISCONSIN**

Statement of Net Position

December 31, 2013

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 6,200,986	\$ 1,006,744	\$ 7,207,730
Receivables			
Taxes	11,402,928	-	11,402,928
Accounts	-	315,766	315,766
Special assessments	51,353	451,309	502,662
Due from other governments	-	364,049	364,049
Restricted assets			
Cash and investments	63,611	-	63,611
Capital assets, nondepreciable			
Land	1,009,028	65,030	1,074,058
Land held for resale	5,749,845	-	5,749,845
Construction in progress	494,346	183,159	677,505
Property held for future use	-	508,671	508,671
Capital assets, depreciable			
Land improvements	-	20,752,145	20,752,145
Buildings and improvements	1,127,224	907,161	2,034,385
Machinery and equipment	1,606,716	3,367,367	4,974,083
Infrastructure	4,177,291	-	4,177,291
Less: Accumulated depreciation	(2,107,596)	(5,848,842)	(7,956,438)
<b>TOTAL ASSETS</b>	<b>29,775,732</b>	<b>22,072,559</b>	<b>51,848,291</b>
<b>LIABILITIES</b>			
Accounts payable	251,692	84,960	336,652
Accrued and other current liabilities	36,511	6,742	43,253
Accrued interest payable	180,646	106,347	286,993
Due to other governments	10,294,531	-	10,294,531
Long-term obligations			
Due within one year	656,989	449,670	1,106,659
Due in more than one year	16,485,595	7,691,772	24,177,367
<b>TOTAL LIABILITIES</b>	<b>27,905,964</b>	<b>8,339,491</b>	<b>36,245,455</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	3,940,929	-	3,940,929
<b>NET POSITION</b>			
Net investment in capital assets	1,741,855	11,793,249	13,535,104
Restricted for			
Subsequent year projects	108,194	-	108,194
Unrestricted (Deficit)	(3,921,210)	1,939,819	(1,981,391)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (2,071,161)</b>	<b>\$ 13,733,068</b>	<b>\$ 11,661,907</b>

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

**VILLAGE OF HOBART, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 809,804	\$ 241,703	\$ -	\$ -
Public safety	1,308,458	370,041	73,878	-
Public works	990,792	378,318	206,208	-
Health and human services	3,580	-	-	-
Culture and recreation	12,921	48,859	-	-
Conservation and development	1,101,149	-	-	-
Interest on debt	687,017	-	-	-
<b>Total Governmental Activities</b>	<u>4,913,721</u>	<u>1,038,921</u>	<u>280,086</u>	<u>-</u>
<b>Business-type Activities</b>				
Water utility	790,576	818,020	-	789,777
Sewer utility	857,597	829,162	-	377,670
Storm water utility	313,793	507,478	-	410,477
<b>Total Business-type Activities</b>	<u>1,961,966</u>	<u>2,154,660</u>	<u>-</u>	<u>1,577,924</u>
<b>Total</b>	<u>\$ 6,875,687</u>	<u>\$ 3,193,581</u>	<u>\$ 280,086</u>	<u>\$ 1,577,924</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Franchise fees and other taxes

Federal and state grants and other contributions

not restricted to specific functions

Interest and investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position (deficit) - January 1

Net position (deficit) - December 31

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

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

\$ (568,101)	\$ -	\$ (568,101)
(864,539)	-	(864,539)
(406,266)	-	(406,266)
(3,580)	-	(3,580)
35,938	-	35,938
(1,101,149)	-	(1,101,149)
(687,017)	-	(687,017)
<u>(3,594,714)</u>	<u>-</u>	<u>(3,594,714)</u>

-	817,221	817,221
-	349,235	349,235
-	604,162	604,162
<u>-</u>	<u>1,770,618</u>	<u>1,770,618</u>

<u>(3,594,714)</u>	<u>1,770,618</u>	<u>(1,824,096)</u>
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2,087,435	-	2,087,435
764,011	-	764,011
474,615	-	474,615
61,899	-	61,899
67,898	-	67,898
23,793	1,701	25,494
41,737	38,800	80,537
37,644	(37,644)	-
<u>3,559,032</u>	<u>2,857</u>	<u>3,561,889</u>

(35,682)	1,773,475	1,737,793
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<u>(2,035,479)</u>	<u>11,959,593</u>	<u>9,924,114</u>
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<u>\$ (2,071,161)</u>	<u>\$ 13,733,068</u>	<u>\$ 11,661,907</u>
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**VILLAGE OF HOBART, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2013

	General	Debt Service	Tax Incremental District #1	Capital Projects	Tax Incremental District #2	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 4,309,964	\$ -	\$ 863,286	\$ 965,875	\$ 61,861	\$ 6,200,986
Receivables						
Taxes	8,858,371	588,359	995,649	636,575	300,459	11,379,413
Delinquent taxes and special assessments	23,515	-	-	-	-	23,515
Special assessments	-	51,353	-	-	-	51,353
Restricted cash and investments	-	-	-	-	63,611	63,611
<b>TOTAL ASSETS</b>	<b>\$ 13,191,850</b>	<b>\$ 639,712</b>	<b>\$ 1,858,935</b>	<b>\$ 1,602,450</b>	<b>\$ 425,931</b>	<b>\$ 17,718,878</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 134,685	\$ -	\$ 111,878	\$ 4,689	\$ 440	\$ 251,692
Accrued payroll liabilities	36,511	-	-	-	-	36,511
Due to other governmental units	10,294,531	-	-	-	-	10,294,531
<b>Total Liabilities</b>	<b>10,465,727</b>	<b>-</b>	<b>111,878</b>	<b>4,689</b>	<b>440</b>	<b>10,582,734</b>
<b>Deferred Inflows of Resources</b>						
Property taxes	1,419,887	588,359	995,649	636,575	300,459	3,940,929
Special assessments	-	51,353	-	-	-	51,353
<b>Total Deferred Inflows of Resources</b>	<b>1,419,887</b>	<b>639,712</b>	<b>995,649</b>	<b>636,575</b>	<b>300,459</b>	<b>3,992,282</b>
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Delinquent taxes and assessments	23,515	-	-	-	-	23,515
<b>Restricted</b>						
Park development	102,824	-	-	-	-	102,824
Memorial brick/trees	5,370	-	-	-	-	5,370
<b>Assigned</b>						
Development	-	-	751,408	-	125,032	876,440
Capital projects	-	-	-	961,186	-	961,186
<b>Unassigned, reported in</b>						
General fund	1,174,527	-	-	-	-	1,174,527
<b>Total Fund Balances</b>	<b>1,306,236</b>	<b>-</b>	<b>751,408</b>	<b>961,186</b>	<b>125,032</b>	<b>3,143,862</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,191,850</b>	<b>\$ 639,712</b>	<b>\$ 1,858,935</b>	<b>\$ 1,602,450</b>	<b>\$ 425,931</b>	<b>\$ 17,718,878</b>

(Continued)

**VILLAGE OF HOBART, WISCONSIN**  
 Balance Sheet (Continued)  
 Governmental Funds  
 December 31, 2013

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page		\$ 3,143,862
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		12,056,854
Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Notes payable	\$ (16,925,500)	
Premium on debt issued	(217,084)	
Accrued interest on long-term obligations	(180,646)	(17,323,230)
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.		
Special assessments		51,353
Net Position (Deficit) of Governmental Activities as Reported on the Statement of Net Position (see page 22)		\$ (2,071,161)

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

**VILLAGE OF HOBART, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2013

	General	Debt Service	Tax Incremental District #1	Capital Projects	Tax Incremental District #2	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 1,412,671	\$ 764,011	\$ 629,476	\$ 474,615	\$ 60,413	\$ 3,341,186
Special assessments	-	30,877	-	-	-	30,877
Intergovernmental	647,805	-	4,703	-	68	652,576
Licenses and permits	295,246	-	-	-	-	295,246
Fines and forfeits	50,107	-	-	-	-	50,107
Public charges for services	435,750	-	-	-	-	435,750
Other	46,909	4,958	-	147,000	159	199,026
<b>Total Revenues</b>	<b>2,888,488</b>	<b>799,846</b>	<b>634,179</b>	<b>621,615</b>	<b>60,640</b>	<b>5,004,768</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	782,172	-	-	-	-	782,172
Public safety	1,178,274	-	-	-	-	1,178,274
Public works	633,306	-	-	-	-	633,306
Health and human services	3,580	-	-	-	-	3,580
Culture and recreation	5,291	-	-	-	-	5,291
Conservation and development	100,929	-	17,949	-	3,306	122,184
<b>Debt service</b>						
Principal	-	6,949,500	240,000	-	-	7,189,500
Interest and fiscal charges	-	416,998	240,691	-	43,240	700,929
Capital outlay	-	-	1,408,342	644,965	16,140	2,069,447
<b>Total Expenditures</b>	<b>2,703,552</b>	<b>7,366,498</b>	<b>1,906,982</b>	<b>644,965</b>	<b>62,686</b>	<b>12,684,683</b>
<b>Excess of Revenues Over (Under)</b>						
Expenditures	184,936	(6,566,652)	(1,272,803)	(23,350)	(2,046)	(7,679,915)
<b>Other Financing Sources (Uses)</b>						
Long-term debt issued	-	6,450,000	-	-	-	6,450,000
Premium on debt issued	-	121,268	-	-	-	121,268
Transfers in	37,644	-	-	363,113	-	400,757
Transfers out	(358,497)	(4,616)	-	-	-	(363,113)
<b>Total Other Financing Sources (Uses)</b>	<b>(320,853)</b>	<b>6,566,652</b>	<b>-</b>	<b>363,113</b>	<b>-</b>	<b>6,608,912</b>
<b>Net Change in Fund Balances</b>	<b>(135,917)</b>	<b>-</b>	<b>(1,272,803)</b>	<b>339,763</b>	<b>(2,046)</b>	<b>(1,071,003)</b>
Fund Balances - January 1	1,442,153	-	2,024,211	621,423	127,078	4,214,865
Fund Balances - December 31	\$ 1,306,236	\$ -	\$ 751,408	\$ 961,186	\$ 125,032	\$ 3,143,862

(Continued)

**VILLAGE OF HOBART, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2013

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page \$ (1,071,003)

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

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

Capital assets reported as capital outlay in governmental fund statements	\$ 999,957	
Depreciation expense reported in the statement of activities	<u>(287,700)</u>	712,257

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

Proceeds from the disposition of capital assets are reported on the governmental funds operating statement	(147,000)	
Gain on disposition reported on the statement of activities	<u>13,504</u>	(133,496)

The issuance of long-term debt provides current financial resources to the governmental funds.

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

Principal paid on long-term debt		7,189,500
Long-term debt issued		(6,450,000)
Premium on debt issued		(107,858)

Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.		502
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Revenues reported in the fund statement that were earned in a prior year are not recognized as revenues in the statement of activities.		<u>(175,584)</u>
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Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 23 - 24)		<u><u>\$ (35,682)</u></u>
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The notes to the basic financial statements are an integral part of this statement.

**VILLAGE OF HOBART, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,406,303	\$ 1,406,303	\$ 1,412,671	\$ 6,368
Intergovernmental	556,538	556,538	647,805	91,267
Licenses and permits	133,390	133,390	295,246	161,856
Fines and forfeits	52,500	52,500	50,107	(2,393)
Public charges for services	429,458	429,458	435,750	6,292
Other general government	24,730	24,730	46,909	22,179
<b>Total Revenues</b>	<b>2,602,919</b>	<b>2,602,919</b>	<b>2,888,488</b>	<b>285,569</b>
<b>Expenditures</b>				
General government	702,978	702,978	782,172	(79,194)
Public safety	1,138,935	1,138,935	1,178,274	(39,339)
Public works	659,037	659,037	633,306	25,731
Health and human services	4,134	4,134	3,580	554
Culture and recreation	11,250	11,250	5,291	5,959
Conservation and development	101,042	101,042	100,929	113
<b>Total Expenditures</b>	<b>2,617,376</b>	<b>2,617,376</b>	<b>2,703,552</b>	<b>(86,176)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(14,457)</b>	<b>(14,457)</b>	<b>184,936</b>	<b>199,393</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	14,457	14,457	37,644	23,187
Transfers out	-	-	(358,497)	(358,497)
<b>Total Other Financing Sources (Uses)</b>	<b>14,457</b>	<b>14,457</b>	<b>(320,853)</b>	<b>(335,310)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(135,917)</b>	<b>(135,917)</b>
<b>Fund Balance - January 1</b>	<b>1,442,153</b>	<b>1,442,153</b>	<b>1,442,153</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,442,153</b>	<b>\$ 1,442,153</b>	<b>\$ 1,306,236</b>	<b>\$ (135,917)</b>

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

**VILLAGE OF HOBART, WISCONSIN**

Statement of Net Position

Proprietary Funds

December 31, 2013

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 433,456	\$ 335,461	\$ 237,827	\$ 1,006,744
Accounts receivable	130,589	185,177	-	315,766
Due from other governments	222,381	141,668	-	364,049
<b>Total Current Assets</b>	<b>786,426</b>	<b>662,306</b>	<b>237,827</b>	<b>1,686,559</b>
Noncurrent assets				
Capital assets, nondepreciable				
Land	65,030	-	-	65,030
Construction in progress	-	-	183,159	183,159
Property held for future use	-	508,671	-	508,671
Capital assets, depreciable				
Structure and improvements	907,161	-	-	907,161
Improvements other than buildings	9,968,089	8,847,190	1,936,866	20,752,145
Equipment	874,971	2,448,856	43,540	3,367,367
Less: Accumulated depreciation	(2,349,269)	(3,370,447)	(129,126)	(5,848,842)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>9,465,982</b>	<b>8,434,270</b>	<b>2,034,439</b>	<b>19,934,691</b>
Other Assets				
Special assessments	286	5,629	272,383	278,298
Special assessments deferred	170,318	-	2,693	173,011
<b>Total Noncurrent Assets</b>	<b>9,636,586</b>	<b>8,439,899</b>	<b>2,309,515</b>	<b>20,386,000</b>
<b>TOTAL ASSETS</b>	<b>10,423,012</b>	<b>9,102,205</b>	<b>2,547,342</b>	<b>22,072,559</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	41,080	32,097	11,783	84,960
Accrued expenses	1,979	1,867	2,896	6,742
Accrued interest	10,943	95,404	-	106,347
<b>Total Current Liabilities</b>	<b>54,002</b>	<b>129,368</b>	<b>14,679</b>	<b>198,049</b>
Noncurrent				
Due within one year	150,257	299,413	-	449,670
Due in more than one year	3,277,330	4,414,442	-	7,691,772
<b>Total Noncurrent Liabilities</b>	<b>3,427,587</b>	<b>4,713,855</b>	<b>-</b>	<b>8,141,442</b>
<b>TOTAL LIABILITIES</b>	<b>3,481,589</b>	<b>4,843,223</b>	<b>14,679</b>	<b>8,339,491</b>
<b>NET POSITION</b>				
Net investment in capital assets	6,038,395	3,720,415	2,034,439	11,793,249
Unrestricted	903,028	538,567	498,224	1,939,819
<b>TOTAL NET POSITION</b>	<b>\$ 6,941,423</b>	<b>\$ 4,258,982</b>	<b>\$ 2,532,663</b>	<b>\$ 13,733,068</b>

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

**VILLAGE OF HOBART, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2013

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>Operating Revenues</b>				
Charges for Services				
Metered sales				
Residential	\$ 476,041	\$ 581,970	\$ -	\$ 1,058,011
Commercial	64,920	114,950	-	179,870
Industrial	-	110,050	-	110,050
Public authority	1,022	4,719	-	5,741
Private fire protection	16,740	-	-	16,740
Public fire protection	223,034	-	-	223,034
Total Charges for Services	<u>781,757</u>	<u>811,689</u>	<u>-</u>	<u>1,593,446</u>
Other Operating Revenues				
Inspection fees	4,800	10,350	-	15,150
Well operation permits	19,000	-	-	19,000
Other operating revenues	12,463	7,123	507,478	527,064
Total Other Operating Revenues	<u>36,263</u>	<u>17,473</u>	<u>507,478</u>	<u>561,214</u>
<b>Total Operating Revenues</b>	<u>818,020</u>	<u>829,162</u>	<u>507,478</u>	<u>2,154,660</u>
<b>Operating Expenses</b>				
Operation and Maintenance				
Purchased water	235,915	-	-	235,915
Power for pumping	15,904	4,641	-	20,545
Operation labor	31,114	34,064	29,360	94,538
Treatment charges	-	272,238	-	272,238
Chemicals	926	-	-	926
Maintenance of plant	27,319	22,306	36,367	85,992
Operation supplies and expense	9,859	11,940	1,377	23,176
Administrative and general salaries	32,610	25,703	65,958	124,271
Office supplies and expense	4,676	723	-	5,399
Outside services	53,934	59,767	104,843	218,544
Employee pensions and benefits	21,201	17,799	21,692	60,692
Regulatory expense	125	-	-	125
Insurance expense	4,637	2,957	-	7,594
Miscellaneous general expenses	2,293	471	1,571	4,335
Total Operation and Maintenance	<u>440,513</u>	<u>452,609</u>	<u>261,168</u>	<u>1,154,290</u>
Depreciation	234,072	225,363	45,568	505,003
Taxes	5,128	4,820	7,057	17,005
Total Operating Expenses	<u>679,713</u>	<u>682,792</u>	<u>313,793</u>	<u>1,676,298</u>
<b>Operating Income</b>	<u>138,307</u>	<u>146,370</u>	<u>193,685</u>	<u>478,362</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest income	41	1,660	-	1,701
Hook-up fees	-	38,800	-	38,800
Interest and fiscal charges	(110,863)	(174,805)	-	(285,668)
Total Nonoperating Revenues (Expenses)	<u>(110,822)</u>	<u>(134,345)</u>	<u>-</u>	<u>(245,167)</u>
<b>Income Before Contributions and Transfers</b>	27,485	12,025	193,685	233,195
Capital contributions	789,777	377,670	410,477	1,577,924
Transfers out	(37,644)	-	-	(37,644)
<b>Change in Net Position</b>	779,618	389,695	604,162	1,773,475
<b>Net Position - January 1</b>	<u>6,161,805</u>	<u>3,869,287</u>	<u>1,928,501</u>	<u>11,959,593</u>
<b>Net Position - December 31</b>	<u>\$ 6,941,423</u>	<u>\$ 4,258,982</u>	<u>\$ 2,532,663</u>	<u>\$ 13,733,068</u>

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

**VILLAGE OF HOBART, WISCONSIN**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2013

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>Cash Flows from Operating Activities</b>				
Cash received from user charges	\$ 587,511	\$ 675,502	\$ 507,478	\$ 1,770,491
Cash payments to suppliers	(351,957)	(380,920)	(236,052)	(968,929)
Cash payments to employees	(84,122)	(81,930)	(117,666)	(283,718)
Net Cash Provided by Operating Activities	<u>151,432</u>	<u>212,652</u>	<u>153,760</u>	<u>517,844</u>
<b>Cash Flows from Non-Capital Financing Activities</b>				
Transfer to other funds	<u>(37,644)</u>	-	-	<u>(37,644)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	(203,022)	(9,499)	(453,754)	(666,275)
Principal payments on long-term debt	(149,266)	(398,737)	-	(548,003)
Interest payments on long-term debt	(111,290)	(187,165)	-	(298,455)
Hook up fees	-	38,800	-	38,800
Contributions from property owners	159	4,520	3,132	7,811
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(463,419)</u>	<u>(552,081)</u>	<u>(450,622)</u>	<u>(1,466,122)</u>
<b>Cash Flows from Investing Activities</b>				
Interest on investments	<u>41</u>	<u>1,660</u>	<u>-</u>	<u>1,701</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(349,590)	(337,769)	(296,862)	(984,221)
Cash and Cash Equivalents - Beginning of Year	<u>783,046</u>	<u>673,230</u>	<u>534,689</u>	<u>1,990,965</u>
Cash and Cash Equivalents - End of Year	<u>\$ 433,456</u>	<u>\$ 335,461</u>	<u>\$ 237,827</u>	<u>\$ 1,006,744</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating income	\$ 138,307	\$ 146,370	\$ 193,685	\$ 478,362
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	234,072	225,363	45,568	505,003
Depreciation allocation for meters	8,012	(8,012)	-	-
Changes in assets and liabilities				
Accounts receivable	(8,128)	(11,992)	-	(20,120)
Due from other governments	(222,381)	(141,668)	-	(364,049)
Accounts payable	1,799	2,544	(86,183)	(81,840)
Accrued expenses	(249)	47	690	488
Net Cash Provided by Operating Activities	<u>\$ 151,432</u>	<u>\$ 212,652</u>	<u>\$ 153,760</u>	<u>\$ 517,844</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Capital assets contributed	<u>\$ 789,777</u>	<u>\$ 377,670</u>	<u>\$ 410,477</u>	<u>\$ 1,577,924</u>

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

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

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

1. Reporting Entity

The Village of Hobart is a municipal corporation governed by an elected five member board. In accordance with GAAP, the basic financial statements are required to include the Village (the primary government) and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

2. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The Village has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

**GENERAL FUND**

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

**DEBT SERVICE FUND**

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

**TAX INCREMENTAL DISTRICT #1 CAPITAL PROJECTS FUND**

This fund accounts for the resources accumulated and payment made for the development of the Centennial Centre project.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

CAPITAL PROJECTS FUND

This fund accounts for all other major capital expenditures of the Village, other than those accounted for in the Tax Incremental District Capital Project Funds and the enterprise funds.

TAX INCREMENTAL DISTRICT #2 CAPITAL PROJECTS FUND

This fund accounts for the resources accumulated and payment made for the development of Tax Incremental District #2.

The Village reports the following major enterprise funds:

WATER UTILITY FUND

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

SEWER UTILITY FUND

This fund accounts for the operations of the Village's sewer utility.

STORM WATER UTILITY

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

3. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

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

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

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

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

a. Cash and Investments

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

b. Accounts Receivable

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

c. Interfund Receivables and Payables

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

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

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

d. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The Village has not reported infrastructure assets acquired or constructed prior to 2004.

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

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

	Governmental Activities	Business-type Activities
	Years	
<u>Assets</u>		
Buildings	40	25 - 50
Land improvements	20	25 - 100
Machinery and equipment	4 - 20	3 - 10
Infrastructure	30	N/A

e. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will 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 currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The Village also has an additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

f. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as expenses.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

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

g. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Amount of net position that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

5. Use of Estimates

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

**NOTE B - STEWARDSHIP AND COMPLIANCE**

Budgets and Budgetary Accounting

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

1. During October, 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.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general and debt service funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general, debt service funds, and capital projects funds. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.
4. 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.
5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2013.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

1. Cash and Investments

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

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

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Village's cash and investments totaled \$7,271,341 on December 31, 2013 as summarized below:

Deposits with financial institutions	\$ 7,126,189
Investments	
Money market mutual funds	106,901
Wisconsin local government investment pool	38,251
	\$ 7,271,341

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 7,207,730
Restricted cash and investments	63,611
	\$ 7,271,341

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

Custodial Credit Risk

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

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

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

As of December 31, 2013, \$5,635,548 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. All amounts were collateralized.

Credit Risk

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

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Money market mutual funds	\$ 106,901	\$ -	\$ -	\$ -	\$ 106,901
Wisconsin Local Government Investment Pool	38,251	-	-	-	38,251
<b>Totals</b>	<b>\$ 145,152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 145,152</b>

Concentration of Credit Risk

The investment policy of the Village contains no limitations on the amount that can be invested in any one issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Money market mutual funds	\$ 106,901	\$ 106,901	\$ -	\$ -	\$ -
Wisconsin Local Government Investment Pool	38,251	38,251	-	-	-
<b>Totals</b>	<b>\$ 145,152</b>	<b>\$ 145,152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin local government investment pool of \$38,251 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

2. Property Taxes

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

The Village bills its own property taxes and also levies taxes for the Pulaski School District, West De Pere School District, Brown County, Northeast Wisconsin Technical Collage and the State of Wisconsin. Brown County has assumed tax collection responsibilities for the Village.

3. Restricted Assets

Restricted assets on December 31, 2013 totaled \$63,611 and consisted of cash and investments held for the following purposes:

Developer escrow	\$ 63,611
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4. Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 803,600	\$ 205,428	\$ -	\$ 1,009,028
Land held for resale	5,883,341	-	133,496	5,749,845
Construction work in progress	155,954	494,346	155,954	494,346
Total capital assets, not being depreciated	6,842,895	699,774	289,450	7,253,219
Capital assets, being depreciated:				
Buildings and improvements	1,127,224	-	-	1,127,224
Machinery and equipment	1,573,551	33,165	-	1,606,716
Infrastructure	3,754,319	422,972	-	4,177,291
Subtotals	6,455,094	456,137	-	6,911,231
Less accumulated depreciation for:				
Buildings and improvements	589,959	25,932	-	615,891
Machinery and equipment	123,714	28,787	-	152,501
Vehicles	707,215	98,061	-	805,276
Infrastructure	399,008	134,920	-	533,928
Subtotals	1,819,896	287,700	-	2,107,596
Total capital assets, being depreciated, net	4,635,198	168,437	-	4,803,635
Governmental activities capital assets, net	\$ 11,478,093	\$ 868,211	\$ 289,450	12,056,854
Less related long-term debt outstanding				10,314,999
Net investment in capital assets				\$ 1,741,855

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 65,030	\$ -	\$ -	\$ 65,030
Construction in progress	733,783	197,125	747,749	183,159
Property held for future use	508,671	-	-	508,671
Subtotals	<u>1,307,484</u>	<u>197,125</u>	<u>747,749</u>	<u>756,860</u>
Capital assets, being depreciated:				
Buildings	907,161	-	-	907,161
Land improvements	18,354,846	2,452,304	55,005	20,752,145
Machinery and equipment	3,355,492	11,875	-	3,367,367
Subtotals	<u>22,617,499</u>	<u>2,464,179</u>	<u>55,005</u>	<u>25,026,673</u>
Less accumulated depreciation for:				
Buildings	132,087	29,030	-	161,117
Land improvements	4,041,097	382,569	55,005	4,368,661
Machinery and equipment	1,225,660	93,404	-	1,319,064
Subtotals	<u>5,398,844</u>	<u>505,003</u>	<u>55,005</u>	<u>5,848,842</u>
Total capital assets, being depreciated, net	<u>17,218,655</u>	<u>1,959,176</u>	<u>-</u>	<u>19,177,831</u>
Business-type activities capital assets, net	<u>\$ 18,526,139</u>	<u>\$ 2,156,301</u>	<u>\$ 747,749</u>	19,934,691
Less related long-term debt outstanding				<u>8,141,442</u>
Net investment in capital assets				<u>\$ 11,793,249</u>

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

Governmental activities	
General government	\$ 12,296
Public safety	82,177
Public works	189,532
Culture and recreation	3,695
Total depreciation expense - governmental activities	<u>\$ 287,700</u>
Business-type activities	
Water utility	\$ 234,072
Sewer utility	225,363
Storm water utility	45,568
Total depreciation expense - business-type activities	<u>\$ 505,003</u>

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

5. Interfund Receivable, Payables, and Transfers

Interfund transfers for the year ended December 31, 2013 were as follows:

	Transfer to:		
	General Fund	Capital Projects	Total
Transfers from:			
Water utility enterprise fund	\$ 37,644	\$ -	\$ 37,644
General fund	-	358,497	358,497
Debt service fund	-	4,616	4,616
Totals	<u>\$ 37,644</u>	<u>\$ 363,113</u>	<u>\$ 400,757</u>

The general fund transfer for 2013 relates to the utility payment in lieu of taxes made by the water utility to the Village's general fund. The transfer from general fund to capital projects was to transfer excess funds per Village policy. The transfer from debt service to capital projects was to transfer excess funds per Village policy.

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2013:

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Notes	\$ 12,950,000	\$ 6,450,000	\$ 7,189,500	\$ 12,210,500	\$ 636,000
Note anticipation notes	4,715,000	-	-	4,715,000	-
Premium on debt issued	109,226	121,268	13,410	217,084	20,989
Governmental activities					
Long-term obligations	<u>\$ 17,774,226</u>	<u>\$ 6,571,268</u>	<u>\$ 7,202,910</u>	<u>\$ 17,142,584</u>	<u>\$ 656,989</u>
<b>Business-type activities:</b>					
General Obligation Debt					
Notes	\$ 6,119,391	\$ -	\$ 370,586	\$ 5,748,805	\$ 265,078
Notes payable - Green Bay MSD	2,570,054	-	177,417	2,392,637	184,592
Business-type activities					
Long-term obligations	<u>\$ 8,689,445</u>	<u>\$ -</u>	<u>\$ 548,003</u>	<u>\$ 8,141,442</u>	<u>\$ 449,670</u>

Total interest paid during the year on long-term debt totaled \$689,807.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Notes

\$1,125,000 issued 7/15/03; \$105,000 to \$115,000 due annually through 2016; interest 3.6% to 3.8%	\$ 330,000
\$1,340,000 issued 12/15/03; \$225,000 due in 2014; interest 5.6%	225,000
\$420,000 issued 4/1/07; \$45,000 to \$100,000 due annually through 2017; interest 4.15%	290,000
\$1,300,000 issued 11/22/10; \$20,000 to \$55,000 due annually through 2024; interest 2.25% to 3.45%	510,000
\$1,895,000 issued 11/22/10; \$105,000 to \$165,000 due annually through 2026; interest 1.85% to 5.05%	1,690,000
\$2,900,000 issued 6/7/11; \$115,000 to \$360,000 due annually through 2026; interest 3.0% to 4.05%	2,675,000
\$1,093,507 issued in 2011; \$46,078 to \$66,705 due annually through 2031; interest 2.2%	1,004,305
\$5,000,000 issued 7/10/12; \$240,000 to \$370,000 due annually through 2029; interest 2.7% to 3.125%	4,785,000
\$6,450,000 issued 4/15/13; \$160,000 to \$635,000 due annually 2016 through 2029; interest 2.25% to 3.70%	6,450,000
<b>Total Outstanding General Obligation Debt</b>	<u><u>\$ 17,959,305</u></u>

Annual principal and interest maturities of the outstanding general obligation debt of \$17,959,305 on December 31, 2013 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 636,000	\$ 375,012	\$ 265,078	\$ 173,983	\$ 901,078	\$ 548,995
2015	449,750	356,281	282,342	166,559	732,092	522,840
2016	659,750	340,006	293,378	158,649	953,128	498,655
2017	689,750	320,873	299,437	150,498	989,187	471,371
2018	704,750	302,381	305,519	142,178	1,010,269	444,559
2019 - 2023	3,860,250	1,200,866	1,963,178	555,542	5,823,428	1,756,408
2024 - 2028	4,345,250	519,807	2,004,033	174,153	6,349,283	693,960
2029 - 2031	865,000	15,341	335,840	8,713	1,200,840	24,054
	<u>\$ 12,210,500</u>	<u>\$ 3,430,567</u>	<u>\$ 5,748,805</u>	<u>\$ 1,530,275</u>	<u>\$ 17,959,305</u>	<u>\$ 4,960,842</u>

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2013 was \$15,623,365 as follows:

Equalized valuation of the Village	\$ 671,653,400
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	33,582,670
Total outstanding general obligation debt applicable to debt limitation	\$ 17,959,305
Less: Amounts available for financing general obligation debt	
Debt service fund	-
Net outstanding general obligation debt applicable to debt limitation	17,959,305
Legal Margin for New Debt	\$ 15,623,365

The Village has outstanding \$4,715,000 in note anticipation notes (NANs). Although the outstanding NANs are not included in the calculation of the legal debt margin, the Village is required to reserve its legal debt margin for the amount of the outstanding NANs.

Notes Payable - Green Bay Metropolitan Sewage District

Notes Payable - Green Bay Metropolitan Sewage District outstanding on December 31, 2013 totaled \$2,392,637 and was comprised of the following issues:

\$135,545 issued 1992 for interceptor construction; \$4,674 due annually through 2020; non-interest bearing	\$ 32,718
\$1,697,786 issued 1999 for interceptor construction; \$82,959 to \$113,506 due annually through 2022; interest 3.15% to 4.33%	877,709
\$2,151,581 issued 2005 for interceptor construction; \$96,959 to \$154,069 due annually through 2025; interest 4.3%	1,482,210
Total Notes Payable - Green Bay MSD	\$ 2,392,637

Annual principal and interest payments of the above outstanding notes payable on December 31, 2013 are shown below:

Year Ended December 31	Business-type Activities		
	Principal	Interest	Total
2014	\$ 184,592	\$ 98,832	\$ 283,424
2015	192,069	91,355	283,424
2016	199,859	83,565	283,424
2017	207,976	75,447	283,423
2018	216,434	66,990	283,424
2019 - 2023	1,089,921	195,120	1,285,041
2024 - 2025	301,786	19,602	321,388
	\$ 2,392,637	\$ 630,911	\$ 3,023,548

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

Note Anticipation Notes

Note anticipation notes outstanding at December 31, 2013 totaled \$4,715,000 and were comprised of the following issues:

\$1,065,000 issued 10/4/11; \$1,065,000 due in 2016; interest 2.4%	\$ 1,065,000
\$1,520,000 issued 10/4/11; \$1,520,000 due in 2016; interest 2.55%	1,520,000
\$2,130,000 issued 7/10/12; \$2,130,000 due in 2017; interest 2.35%	<u>2,130,000</u>
Total Note Anticipation Notes	<u>\$ 4,715,000</u>

Annual principal and interest maturities of the above outstanding note anticipation notes of \$4,715,000 on December 31, 2013 are shown below:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2014	\$ -	\$ 114,375
2015	-	114,375
2016	2,585,000	114,375
2017	2,130,000	25,028
	<u>\$ 4,715,000</u>	<u>\$ 368,153</u>

**NOTE D - OTHER INFORMATION**

1. Retirement Commitments

All eligible Village employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. 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. Contribution rates are as follows:

	2013	
	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.65%	6.65%
Executives & Elected Officials	7.0%	7.0%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

The payroll for Village employees covered by the WRS for the year ended December 31, 2013 was \$877,176; the employer's total payroll was \$1,108,561. The total required contribution for the year ended December 31, 2013 was \$131,884, which consisted of \$73,552, or 8.39% of covered payroll from the employer and \$58,332, or 6.65% of covered payroll from employees. Total contributions for the years ending December 31, 2012 and 2011 were \$121,138 and \$108,730 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 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.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

2. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage.

3. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2013 and 2014 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2013 budget was 2.78%. The actual limit for the Village for the 2014 budget was 4.79%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

4. Contingencies

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

5. Subsequent Events

On January 28, 2014, the Village issued \$1,110,000 taxable general obligation notes to refinance the outstanding 2011 Taxable Note Anticipation Notes of \$1,065,000. On that same date, the Village also issued \$3,780,000 general obligation bonds to refinance the outstanding 2011 Note Anticipation Notes of \$1,520,000 and the 2012 Note Anticipation Notes of \$2,130,000.

## **SUPPLEMENTARY INFORMATION**

**VILLAGE OF HOBART, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Budgeted and Actual Revenues**  
**For the Year Ended December 31, 2013**  
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
<b>Taxes</b>				
General property	\$ 1,399,010	\$ 1,397,546	\$ (1,464)	\$ 1,293,930
Managed forest crop tax	250	52	(198)	61
Payment in lieu of taxes	1,693	1,744	51	1,693
Interest on taxes	4,850	4,763	(87)	11,911
Use value penalty	500	8,566	8,066	6,003
<b>Total Taxes</b>	<b>1,406,303</b>	<b>1,412,671</b>	<b>6,368</b>	<b>1,313,598</b>
<b>Intergovernmental</b>				
<b>Federal aids</b>				
Police grant	10,050	39,151	29,101	45,559
<b>State aids</b>				
Shared taxes	63,060	61,084	(1,976)	63,060
Fire insurance	23,380	23,727	347	22,811
Fire department grant	-	11,000	11,000	(5,869)
Transportation	187,832	187,832	-	208,702
Exempt computer aid	1,900	2,043	143	1,898
Recycling	18,000	18,376	376	18,363
<b>Local aids</b>				
Reimbursements from the Town of Lawrence	252,316	304,592	52,276	313,123
<b>Total Intergovernmental</b>	<b>556,538</b>	<b>647,805</b>	<b>91,267</b>	<b>667,647</b>
<b>Licenses and Permits</b>				
Quarry permits	2,800	4,985	2,185	3,965
Liquor and malt beverages	2,490	2,480	(10)	2,490
Operators license	2,450	7,730	5,280	2,685
Cigarette license	100	50	(50)	100
Dog license	1,350	976	(374)	1,824
Cable TV franchise fees	41,750	46,774	5,024	44,060
Building permits and associated fees	78,550	181,222	102,672	121,348
Site review permits	700	450	(250)	750
Park fee/building permits	-	42,400	42,400	41,137
Park developer fees	-	6,459	6,459	-
Zoning permits	3,200	1,720	(1,480)	2,835
<b>Total Licenses and Permits</b>	<b>133,390</b>	<b>295,246</b>	<b>161,856</b>	<b>221,194</b>
<b>Fines and Forfeits</b>				
Court fines and penalties	52,500	50,107	(2,393)	59,764

(Continued)

**VILLAGE OF HOBART, WISCONSIN**

General Fund

Detailed Comparison of Budgeted and Actual Revenues (Continued)

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Public Charges for Services				
General government	3,000	7,435	4,435	6,010
Garbage collection	310,600	310,896	296	305,753
Police liaison fees	15,814	15,155	(659)	15,354
Street lighting	67,644	67,422	(222)	66,693
Fire calls	4,400	187	(4,213)	3,211
Park rentals	3,000	7,887	4,887	4,660
Land and tower rental fees	25,000	26,768	1,768	30,177
Total Public Charges for Services	<u>429,458</u>	<u>435,750</u>	<u>6,292</u>	<u>431,858</u>
Other General Government				
Reimbursements	3,230	26,725	23,495	75,870
Interest	21,500	18,676	(2,824)	21,210
Other general government	-	1,508	1,508	2,564
Total Other General Government	<u>24,730</u>	<u>46,909</u>	<u>22,179</u>	<u>99,644</u>
Total Revenues	<u>\$ 2,602,919</u>	<u>\$ 2,888,488</u>	<u>\$ 285,569</u>	<u>\$ 2,793,705</u>

**VILLAGE OF HOBART, WISCONSIN**  
 General Fund  
 Detailed Comparison of Budgeted and Actual Expenditures  
 For the Year Ended December 31, 2013  
 (With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
<b>General Government</b>				
Board	\$ 55,864	\$ 54,788	\$ 1,076	\$ 56,305
Municipal court	67,056	73,655	(6,599)	66,547
Legal	204,500	253,425	(48,925)	172,064
Administrator	73,874	76,811	(2,937)	58,855
Clerk	87,795	87,633	162	83,832
General government	18,500	17,882	618	15,951
Information technology	45,465	53,314	(7,849)	57,429
Elections	8,171	5,282	2,889	11,844
Audit and other accounting	4,919	5,282	(363)	5,348
Treasurer	32,816	31,067	1,749	28,999
Uncollected taxes and refunds	3,000	3,563	(563)	4,551
Assessor	32,050	31,139	911	28,460
General building and equipment	45,452	66,790	(21,338)	56,331
General insurance	23,516	21,541	1,975	22,194
<b>Total General Government</b>	<b>702,978</b>	<b>782,172</b>	<b>(79,194)</b>	<b>668,710</b>
<b>Public Safety</b>				
Police department	625,568	691,115	(65,547)	644,823
Fire department	393,987	370,631	23,356	352,339
Building inspection	60,704	61,575	(871)	57,308
Ambulance	54,430	54,428	2	53,091
First responders	4,246	525	3,721	971
<b>Total Public Safety</b>	<b>1,138,935</b>	<b>1,178,274</b>	<b>(39,339)</b>	<b>1,108,532</b>
<b>Public Works</b>				
Highway administration	49,260	44,800	4,460	40,649
Highway maintenance and construction	242,535	226,796	15,739	224,406
Street lighting	81,714	75,728	5,986	86,790
Garbage collection	285,528	285,982	(454)	254,556
<b>Total Public Works</b>	<b>659,037</b>	<b>633,306</b>	<b>25,731</b>	<b>606,401</b>
<b>Health and Human Services</b>				
Animal control	4,134	3,580	554	2,115
<b>Culture and Recreation</b>				
Parks	11,250	5,291	5,959	15,440
<b>Conservation and Development</b>				
Economic development	94,867	99,132	(4,265)	96,838
Gypsy moth grant	3,000	73	2,927	-
Planning	3,175	1,230	1,945	2,550
Memorial brick/tree	-	494	(494)	280
<b>Total Conservation and Development</b>	<b>101,042</b>	<b>100,929</b>	<b>113</b>	<b>99,668</b>
<b>Total Expenditures</b>	<b>\$ 2,617,376</b>	<b>\$ 2,703,552</b>	<b>\$ (86,176)</b>	<b>\$ 2,500,866</b>

**VILLAGE OF HOBART, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Debt Service Fund  
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 816,070	\$ 764,011	\$ 764,011	\$ -
Special assessments	29,196	28,765	30,877	2,112
Other	6,644	4,912	4,958	46
<b>Total Revenues</b>	<b>851,910</b>	<b>797,688</b>	<b>799,846</b>	<b>2,158</b>
<b>Expenditures</b>				
Debt service				
Principal	526,968	499,500	6,949,500	(6,450,000)
Interest and fiscal charges	320,746	298,188	416,998	(118,810)
<b>Total Expenditures</b>	<b>847,714</b>	<b>797,688</b>	<b>7,366,498</b>	<b>(6,568,810)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,196</b>	<b>-</b>	<b>(6,566,652)</b>	<b>(6,566,652)</b>
<b>Other Financing Sources (Uses)</b>				
Long-term debt issued	-	-	6,450,000	6,450,000
Premium on debt issued	-	-	121,268	121,268
Transfers out	-	-	(4,616)	(4,616)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>6,566,652</b>	<b>6,566,652</b>
<b>Net Change in Fund Balance</b>	<b>4,196</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - January 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 4,196</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**VILLAGE OF HOBART, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Tax Incremental District #1 Capital Projects Fund  
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 322,100	\$ 629,476	\$ 629,476	\$ -
Intergovernmental	-	3,400	4,703	1,303
<b>Total Revenues</b>	<u>322,100</u>	<u>632,876</u>	<u>634,179</u>	<u>1,303</u>
<b>Expenditures</b>				
General government	1,076	-	-	-
Conservation and development	-	17,760	17,949	(189)
Debt service				
Principal	101,000	240,000	240,000	-
Interest and fiscal charges	236,787	240,691	240,691	-
Capital outlay	-	-	1,408,342	(1,408,342)
<b>Total Expenditures</b>	<u>338,863</u>	<u>498,451</u>	<u>1,906,982</u>	<u>(1,408,531)</u>
<b>Net Change in Fund Balance</b>	(16,763)	134,425	(1,272,803)	(1,407,228)
<b>Fund Balance - January 1</b>	<u>2,024,211</u>	<u>2,024,211</u>	<u>2,024,211</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 2,007,448</u>	<u>\$ 2,158,636</u>	<u>\$ 751,408</u>	<u>\$ (1,407,228)</u>

**VILLAGE OF HOBART, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Capital Projects Fund  
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 491,260	\$ 474,615	\$ 474,615	\$ -
Other	-	-	147,000	147,000
Total Revenues	491,260	474,615	621,615	147,000
Expenditures				
Capital outlay	488,840	474,615	644,965	(170,350)
Excess of Revenues Over (Under) Expenditures	2,420	-	(23,350)	(23,350)
Other Financing Sources				
Transfers in	-	-	363,113	363,113
Net Change in Fund Balance	2,420	-	339,763	339,763
Fund Balance - January 1	621,423	621,423	621,423	-
Fund Balance - December 31	\$ 623,843	\$ 621,423	\$ 961,186	\$ 339,763

**VILLAGE OF HOBART, WISCONSIN**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Tax Incremental District #2 Capital Projects Fund  
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ -	\$ 60,413	\$ 60,413	\$ -
Intergovernmental	-	-	68	68
Other	-	-	159	159
<b>Total Revenues</b>	<b>-</b>	<b>60,413</b>	<b>60,640</b>	<b>227</b>
<b>Expenditures</b>				
<b>Current</b>				
Conservation and development	-	-	3,306	(3,306)
<b>Debt service</b>				
Principal	35,559	-	-	-
Interest and fiscal charges	4,110	43,240	43,240	-
<b>Capital outlay</b>	-	-	16,140	(16,140)
<b>Total Expenditures</b>	<b>39,669</b>	<b>43,240</b>	<b>62,686</b>	<b>(19,446)</b>
<b>Net Change in Fund Balance</b>	<b>(39,669)</b>	<b>17,173</b>	<b>(2,046)</b>	<b>(19,219)</b>
<b>Fund Balance - January 1</b>	<b>127,078</b>	<b>127,078</b>	<b>127,078</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 87,409</b>	<b>\$ 144,251</b>	<b>\$ 125,032</b>	<b>\$ (19,219)</b>

# STATISTICAL SECTION

This part of the Village of Hobart's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Hobart's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how Hobart's financial performance and well-being have changed over time.</i>	56 - 62
Revenue Capacity	
<i>These schedules contain information to help the reader assess Hobart's most significant local revenue source, the property tax.</i>	63 - 66
Debt Capacity	
<i>These schedules present information to help assess the affordability of Hobart's Current levels of outstanding debt and Hobart's ability to issue additional debt in the future.</i>	67 - 76
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which Hobart's financial activities take place.</i>	77 - 78
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in Hobart's financial report relates to the services Hobart provides and the activities it performs.</i>	79 - 86

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF HOBART, WISCONSIN

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ (8,205,902)	\$ (5,003,769)	\$ (3,968,843)	\$ (3,978,294)	\$ (2,750,144)	\$ (2,984,075)	\$ (2,808,581)	\$ (461,062)	\$ 1,844,162	\$ 1,741,855
Restricted for debt service	1,644,001	1,858,811	2,048,987	2,025,009	2,893,565	2,231,596	2,975,086	-	-	-
Restricted for capital projects	-	84,917	-	-	-	-	-	-	-	-
Restricted for subsequent year projects	-	-	-	-	-	-	-	-	54,229	108,194
Unrestricted	4,639,289	1,454,085	1,363,306	2,420,326	2,956,681	1,849,451	(1,455,816)	(2,648,131)	(3,933,870)	(3,921,210)
<b>Total governmental activities net position</b>	<b>\$ (1,922,612)</b>	<b>\$ (1,605,956)</b>	<b>\$ (556,550)</b>	<b>\$ 467,041</b>	<b>\$ 3,100,102</b>	<b>\$ 1,096,972</b>	<b>\$ (1,289,311)</b>	<b>\$ (3,109,193)</b>	<b>\$ (2,035,479)</b>	<b>\$ (2,071,161)</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 3,618,668	\$ 3,654,329	\$ 3,901,744	\$ 4,103,865	\$ 4,520,238	\$ 6,638,133	\$ 7,546,488	\$ 10,100,028	\$ 9,836,695	\$ 11,793,249
Restricted for plant replacement	181,743	-	-	-	-	-	-	-	-	-
Unrestricted	2,688,838	2,898,544	2,693,297	2,589,853	2,842,413	2,974,635	2,906,144	2,640,075	2,122,898	1,939,819
<b>Total business-type activities net position</b>	<b>\$ 6,489,249</b>	<b>\$ 6,552,873</b>	<b>\$ 6,595,041</b>	<b>\$ 6,693,718</b>	<b>\$ 7,362,651</b>	<b>\$ 9,612,768</b>	<b>\$ 10,452,632</b>	<b>\$ 12,740,103</b>	<b>\$ 11,959,593</b>	<b>\$ 13,733,068</b>
<b>Primary government</b>										
Net investment in capital assets	\$ (4,587,234)	\$ (1,349,440)	\$ (67,099)	\$ 125,571	\$ 1,770,094	\$ 3,654,058	\$ 4,737,907	\$ 9,638,966	\$ 11,680,857	\$ 13,535,104
Restricted for debt service	1,644,001	1,858,811	2,048,987	2,025,009	2,893,565	2,231,596	2,975,086	-	-	-
Restricted for capital projects	-	84,917	-	-	-	-	-	-	-	-
Restricted for subsequent year projects	-	-	-	-	-	-	-	-	54,229	108,194
Restricted for plant replacement	181,743	-	-	-	-	-	-	-	-	-
Unrestricted	7,328,127	4,352,629	4,056,603	5,010,179	5,799,094	4,824,086	1,450,328	(8,056)	(1,810,972)	(1,981,391)
<b>Total primary government net position</b>	<b>\$ 4,566,637</b>	<b>\$ 4,946,917</b>	<b>\$ 6,038,491</b>	<b>\$ 7,160,759</b>	<b>\$ 10,462,753</b>	<b>\$ 10,709,740</b>	<b>\$ 9,163,321</b>	<b>\$ 9,630,910</b>	<b>\$ 9,924,114</b>	<b>\$ 11,661,907</b>

Note:

For each fiscal year where the amount net investment in capital assets for governmental activities is negative the Village has elected, not to retroactively report its infrastructure assets.

For each fiscal year where the amount of unrestricted net position is negative the Village has issued debt for noncapital items relating to development projects in Tax Increment Districts.

**VILLAGE OF HOBART, WISCONSIN**

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 677,103	\$ 1,031,860	\$ 678,499	\$ 862,870	\$ 1,115,624	\$ 744,638	\$ 812,213	\$ 812,043	\$ 692,940	\$ 809,804
Public safety	540,422	681,968	709,320	768,584	856,368	1,103,792	980,844	1,196,094	1,208,225	1,308,458
Public works	671,706	752,807	885,329	660,492	598,413	635,985	624,912	758,866	791,467	990,792
Health and human services	-	-	-	-	-	-	-	6,472	2,115	3,580
Culture and recreation	-	-	22,441	12,052	29,786	17,102	19,086	33,267	30,068	12,921
Conservation and development	116,788	193,935	60,807	95,358	217,228	1,691,623	2,445,164	1,709,414	2,005,275	1,101,149
Interest on debt	664,039	694,094	384,483	356,249	617,230	623,611	729,645	668,157	695,699	687,017
Total governmental activities expenses	2,670,058	3,354,664	2,740,879	2,755,605	3,434,649	4,816,751	5,611,864	5,184,313	5,425,789	4,913,721
Business-type activities:										
Water utility	609,537	544,722	548,739	612,637	658,748	945,171	610,851	725,547	804,064	790,576
Sewer utility	481,450	552,920	699,454	640,548	653,868	681,687	710,856	741,163	765,339	857,597
Storm water utility	-	-	-	132,751	132,449	308,601	264,817	289,553	411,854	313,793
Total business-type activities expenses	1,090,987	1,097,642	1,248,193	1,385,936	1,445,065	1,935,459	1,586,524	1,756,263	1,981,257	1,961,966
Total primary government expenses	\$ 3,761,045	\$ 4,452,306	\$ 3,989,072	\$ 4,141,541	\$ 4,879,714	\$ 6,752,210	\$ 7,198,388	\$ 6,940,576	\$ 7,407,046	\$ 6,875,687

(Continued)

**VILLAGE OF HOBART, WISCONSIN**

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 50,893	\$ 132,948	\$ 270,856	\$ 295,993	\$ 223,901	\$ 221,576	\$ 267,171	\$ 152,674	\$ 176,844	\$ 241,703
Public safety	127,967	66,367	67,767	64,502	102,549	117,370	144,909	305,559	366,632	370,041
Public works	249,318	234,622	220,289	281,753	248,957	372,755	377,767	378,614	372,446	378,318
Culture and recreation	-	-	5,545	3,425	4,580	3,750	9,148	10,909	41,137	48,859
Conservation and development	20,348	10,545	8,919	8,297	5,744	4,631	3,641	4,395	2,389	-
Interest on debt	466,184	111,684	-	-	-	-	-	-	-	-
Operating grants and contributions	341,308	299,710	347,368	360,791	423,517	468,223	316,680	374,038	313,301	280,086
Capital grants and contributions	-	28,817	10,818	1,142	5,125	-	-	294,654	259,029	-
<b>Total governmental activities program revenues</b>	<b>1,256,018</b>	<b>884,693</b>	<b>931,562</b>	<b>1,015,903</b>	<b>1,014,373</b>	<b>1,188,305</b>	<b>1,119,316</b>	<b>1,520,843</b>	<b>1,531,778</b>	<b>1,319,007</b>
Business-type activities:										
Charges for services:										
Water utility	543,608	587,375	563,229	574,185	576,105	624,600	585,122	735,753	835,087	818,020
Sewer utility	358,627	334,956	348,635	358,611	583,917	537,004	499,039	567,769	748,137	829,162
Storm water utility	-	-	-	126,455	456,001	457,177	454,700	465,422	451,273	507,478
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	20,000	119,556	35,979	65,978	237,363	-	-	1,114,070	1,204,783	1,577,924
<b>Total business-type activities program revenues</b>	<b>922,235</b>	<b>1,041,887</b>	<b>947,843</b>	<b>1,125,229</b>	<b>1,853,386</b>	<b>1,618,781</b>	<b>1,538,861</b>	<b>2,883,014</b>	<b>3,239,280</b>	<b>3,732,584</b>
<b>Total primary government program revenues</b>	<b>\$ 2,178,253</b>	<b>\$ 1,926,580</b>	<b>\$ 1,879,405</b>	<b>\$ 2,141,132</b>	<b>\$ 2,867,759</b>	<b>\$ 2,807,086</b>	<b>\$ 2,658,177</b>	<b>\$ 4,403,857</b>	<b>\$ 4,771,058</b>	<b>\$ 5,051,591</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (1,414,040)	\$ (2,469,971)	\$ (1,809,317)	\$ (1,739,702)	\$ (2,420,276)	\$ (3,628,446)	\$ (4,492,548)	\$ (3,663,470)	\$ (3,894,011)	\$ (3,594,714)
Business-type activities	(168,752)	(55,755)	(300,350)	(260,707)	408,321	(316,678)	(47,663)	1,126,751	1,258,023	1,770,618
<b>Total primary government net expense</b>	<b>\$ (1,582,792)</b>	<b>\$ (2,525,726)</b>	<b>\$ (2,109,667)</b>	<b>\$ (2,000,409)</b>	<b>\$ (2,011,955)</b>	<b>\$ (3,945,124)</b>	<b>\$ (4,540,211)</b>	<b>\$ (2,536,719)</b>	<b>\$ (2,635,988)</b>	<b>\$ (1,824,096)</b>

(Continued)

**VILLAGE OF HOBART, WISCONSIN**

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 1,688,951	\$ 2,267,523	\$ 2,037,262	\$ 2,091,626	\$ 2,140,964	\$ 2,244,255	\$ 2,314,555	\$ 2,475,962	\$ 2,952,098	\$ 3,326,061
Other taxes	144,533	64,772	155,331	29,662	2,087	3,093	16,967	48,810	63,728	61,899
Unrestricted state and federal aids	101,843	101,983	102,566	101,492	105,879	100,895	86,420	85,646	68,438	67,898
Interest earnings	174,952	222,507	430,814	391,204	270,039	267,584	114,206	57,359	29,187	23,793
Miscellaneous	37,951	25,144	31,640	42,426	2,229,016	105,101	132,660	113,682	76,045	41,737
Transfers	117,236	104,698	101,110	106,881	104,412	(2,223,672)	(558,545)	(937,871)	1,948,646	37,644
Total governmental activities	2,265,466	2,786,627	2,858,723	2,763,291	4,852,397	497,256	2,106,263	1,843,588	5,138,142	3,559,032
Business-type activities:										
Taxes										
Property taxes	240,000	-	324,228	324,228	324,228	324,228	294,028	194,074	69,530	-
Interest earnings	109,466	100,577	53,112	49,435	37,006	12,378	9,801	4,375	778	1,701
Miscellaneous	21,950	123,499	66,288	92,601	3,790	6,517	25,153	24,400	35,800	38,800
Transfers	(117,236)	(104,698)	(101,110)	(106,881)	(104,412)	2,223,672	558,545	937,871	(1,948,646)	(37,644)
Total business-type activities	254,180	119,378	342,518	359,383	260,612	2,566,795	887,527	1,160,720	(1,842,538)	2,857
Total primary government	\$ 2,519,646	\$ 2,906,005	\$ 3,201,241	\$ 3,122,674	\$ 5,113,009	\$ 3,064,051	\$ 2,993,790	\$ 3,004,308	\$ 3,295,604	\$ 3,561,889
<b>Change in Net Position</b>										
Governmental activities	\$ 851,426	\$ 316,656	\$ 1,049,406	\$ 1,023,589	\$ 2,432,121	\$ (3,131,190)	\$ (2,386,285)	\$ (1,819,882)	\$ 1,244,131	\$ (35,682)
Business-type activities	85,428	63,623	42,168	98,676	668,933	2,250,117	839,864	2,287,471	(584,515)	1,773,475
Total primary government	\$ 936,854	\$ 380,279	\$ 1,091,574	\$ 1,122,265	\$ 3,101,054	\$ (881,073)	\$ (1,546,421)	\$ 467,589	\$ 659,616	\$ 1,737,793

**VILLAGE OF HOBART, WISCONSIN**  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General fund</b>										
Reserved										
Delinquent tax/assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,077	\$ 262,128			
Unreserved										
Undesignated	474,772	664,940	875,394	521,609	538,770	497,855	760,130			
Nonspendable										
Delinquent tax/assessments								\$ 234,996	\$ 244,212	\$ 23,515
Restricted										
Park development								-	48,365	102,824
Memorial brick/trees								-	5,864	5,370
Unassigned								885,672	1,143,712	1,174,527
<b>Total general fund</b>	<b>\$ 474,772</b>	<b>\$ 664,940</b>	<b>\$ 875,394</b>	<b>\$ 521,609</b>	<b>\$ 538,770</b>	<b>\$ 729,932</b>	<b>\$ 1,022,258</b>	<b>\$ 1,120,668</b>	<b>\$ 1,442,153</b>	<b>\$ 1,306,236</b>
<b>All other governmental funds</b>										
Reserved, reported in:										
Special revenue fund	\$ 2,231,755	\$ 7,942,048	\$ -	\$ -	\$ -	\$ -	\$ -			
Debt service fund	1,644,001	1,858,811	2,048,987	2,025,009	2,893,565	8,681,596	2,975,086			
Unreserved										
Designated, reported in:										
Tax increment districts	-	-	-	-	1,816,531	6,286,562	2,976,596			
Capital projects fund	(136,295)	(369,860)	(367,545)	1,249,890	282,700	358,744	319,513			
Assigned, reported in:										
Tax increment districts								\$ 2,131,966	\$ 2,151,289	\$ 876,440
Capital projects fund								666,203	621,423	961,186
<b>Total all other governmental funds</b>	<b>\$ 4,552,557</b>	<b>\$ 9,430,999</b>	<b>\$ 1,681,442</b>	<b>\$ 3,274,899</b>	<b>\$ 4,992,796</b>	<b>\$ 15,326,902</b>	<b>\$ 6,271,195</b>	<b>\$ 2,798,169</b>	<b>\$ 2,772,712</b>	<b>\$ 1,837,626</b>
<b>Total governmental funds</b>	<b>\$ 5,027,329</b>	<b>\$ 10,095,939</b>	<b>\$ 2,556,836</b>	<b>\$ 3,796,508</b>	<b>\$ 5,531,566</b>	<b>\$ 16,056,834</b>	<b>\$ 7,293,453</b>	<b>\$ 3,918,837</b>	<b>\$ 4,214,865</b>	<b>\$ 3,143,862</b>

**Note:**

Years 2004 - 2010 are presented in accordance with generally accepted accounting principles in effect prior to the implementation of GASB Statement #54.

Years 2011 - 2013 are presented in accordance with the requirements of GASB Statement #54.

**VILLAGE OF HOBART, WISCONSIN**  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 1,833,484	\$ 2,332,295	\$ 2,192,593	\$ 2,121,288	\$ 2,143,051	\$ 2,247,348	\$ 2,331,522	\$ 2,484,820	\$ 2,971,766	\$ 3,341,186
Special assessments	144,237	238,591	137,767	127,083	146,579	126,738	124,302	124,303	32,829	30,877
Intergovernmental	472,455	487,214	552,064	579,570	692,648	803,176	674,554	765,561	694,862	652,576
Licenses and permits	138,570	105,894	130,418	112,100	150,683	142,363	182,012	163,321	221,194	295,246
Fines and forfeitures	27,298	33,010	25,349	33,411	55,032	61,927	53,058	50,690	59,764	50,107
Public charges for services	223,839	235,928	223,733	284,770	269,945	383,821	397,837	434,487	431,858	435,750
Proceeds from sale of golf course	-	5,089,597	-	-	-	-	-	-	-	-
Other	708,602	372,282	565,018	541,174	2,450,998	1,397,598	144,269	108,769	107,621	199,026
<b>Total revenues</b>	<b>3,548,485</b>	<b>8,894,811</b>	<b>3,826,942</b>	<b>3,799,396</b>	<b>5,908,936</b>	<b>5,162,971</b>	<b>3,907,554</b>	<b>4,131,951</b>	<b>4,519,894</b>	<b>5,004,768</b>
<b>Expenditures</b>										
General government	664,807	656,759	634,448	788,044	1,103,328	732,850	773,662	791,549	668,710	782,172
Public safety	507,051	626,338	649,040	710,553	797,719	893,108	914,222	1,025,913	1,108,532	1,178,274
Public works	529,693	552,353	515,006	493,925	517,652	557,620	482,609	587,661	606,401	633,306
Health and human services	-	-	-	-	-	-	-	6,472	2,115	3,580
Culture and recreation	-	-	-	-	-	13,226	9,863	14,707	15,440	5,291
Conservation and development	116,607	39,136	52,640	40,005	101,257	123,471	114,376	1,522,643	239,166	122,184
Capital Outlay	127,605	394,146	739,739	1,952,433	6,636,302	3,759,414	4,750,829	783,714	2,533,423	2,069,447
Debt service										
Principal retirement	9,854,074	1,081,624	8,772,678	878,452	2,721,941	670,656	8,220,839	3,710,142	5,621,750	7,189,500
Interest and fiscal charges	864,379	580,543	438,844	233,195	330,091	974,686	760,958	753,941	696,201	700,929
<b>Total Expenditures</b>	<b>12,664,216</b>	<b>3,930,899</b>	<b>11,802,395</b>	<b>5,096,607</b>	<b>12,208,290</b>	<b>7,725,031</b>	<b>16,027,358</b>	<b>9,196,742</b>	<b>11,491,738</b>	<b>12,684,683</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(9,115,731)</b>	<b>4,963,912</b>	<b>(7,975,453)</b>	<b>(1,297,211)</b>	<b>(6,299,354)</b>	<b>(2,562,060)</b>	<b>(12,119,804)</b>	<b>(5,064,791)</b>	<b>(6,971,844)</b>	<b>(7,679,915)</b>

(continued)

**VILLAGE OF HOBART, WISCONSIN**  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other financing sources (uses)</b>										
Long-term debt issued	-	-	335,240	2,430,000	7,930,000	12,975,500	2,962,517	2,585,000	5,210,000	6,450,000
Bond anticipation notes issued	7,720,000	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	21,807	43,046	109,226	121,268
Transfers in	117,236	104,698	8,137,736	551,725	902,006	111,828	1,487,591	1,092,059	1,952,719	400,757
Transfers out	-	-	(8,036,626)	(444,844)	(797,594)	-	(1,115,494)	(2,029,930)	(4,073)	(363,113)
<b>Total other financing sources (uses)</b>	<b>7,837,236</b>	<b>104,698</b>	<b>436,350</b>	<b>2,536,881</b>	<b>8,034,412</b>	<b>13,087,328</b>	<b>3,356,421</b>	<b>1,690,175</b>	<b>7,267,872</b>	<b>6,608,912</b>
<b>Net change in fund balances</b>	<b>\$ (1,278,495)</b>	<b>\$ 5,068,610</b>	<b>\$ (7,539,103)</b>	<b>\$ 1,239,670</b>	<b>\$ 1,735,058</b>	<b>\$ 10,525,268</b>	<b>\$ (8,763,383)</b>	<b>\$ (3,374,616)</b>	<b>\$ 296,028</b>	<b>\$ (1,071,003)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>85.5%</b>	<b>47.0%</b>	<b>83.3%</b>	<b>35.4%</b>	<b>54.8%</b>	<b>41.5%</b>	<b>79.7%</b>	<b>53.1%</b>	<b>70.5%</b>	<b>74.3%</b>

**VILLAGE OF HOBART, WISCONSIN**  
 General Governmental Tax Revenues By Source  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Forest Crop Tax	Tax Exempt Tax	Interest On Tax	Use Value Tax	Total
2004	\$ 1,696,246	\$ 91	\$ 137,147	\$ -	\$ -	\$ 1,833,484
2005	2,323,752	61	1,374	6,278	830	2,332,295
2006	2,047,562	49	138,480	5,147	1,355	2,192,593
2007	2,112,369	49	1,459	6,199	1,212	2,121,288
2008	2,140,964	411	1,504	-	172	2,143,051
2009	2,244,255	52	1,550	-	1,491	2,247,348
2010	2,314,555	250	1,596	14,762	359	2,331,522
2011	2,475,962	52	1,644	7,308	(146)	2,484,820
2012	2,952,098	61	1,693	11,911	6,003	2,971,766
2013	3,326,061	52	1,744	4,763	8,566	3,341,186

**VILLAGE OF HOBART, WISCONSIN**  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

Fiscal Year Ended December 31	Real Property			Personal Property		Total Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual Taxable Valuation	Assessed Value as a Percentage of Actual Value
	Residential	Commercial and Manufacturing	Other	Machinery and Equipment	Other				
2004	\$ 391,858,900	\$ 50,552,000	\$ 7,121,100	\$ 5,473,800	\$ 842,200	\$ 455,848,000	\$ 3.86	\$ 532,325,600	85.63%
2005	415,966,400	52,426,600	6,886,300	6,400,000	1,153,900	482,833,200	4.57	587,198,100	82.23%
2006	427,056,900	56,285,700	7,883,800	6,551,900	1,073,200	498,851,500	4.89	622,786,100	80.10%
2007	542,991,500	57,182,000	10,217,500	6,296,600	1,296,000	617,983,600	4.84	609,943,300	101.32%
2008	547,781,700	61,953,200	9,052,800	7,301,500	817,200	626,906,400	3.99	631,037,600	99.35%
2009	553,678,600	62,958,000	8,806,600	7,375,900	1,619,900	634,439,000	4.10	629,680,100	100.76%
2010	549,713,800	64,821,300	9,246,200	7,906,900	1,103,200	632,791,400	4.10	615,521,000	102.81%
2011	559,262,300	73,002,600	9,241,500	6,800,100	1,057,800	649,364,300	4.20	628,620,700	103.30%
2012	572,047,000	77,923,300	9,254,400	6,383,600	1,283,000	666,891,300	4.20	641,048,400	104.03%
2013	592,467,200	88,730,700	9,317,100	7,543,500	1,386,100	699,444,600	4.17	671,653,400	104.14%

Note: Information obtained from Statistical Reports of Property Values, Bureau of Property Tax, Wisconsin Department of Revenue. Wisconsin State Statute 70.05 (5) (b) requires each taxation district to assess property at full value at least once in every 5-year period. In 2007, a Village-wide revaluation was completed.

**VILLAGE OF HOBART, WISCONSIN**  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year	Direct Rate						Overlapping Rates								Total Direct & Overlapping Rates
	Village of Hobart						State of Wisconsin		County		School District		Technical College		
	Operating Rate	Debt Service Rate	Capital Projects Rate	Total Rate	Percent		Rate	Percent	Rate	Percent	Rate	Percent	Rate	Percent	
2004	\$ 1.68	\$ 2.12	\$ 0.06	\$ 3.86	15.6%	\$ 0.23	0.9%	\$ 6.35	25.6%	\$ 12.49	50.4%	\$ 1.83	7.4%	\$ 24.76	
2005	1.69	2.56	0.32	4.57	17.9%	0.23	0.9%	6.03	23.6%	12.88	50.5%	1.80	7.1%	25.51	
2006	1.90	2.40	0.59	4.89	21.0%	0.23	1.0%	5.66	24.3%	10.72	46.0%	1.82	7.8%	23.32	
2007	1.89	1.82	1.13	4.84	20.1%	0.22	0.9%	5.84	24.3%	11.32	47.1%	1.83	7.6%	24.05	
2008	1.94	1.50	0.55	3.99	20.5%	0.17	0.9%	4.42	22.7%	9.44	48.5%	1.45	7.4%	19.47	
2009	2.04	1.13	0.93	4.10	20.8%	0.17	0.9%	4.87	24.7%	9.11	46.1%	1.49	7.5%	19.74	
2010	2.19	1.31	0.60	4.10	20.5%	0.17	0.9%	4.86	24.3%	9.30	46.6%	1.53	7.7%	19.96	
2011	2.10	1.45	0.65	4.20	20.3%	0.17	0.8%	4.73	22.9%	9.99	48.5%	1.57	7.6%	20.66	
2012	2.05	1.38	0.77	4.20	20.2%	0.16	0.8%	4.55	21.9%	10.33	49.7%	1.58	7.6%	20.82	
2013	2.21	1.21	0.75	4.17	20.8%	0.16	0.8%	4.62	23.0%	9.54	47.5%	1.59	7.9%	20.08	

Note: Property tax rates are per thousand dollar of assessed valuation.

The 2008 property tax rates reflect the total revaluation of the entire Village.

In 2005, the State of Wisconsin passed legislation that would limit a village's tax levy increases in years 2006 thru 2008.

The limit would allow growth in the tax levy of either 2.0% or the rate of growth in the village, whichever is larger.

In 2009, the State of Wisconsin passed legislation that would limit a village's tax levy increases in years 2009 thru 2010.

The limit would allow growth in the tax levy of either 3.0% or the rate of growth in the village, whichever is larger.

In 2011, the State of Wisconsin passed legislation that would permanently limit a village's tax levy increase.

The limit would allow no growth in the tax levy to exceed the rate of valuation growth in the village.

All of the levy limits referenced excludes tax levy increases for existing debt payments.

Tax Rates shown do not reflect the Tax Credit.

School Rates used were average of West DePere and Pulaski School Districts.

**VILLAGE OF HOBART, WISCONSIN**

Principal Property Taxpayers  
Current Year and Ten Years Prior

<u>Taxpayer</u>	<u>Type of Business</u>	2013			2004		
		Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation*	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation**
Oneida Tribe of Indians	Tribal enterprises	\$ 23,570,000	1	3.53%			
Hobart Logistics	Warehouse - Manufacturing	11,552,700	2	1.73%	\$ 9,829,300	1	2.33%
PHI Holdings	Apartment complex	5,937,200	3	0.89%			
EMT Properties	Web designers / Manufacturing	5,241,500	4	0.79%			
Layden Drive Estates	Apartments	3,856,000	5	0.58%			
Lexington Homes	Real estate	3,377,100	6	0.51%			
VanRite Properties	Real estate / construction	2,694,500	7	0.40%	1,855,100	7	0.44%
Individual	Real estate	2,485,400	8	0.37%	2,818,600	5	0.67%
Pioneer Credit Union	Credit union	2,378,700	9	0.36%			
Anchor Bank	Bank	2,333,000	10	0.35%			
PPD Investments LLC	Real estate				4,899,800	2	1.16%
Andrew Homes	Residential development				3,614,000	3	0.86%
Thornberry Creek at Oneida	Golf Course operations				3,410,500	4	0.81%
High View Custom Fab	Metal fabricator				2,137,500	6	0.51%
Individual	Real estate				1,398,100	8	0.33%
Trout Creek LLC	Semi-private golf course				1,380,700	9	0.33%
SUN Investments	Molding and millwork				1,162,500	10	0.28%
Totals		<u>\$ 63,426,100</u>		<u>9.51%</u>	<u>\$ 32,506,100</u>		<u>7.69%</u>

\* 2012 Assessed Valuation \$666,891,300

\*\* 2003 Assessed Valuation \$422,501,000

Information obtained from the Village of Hobart.

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 1,931,602	\$ 1,890,160	97.85%	\$ 40,887	\$ 1,931,047	99.97%
2005	2,279,523	2,219,121	97.35%	58,868	2,277,989	99.93%
2006	2,361,485	2,257,510	95.60%	90,580	2,348,090	99.43%
2007	2,415,855	2,151,835	89.07%	252,557	2,404,392	99.53%
2008	2,465,192	2,124,223	86.17%	268,494	2,392,717	97.06%
2009	2,568,483	2,410,800	93.86%	103,640	2,514,440	97.90%
2010	2,601,904	2,431,744	93.46%	124,610	2,556,354	98.25%
2011	2,657,919	2,547,655	95.85%	60,222	2,607,877	98.12%
2012	2,651,470	2,553,485	96.30%	49,240	2,602,725	98.16%
2013	2,637,637	2,546,190	96.53%	25,750	2,571,940	97.51%

Note: For each fiscal period that appears, the tax levy represents the prior year and the levy is collected in the fiscal period that is identified.

In August of each year, the Village settles with the County Treasurer for 100% of all real property taxes.

For each fiscal period, listed unpaid Village special assessments are turned over to the County for collection and unpaid personal property taxes remain the responsibility of the Village.

**VILLAGE OF HOBART, WISCONSIN**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Green Bay MSD Notes Payable	Total Primary Government	Percentage of Assessed Valuation (1)	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Notes	Bond Anticipation Notes	Note Anticipation Notes	General Obligation Notes	Bond Anticipation Notes	Note Anticipation Notes					
2004	\$ 7,076,769	\$ 7,720,000		\$ 40,017	\$ 8,255,000		\$ 1,613,765	\$ 24,705,551	5.42%	4.90%	\$ 4,503
2005	6,113,201	7,720,000		648,027	5,260,000		3,695,992	23,437,220	4.85%	4.59%	4,124
2006	5,395,763			665,617	5,020,000		3,543,193	14,624,573	2.93%	2.62%	2,568
2007	4,937,311		\$ 2,010,000	627,872	4,780,000		3,384,224	15,739,407	2.55%	2.89%	2,680
2008	4,225,370		7,930,000	597,955	4,635,000		3,232,328	20,620,653	3.29%	3.67%	3,510
2009	5,080,214		19,380,000	587,252	4,635,000		3,074,588	32,757,054	5.16%	6.66%	5,582
2010	6,641,892		12,560,000	580,763	4,635,000	\$ 1,125,000	2,910,757	28,453,412	4.50%	5.24%	4,603
2011	10,491,750		7,585,000	4,481,757			2,740,582	25,299,089	3.90%	4.56%	3,975
2012	12,950,000		4,715,000	6,119,391			2,570,054	26,354,445	3.95%	N/A	4,054
2013	12,210,500		4,715,000	5,748,805			2,392,637	25,066,942	3.58%	N/A	3,546

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable property for property value data.

(2) See the schedule of Demographic Statistics for personal income.

(3) See the schedule of Demographic Statistics for population data.

N/A = Not available at time of printing of this report.

**VILLAGE OF HOBART, WISCONSIN**  
Ratios of Net General Obligation Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Obligation Notes	Water & Sewer General Obligation Notes	Less Amounts Available in Debt Service Fund	Net General Obligation Debt	Percentage of Net Debt to Estimated Actual Value (1)	Net Debt Per Capita (2)
2004	\$ 7,076,769	\$ 40,017	\$ 1,644,001	\$ 5,472,785	1.03%	\$ 997.59
2005	6,113,201	648,027	1,858,811	\$ 4,902,417	0.83%	862.65
2006	5,395,763	665,617	2,048,987	\$ 4,012,393	0.64%	704.67
2007	4,937,311	627,872	2,025,009	\$ 3,540,174	0.58%	602.79
2008	4,225,370	597,955	2,893,565	\$ 1,929,760	0.31%	328.47
2009	5,080,214	587,252	2,231,596	\$ 3,435,870	0.55%	585.53
2010	6,641,892	580,763	2,975,086	\$ 4,247,569	0.69%	687.09
2011	10,491,750	4,481,757	-	\$ 14,973,507	2.38%	2,352.85
2012	12,950,000	6,119,391	-	\$ 19,069,391	2.97%	2,933.30
2013	12,210,500	5,748,805	-	\$ 17,959,305	2.67%	2,540.21

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable property for property value data.

(2) See the schedule of Demographic Statistics for population data.

**VILLAGE OF HOBART, WISCONSIN**  
 Debt Service Requirements to Maturity  
 General Obligation Notes  
 Scheduled to be Repaid from Governmental Activities  
 December 31, 2013

Year	Principal	Interest	Total Requirements
2014	\$ 386,000	\$ 230,961	\$ 616,961
2015	184,750	218,517	403,267
2016	394,750	208,870	603,620
2017	414,750	196,885	611,635
2018	419,750	186,215	605,965
2019	432,500	176,033	608,533
2020	447,500	165,098	612,598
2021	457,500	153,648	611,148
2022	472,500	140,746	613,246
2023	490,250	126,277	616,527
2024	505,250	110,764	616,014
2025	555,000	93,101	648,101
2026	570,000	74,820	644,820
2027	595,000	55,443	650,443
2028	615,000	34,411	649,411
2029	635,000	11,748	646,748
Total	<u>\$ 7,575,500</u>	<u>\$ 2,183,537</u>	<u>\$ 9,759,037</u>

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements. Does not include general obligation debt scheduled to be repaid from tax increment revenues.

**VILLAGE OF HOBART**  
 Debt Service Requirements to Maturity  
 General Obligation Notes  
 Scheduled to be Repaid from Tax Increment District Revenues  
 December 31, 2013

Year	Principal	Interest	Total Requirements
2014	\$ 250,000	\$ 144,051	\$ 394,051
2015	265,000	137,764	402,764
2016	265,000	131,136	396,136
2017	275,000	123,988	398,988
2018	285,000	116,166	401,166
2019	290,000	107,660	397,660
2020	300,000	98,473	398,473
2021	310,000	88,582	398,582
2022	325,000	77,889	402,889
2023	335,000	66,460	401,460
2024	345,000	54,367	399,367
2025	355,000	41,491	396,491
2026	370,000	27,591	397,591
2027	210,000	17,200	227,200
2028	225,000	10,619	235,619
2029	230,000	3,593	233,593
<b>Total</b>	<b>\$ 4,635,000</b>	<b>\$ 1,247,030</b>	<b>\$ 5,882,030</b>

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.

**VILLAGE OF HOBART**  
 Debt Service Requirements to Maturity  
 TIF Note Anticipation Notes  
 Scheduled to be Repaid from Tax Increment District Revenues  
 December 31, 2013

Year	Principal	Interest	Total Requirements
2014		\$ 114,375	\$ 114,375
2015		114,375	114,375
2016	\$ 2,585,000	114,375	2,699,375
2017	2,130,000	25,028	2,155,028
Total	<u>\$ 4,715,000</u>	<u>\$ 368,153</u>	<u>\$ 5,083,153</u>

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.

**VILLAGE OF HOBART, WISCONSIN**  
 Debt Service Requirements to Maturity  
 Water Utility General Obligation Notes  
 December 31, 2013

Year	Principal	Interest	Total Requirements
2014	\$ 150,257	\$ 107,161	\$ 257,418
2015	155,800	102,943	258,743
2016	161,365	98,567	259,932
2017	166,954	94,031	260,985
2018	168,036	89,404	257,440
2019	173,671	84,379	258,050
2020	183,861	78,798	262,659
2021	189,545	72,783	262,328
2022	317,552	64,445	381,997
2023	327,817	53,532	381,349
2024	347,168	41,682	388,850
2025	380,135	28,548	408,683
2026	385,952	14,291	400,243
2027	61,145	6,354	67,499
2028	62,490	4,996	67,486
2029	63,864	3,606	67,470
2030	65,270	2,186	67,456
2031	66,705	734	67,439
Total	<u>\$ 3,427,587</u>	<u>\$ 948,440</u>	<u>\$ 4,376,027</u>

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.

**VILLAGE OF HOBART, WISCONSIN**  
 Debt Service Requirements to Maturity  
 Sewer Utility General Obligation Notes  
 December 31, 2013

Year	Principal	Interest	Total Requirements
2014	\$ 114,822	\$ 66,822	\$ 181,644
2015	126,542	63,616	190,158
2016	132,013	60,083	192,096
2017	132,483	56,466	188,949
2018	137,483	52,774	190,257
2019	140,204	48,924	189,128
2020	146,144	44,832	190,976
2021	146,615	40,628	187,243
2022	164,789	36,095	200,884
2023	172,980	31,126	204,106
2024	174,862	25,865	200,727
2025	158,405	20,287	178,692
2026	163,876	15,178	179,054
2027	135,000	10,518	145,518
2028	135,000	6,434	141,434
2029	140,000	2,187	142,187
Total	<u>\$ 2,321,218</u>	<u>\$ 581,835</u>	<u>\$ 2,903,053</u>

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.

**VILLAGE OF HOBART, WISCONSIN**  
 Debt Service Requirements to Maturity  
 Green Bay Metropolitan Sewerage District Notes  
 December 31, 2013

Year	Principal	Interest	Total Requirements
2014	\$ 184,592	\$ 98,832	\$ 283,424
2015	192,069	91,355	283,424
2016	199,859	83,565	283,424
2017	207,976	75,447	283,423
2018	216,434	66,990	283,424
2019	225,247	58,177	283,424
2020	234,429	48,994	283,423
2021	239,324	39,426	278,750
2022	249,294	29,456	278,750
2023	141,627	19,067	160,694
2024	147,717	12,977	160,694
2025	154,069	6,625	160,694
	<u>\$ 2,392,637</u>	<u>\$ 630,911</u>	<u>\$ 3,023,548</u>

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements.

**VILLAGE OF HOBART, WISCONSIN**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2013

<u>Governmental Unit</u>	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct Debt:			
Village of Hobart	<u>\$ 17,959,305</u>	100.000%	<u>\$ 17,959,305</u>
Overlapping Debt:			
Pulaski Community School District	12,525,426	28.330%	3,548,453
West De Pere School District	34,750,000	10.660%	3,704,350
Brown County	135,420,000	3.450%	4,671,990
Northeast Wisconsin Technical College	<u>34,665,000</u>	1.700%	<u>589,305</u>
Total Overlapping Debt	<u>217,360,426</u>		<u>12,514,098</u>
Total Direct and Overlapping Debt	<u>\$ 235,319,731</u>		<u>\$ 30,473,403</u>

Source: Information on overlapping debt was obtained from Village financial consultant, Lantern Associates, LLC. The Village share percentage was obtained from each jurisdictions tax levy reports as allocated by estimated actual valuations.

**VILLAGE OF HOBART, WISCONSIN**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$26,616,280	\$29,359,905	\$31,139,305	\$30,497,165	\$31,551,880	\$ 31,484,005	\$ 30,776,050	\$ 31,431,035	\$ 32,052,420	\$ 33,582,670
Total net debt applicable to limit	5,472,784	4,902,417	4,012,393	3,540,174	1,929,760	3,435,870	4,247,569	14,973,507	19,069,391	17,959,305
Legal debt margin	<u>\$21,143,496</u>	<u>\$24,457,488</u>	<u>\$27,126,912</u>	<u>\$26,956,991</u>	<u>\$29,622,120</u>	<u>\$ 28,048,135</u>	<u>\$ 26,528,481</u>	<u>\$ 16,457,528</u>	<u>\$ 12,983,029</u>	<u>\$ 15,623,365</u>
Total net debt applicable to the limit as a percentage of debt limit	20.56%	16.70%	12.89%	11.61%	6.12%	10.91%	13.80%	47.64%	59.49%	53.48%

Computation of Legal Debt Margin  
 12/31/2013

Equalized Value	<u>\$ 671,653,400</u>
Debt limitation - 5 percent of total equalized value	\$ 33,582,670
Debt applicable to limitation	
Total outstanding general debt	\$ 22,674,305
Less: Note Anticipation Notes	<u>(4,715,000)</u>
Total debt applicable to limitation	<u>17,959,305</u>
Legal Debt Margin	<u>\$ 15,623,365</u>

Note: Under state finance law, the Village of Hobart's outstanding debt should not exceed 5% of the total equalized valuation.

**VILLAGE OF HOBART, WISCONSIN**  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income (amounts expressed in dollars)	(2) Per Capita Personal Income	(3) Unemployment Rate	(4) Median Age
2004	5,486	\$ 504,585,822	91,977	4.7%	34.2
2005	5,683	\$ 510,253,838	89,786	4.6%	34.2
2006	5,694	\$ 557,693,136	97,944	4.5%	34.2
2007	5,873	\$ 544,333,132	92,684	4.6%	36.0
2008	5,875	\$ 561,644,125	95,599	4.5%	36.0
2009	5,868	\$ 491,673,852	83,789	7.8%	35.0
2010	6,182	\$ 542,686,870	87,785	7.5%	43.4
2011	6,364	\$ 555,386,280	87,270	6.8%	43.4
2012	6,501	N/A	N/A	5.9%	N/A
2013	7,070	N/A	N/A	5.1%	N/A

(1) Wisconsin Department of Administration.

(2) Wisconsin Department of Revenue.

(3) Wisconsin Workforce Development - Brown County Unemployment Rates.

(4) Brown County Wisconsin City-Data.

N/A = Not available at time of printing of this report.

**VILLAGE OF HOBART, WISCONSIN**

Principal Employers

Current Year and Nine years Ago

Employer	Nature of Business	<u>2013</u> <u>Employees</u>	<u>2004</u> <u>Employees</u>
Bayland Buildings - BayCo Properties	Real estate, commercial construction	167	70
EMT International	Web processing designers and manufacturers	160	
High View Custom Fab - HCF Inv.	Metal fabricator	50	50
Robert E. Lee & Associates	Engineering consultant firm	49	
Thornberry Creek at Oneida	Golf course and country club	48	51
Idealair Heating & Cooling	Plumbing and HVAC	27	
Centerline Machine & Grinding	Metal fabricator	20	
Safari Steakhouse	Restaurant	20	
Dean Pickle and Specialty Products	Food Processing/Distribution		46

Source: Information on principal employers was obtained from Village financial consultant, Lantern Associates, LLC.

\* Business not in Village at this time

**VILLAGE OF HOBART, WISCONSIN**  
 Full-time Equivalent Village of Hobart Employees by Function  
 Last Ten Fiscal Years

<b>FUNCTION</b>	<b>TITLE/POSITION</b>	<b>FY 2004 FTEs</b>	<b>FY 2005 FTEs</b>	<b>FY 2006 FTEs</b>	<b>FY 2007 FTEs</b>	<b>FY 2008 FTEs</b>	<b>FY 2009 FTEs</b>	<b>FY 2010 FTEs</b>	<b>FY 2011 FTEs</b>	<b>FY 2012 FTEs</b>	<b>FY 2013 FTEs</b>
<b>ADMINISTRATION</b>											
	Village Administrator	1.00	1.00	1.00	1.00	2.00	2.00	1.00	1.00	1.00	1.00
	Intern/ Executive or Management Assistant	0.00	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.375
<b>CLERK/TREASURER &amp; VILLAGE OFFICE</b>											
	Clerk/Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Deputy Clerk/Treasurer, Utility Billing Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Municipal Court/Administrative Clerk	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
	Police/Administrative Clerk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
<b>MUNICIPAL COURT</b>											
	Municipal Court/Administrative Clerk	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
<b>HOBART/LAWRENCE POLICE DEPARTMENT</b>											
	Police Chief	0.65	0.65	0.65	0.65	0.65	0.65	0.875	0.875	0.875	0.875
	Patrol Officers	2.50	2.50	1.50	3.50	4.00	5.00	5.00	5.00	5.00	5.375
	Police/Administrative Clerk	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
<b>DEPARTMENT OF NEIGHBORHOOD SERVICES</b>											
	Director of Neighborhood Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
	Building Inspector/Zoning Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
	Public Works & Utilities Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Water/Sewer Operator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Public Works/Utilities Crew	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.80
<b>DEPARTMENT OF COMMUNITY DEVELOPMENT</b>											
	Director of Community Development	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50
<b>DEPARTMENT OF TRIBAL AFFAIRS</b>											
	Director of Tribal Affairs	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50
<b>TOTAL FTEs ALL DEPARTMENTS</b>		<b>12.950</b>	<b>13.450</b>	<b>12.450</b>	<b>14.450</b>	<b>15.450</b>	<b>16.450</b>	<b>16.675</b>	<b>16.675</b>	<b>16.675</b>	<b>18.225</b>
Winter/summer seasonals and elected officials not included in FTE count.											

**VILLAGE OF HOBART, WISCONSIN**  
Operating Indicators by Function- Last Five Years

**FUNCTION: GENERAL GOVERNMENT**

<b>ACTIVITY/PROGRAM AREA</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>
<b>Square Miles</b>	33	33	33	33	33
<b>Population</b>	5868	6182	6364	6501	7070
<b>Real Estate Parcels</b>	3414	3414	3617	3646	3760
<b>Dog Licenses Issued</b>	213	196	211	218	228
<b>Elections Held</b>	2	3	4	5	2
<b>Registered Voters</b>	3866	3883	3938	4727	4463
<b>Voters Served All elections</b>	2661	4765	6338	11301	2317
<b>Ordinance &amp; Ordinance Amendments Approved</b>	7	7	9	7	5
<b>Resolutions Approved</b>	41	33	27	16	27
<b>Village Board Meetings Held</b>	45	35	36	33	36
<b>Alarm Permits Issued</b>	n/a	n/a	7	121	141
<b>Public Hearings Noticed/Held</b>	14	13	15	14	17
<b>Hearing Notices Mailed</b>	224	221	255	234	1362
<b>Receipts (ACH Transactions only)</b>	n/a	n/a	34	186	367
<b>Checks Processed</b>	n/a	n/a	4880	5068	2216
<b>ACH payments processed</b>	n/a	n/a	676	754	834
<b>Accounting Consultant Hours</b>	n/a	n/a	340.5	427.5	436
<b>Utility Bills Processed</b>	4084	4284	4880	5068	5270
<b>Total Water Customers as of January 1</b>	1016	1022	1069	1140	1259
<b>Total Sewer Customers as of January 1</b>	940	946	992	1055	1175
<b>Note: certain financial statistics only available 2011 and forward as the Village changed to new accounting software January 1, 2011</b>					

**VILLAGE OF HOBART, WISCONSIN**  
 Operating Indicators by Function- Last Five Years

**FUNCTION: ADMINISTRATION & FINANCE**

<b>ACTIVITY/PROGRAM AREA</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>
<b>Village Tax Rate*</b>	\$4.10	\$4.20	\$4.20	\$4.17	\$4.17
<b>Levy for Village Operations*</b>	\$2,601,904	\$2,657,919	\$2,651,470	\$2,637,637	\$2,913,453
<b>Village Population</b>	5868	6182	6364	6501	7070
<b>Levy Per Capita*</b>	\$443	\$430	\$417	\$406	\$412
<b>Debt Service as % of Levy*</b>	31.99%	34.62%	32.95%	28.97%	20.20%
<b>G.O. Debt Levied*</b>	\$832,313	\$919,820	\$873,539	\$764,011	\$588,359
<b>G.O. Debt Levied Per Capita*</b>	\$141.84	\$148.79	\$137.26	\$117.52	\$83.22
<b>Total Full Time Equivalent Employees ("FTEs") (excluding Fire/Seasonals)</b>	16.450	16.675	16.675	16.675	18.225
<b>FTEs per capita</b>	0.00280	0.00270	0.00262	0.00256	0.00258
<b>Village Bond Rating (Standard &amp; Poor's)</b>	AA-	AA-	AA-	AA	AA
<b>Total Village Assessed Value as of January 1</b>	\$634,439,000	\$ 632,791,400	\$649,364,300	\$666,891,300	\$699,444,600
<b>Total Increment Value-TID #1 as of January 1</b>	n/a	\$1,678,300	\$18,199,700	\$31,419,000	\$47,573,000
<b>Total Increment Value-TID #2 as of January 1</b>	n/a	n/a	n/a	\$2,712,216	\$14,356,200

**VILLAGE OF HOBART, WISCONSIN**  
 Operating Indicators by Function- Last Four Years

**FUNCTION: POLICE & COURT**

<b>Activity/Program Area</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>
<b>Law Enforcement</b>				
<i><b>Total Calls for Service</b></i>	5,619	5,629	6,131	6823
<i><b>Neighborhood Watch(NW) Groups</b></i>	n/a	n/a	13	13
<i><b>NW Meetings Held</b></i>	n/a	n/a	2	0
<i><b>NW Greetings</b></i>	n/a	n/a	25	7
<i><b>House Check Performed</b></i>	n/a	n/a	112	128
<i><b>Total Citations</b></i>	876	677	1,613	1887
<i><b>Non-Traffic Citations</b></i>	67	120	128	124
<i><b>Property Crimes</b></i>	87	89	168	165
<i><b>Person-to-Person Crimes</b></i>	n/a	n/a	14	186
<b>Municipal Court</b>				
<i><b>Total Adult Citations</b></i>	1,002	765	1,456	1129
<i><b>Total Juvenile Citations</b></i>	11	15	9	6
<i><b>Total Cases Disposed of</b></i>	995	825	1,305	1208

**VILLAGE OF HOBART, WISCONSIN**  
Operating Indicators by Function- Last Five Years

**FUNCTION: FIRE & RESCUE**

<b>ACTIVITY/PROGRAM AREA</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>
<b>Incidents</b>					
<i>Total Incidents</i>	83.0	78.0	96.0	93.0	96.0
<i>Structure Fires</i>	25.0	23.0	23.0	21.0	22.0
<i>Vehicle Incidents</i>	18.0	26.0	23.0	24.0	31.0
<i>Brush / Wildland</i>	9.0	7.0	9.0	8.0	5.0
<i>MABAS(Mutual Aid Box Alarm System)</i>	11.0	5.0	15.0	18.0	3.0
<i>False Alarms</i>	20.0	17.0	26.0	22.0	30.0
<b>Response Times</b>					
<i>*Average Response from dispatch to arrival (Minutes)</i>	8.2	8.6	8.5	8.3	8.3
<i>Average Length of Call (Hours)</i>	1.3	1.4	1.1	1.3	1.5
<i>Average Personnel per Incident</i>	9.0	7.0	7.0	7.0	7.2
<b>Personnel Participation</b>					
<i>Average Personnel at Meetings</i>	25.6	25.0	22.0	21.5	24.2
<i>Average Personnel at Trainings</i>	26.3	23.0	20.0	20.0	26.6
<i>**Average Personnel at Maintenance night</i>	n/a	n/a	n/a	7.0	9.7
<b>Fire Safety Activities</b>					
<i>Public Education Activities</i>	10.0	9.0	11.0	18.0	16.0
<i>Fire Inspections</i>	187.0	190.0	207.0	203.0	290.0
<b>Population &amp; Membership</b>					
<i>Total Firefighters</i>	35.0	29.0	29.0	28.0	30.0
<i>Population Served</i>	5868	5928	6364	6501	7070
<i>Firefighters per Capita</i>	0.0060	0.0049	0.0046	0.0043	0.0042
<b>Rescue Services (provided by County)</b>					
<i>Medical Service Calls</i>	217.0	248.0	262.0	296.0	335.0
<i>*Does not include MABAS incidents</i>					
<i>**Attendance is required for 5 Firefighters per event</i>					

**VILLAGE OF HOBART, WISCONSIN**  
Operating Indicators by Function- Last Four Years

**FUNCTION: PUBLIC WORKS & UTILITIES**

Activity/Program Area	Measurement	FY2010	FY2011	FY2012	FY2013
<b>Infrastructure Inventory</b>					
<i>Road Lanes</i>	Miles	83.0	83.6	84.6	87.7
<i>Sewer Mains</i>	Lineal Feet	139,359.0	145,653.0	155,685.0	160,019.0
<i>Water Mains</i>	Lineal Feet	208,256.0	218,830.0	219,967.0	227,059.0
<i>Storm Mains</i>	Lineal Feet	45,821.0	50,659.0	54,154.0	65,249.0
<b>Snow Removal</b>					
	Number of Responses	32	31	24	38
	Snowfall amount	55.0	69.0	24.2	66.5
	Tons of Salt used	548.0	632.0	511.0	924.0
	Crew Hours	718.0	810.0	543.0	703.5
<b>Road Maintenance</b>					
<i>Potholes</i>	Cold mix (Tons)	n/a	40.0	35.0	44.8
	Crew Hours	n/a	69.0	60.0	245
<i>Shouldering</i>	Material (Tons)	n/a	60.0	80.0	420.0
	Crew Hours	n/a	72.0	90.0	160.0
<i>Street Sweeping</i>	Contractor Hours	n/a	134.0	116.0	124.0
<i>Signage</i>	Signs installed / replaced	n/a	30	22	152
	Crew Hours	n/a	12.0	10.0	270.0
<b>Solid and Yard Waste Collection</b>					
<i>Yard Waste</i>	Tonnage Collected	0.0	0.0	30.0	350.0
	Crew Hours	0.0	0.0	20.0	130.0
<i>Solid Waste</i>	Tonnage Collected	1,398.38	1,369.64	1,395.10	1,520.87
<i>Recyclable</i>	Tonnage Collected	609.16	636.18	617.03	629.79
<b>Utilities</b>					
<i>Utility Locates</i>	Number of Locates	n/a	1,150	1,364	2,021
	Crew Hours	n/a	575.0	682.0	338.0
<i>Scheduled Daily Rounds</i>	Crew Hours	730.0	730.0	730.0	803.0
<b>Water Utility</b>					
<i>New Meters</i>	Installed	50	70	116	92
	Crew Hours	20.0	32.0	57.0	61.0
<i>Meters Exchanged</i>	Number replaced	61	73	172	354
	Crew Hours	30.0	45.0	73.0	297.0
<i>Meters Repaired/Tested</i>	Number	87	52	174	496
	Crew Hours	20.0	27.0	51.0	87.5
<i>Move in/out Reads</i>	Number of Reads	79	106	203	113
	Crew Hours	20.0	27.0	51.0	87.5
<i>Valve Turning</i>	Valves Turned	n/a	304	147	57
	Crew Hours	n/a	91.0	73.0	28.0
<i>Watermain Flushing</i>	Crew Hours	160.0	148.0	68.0	77.5
<i>Water sampling</i>	Number of Samples	84	90	130	92
	Crew Hours	63.0	68.0	98.0	134.0
<b>Sanitary Sewer</b>					
<i>Sewer Mains</i>	Cleaned (Lineal Feet)	43,479.0	0.0	44,375.0	46,140.0
	Contractor Hours	40.0	0.0	50.0	56.0
	Televising (Lineal Feet)	43,479.0	0.0	44,352.0	46,140.0
	Contractor Hours	67.0	0.0	72.0	96.0

**VILLAGE OF HOBART, WISCONSIN**  
 Operating Indicators by Function- Last Four Years  
**FUNCTION: BUILDING INSPECTIONS, PLANNING & ZONING**

<b>ACTIVITY/PROGRAM AREA</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>
<b>Summary Permit Data</b>				
<i>Number of Permits</i>	195	211	299	326
<i>Total Valuation</i>	\$14,203,468	\$29,211,856	\$28,257,623	\$29,014,079
<b>Residential Summary</b>				
<i>New 1&amp;2 Family Dwelling Structures</i>	45	60	102	80
<i>New Multi-Family Structures</i>	4	6	9	7
<i>Total New Multi-Family Dwelling Units</i>	56	48	128	106
<i>Total Residential Valuation on Permits</i>	\$5,012,850	\$12,446,050	\$19,377,777	\$25,806,688
<b>Commercial &amp; Industrial Summary</b>				
<i>New Commercial &amp; Industrial Structures</i>	2	2	4	8
<i>Commercial &amp; Industrial Additions</i>	0	1	1	3
<i>Commercial &amp; Industrial Alterations</i>	1	2	1	1
<i>Total Commercial/Industrial Valuation on Permits*</i>	\$4,590,715	\$7,183,255	\$419,585	\$2,924,465
<b>Planning &amp; Zoning Commission</b>				
<i>Number of Meetings</i>	13	14	11	10
<i>Conditional Use Permits</i>	7	5	7	7
<i>Ordinance Amendments</i>	5	9	9	1
<i>Plats</i>	0	2	3	2
<i>Certified Survey Maps</i>	5	5	2	4
<i>Rezoning</i>	5	5	3	7
<b>Board of Appeals</b>				
<i>Number of Meetings</i>	2	0	1	1
<i>Variations Approved</i>	2	0	1	1
<b>Site Review Committee</b>				
<i>Number of Meetings</i>	3	5	6	5
<i>Applications Reviewed</i>	3	5	12	7
<b>* Valuation based on when permits are issued not when value is realized on assessment roll</b>				

**VILLAGE OF HOBART, WISCONSIN**  
 Capital Asset Statistics by Function  
 Last Five Fiscal Years

Function	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Public Safety</b>					
Police Stations	1	1	1	1	1
Patrol Units	4	4	5	5	6
Fire Stations	2	2	2	2	2
<b>Highways and streets</b>					
Street (road lanes)	83.0	83.0	83.6	84.6	87.7
<b>Culture and recreation</b>					
Developed park acreage	45	45	45	45	45
Parks	2	2	2	2	2
<b>Water</b>					
Water mains (feet)	189,200	197,359	202,359	219,967	227,059
Fire Hydrants	363	374	386	393	410
<b>Sewers</b>					
Sanitary (feet)	139,359	139,359	145,653	155,685	160,019
Lift Stations	3	3	3	3	3
Storm (feet)	45,821	45,821	50,659	54,154	65,249

Sources: Various government departments.

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



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

To the Village Board  
Village of Hobart Wisconsin

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Hobart, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village of Hobart, Wisconsin's basic financial statements, and have issued our report thereon dated March 25, 2014.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses, as item 2013-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2013-002 to be a significant deficiency.

## **Compliance and Other Matters**

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

## **Village of Hobart, Wisconsin's Response to Findings**

Village of Hobart, Wisconsin's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Village of Hobart, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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



Certified Public Accountants  
Green Bay, Wisconsin  
March 25, 2014

**VILLAGE OF HOBART, WISCONSIN**  
 Schedule of Findings and Responses  
 For the Year Ended December 31, 2013

**Section I - Internal Control Over Financial Reporting**

Finding No.	Control Deficiencies
<b>2013-001</b>	<b>Segregation of Duties - Clerk/Treasurer</b>
Condition:	The Village has a combined clerk/treasurer position to essentially complete all financial and recordkeeping duties of the general Village operations. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.
Criteria:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.
Cause:	The lack of segregation of duties is due to the limited number of employees and the size of Village operations.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Recommendation:	We recommend the Village Board continue to monitor the transactions and the financial records of the Village.
Management Response:	The Village has contracted with an experienced governmental finance professional to provide oversight and review of Village transactions and financial records.
<b>2013-002</b>	<b>Adjustments to the Village's Financial Records</b>
Condition:	As part of our 2013 audit, we proposed adjusting journal entries that were material to the Village's financial statement.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the Village may contain material misstatements.
Recommendation:	We recommend the Village continue reviewing the adjusting, closing and GASB 34 conversion entries. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the Village is necessary to obtain an adequate understanding of the Village's financial report.
Management Response:	The Village has contracted with an experienced governmental finance professional to review the adjusting, closing and GASB 34 conversion entries drafted by Schenck. Management has reviewed and approved the financial statements and other information prepared by Schenck prior to issuance.

**Section II - Internal Control Over Financial Reporting**

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2013.