

V I L L A G E O F  
**HOBART**  
GREATNESS IS GROWING



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

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

2014

Prepared by Village Staff

Andrew J. Vickers, M.P.A.

Village Administrator

Mary Smith, CMC, WCMC

Clerk Treasurer

**VILLAGE OF HOBART, WISCONSIN**  
December 31, 2014

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December 31, 2014

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May 1, 2015

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, 2014, 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, 2014, 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, 2014, 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 the 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, adjacent to the Austin-Straubel International Airport Terminal, approximately 120 miles northwest of the City of Milwaukee, bordering 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 2014 Wisconsin Department of Administration population estimate of 7,610, the population of Hobart has increased 23.1% since the 2010 Federal Census report of 6,182, and 49.5% since the 2000 Federal Census report of 5,090. The population and square mile statistics combine to produce a population density of 231 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 property 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, among other responsibilities.

The Village provides a full range of municipal services contemplated by statute or character, including public safety, streets, sanitation, parks/recreation/culture, public improvements, building safety and code compliance, neighborhood services, planning and zoning, water, sewer and storm water systems, and general administrative services. Public safety is provided with two fire stations and 27 volunteer firefighters, and a police department with 6.75 FTE sworn officers, which includes the Police Chief. The Public Works Division, in consultation with a contracted engineering firm, 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 18.950. The Pulaski Community School District and West DePere School District serve the Village and provides a comprehensive program for students in kindergarten through the 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 and associated levies. For the general fund, the budget-to-actual comparison is presented as part of the basic financial statements for the governmental funds.

The Village Board and staff work at length to achieve its budget priorities, and to move the Village further toward its started mission, which is as follows:

***The Village of Hobart officials and employees will lead the community in the delivery of the finest municipal services in the most cost-responsible manner to ensure a high quality of life and safe neighborhoods while maintaining flexibility to respond to the needs of citizens in our ever-changing***

*community. Action take in pursuit of our mission will be in accordance with democratic principles and the Constitution of the United States of America.*

**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 \$2,500 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.

**Strategic Plan.** The Village of Hobart adopted its first ever Strategic Plan in 2014. This was a very inclusive process that had Village stakeholders and decision-makers uprooting our core values to build upon, as well as our priority areas for improvement. The Plan prioritized certain spending and projects initiatives for the years 2015-2017.

**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; Purchasing and Disbursement; and Green Bay Metropolitan Sewerage District Local Annual Rate Adjustment.

**Economic Information/Outlook.** The Village of Hobart is a growing community with an estimated 2014 population of 7,610 and a 2014 equalized valuation of \$708,327,100. The equalized valuation has grown by 15.08% since 2010 and 112.29% since 2000. Between 2014 and 2013, the Village gained 5.46% 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 2014. 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 2014, 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 has a staff of 48.

For the past four straight years, the Village of Hobart has ranked in the top ten for new housing starts among all cities, villages and towns in the state of Wisconsin. In 2014, Hobart experienced 64 new single family housing starts, 9 multi-family structures, and 92 multi-family dwelling units. 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 \$90,567,900 in *equalized* incremental value. TID 1 had \$65,482,000 in *equalized* incremental value upon updated assessments as of January 1, 2014, and TID 2 had \$25,085,900 *equalized* incremental value. The Village projects that by the end of 2015, 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. More moderately-priced subdivisions including Polo Point, Polo Point II, and Fieldstone Estates are rapidly approaching their respective build-outs much faster than expected. Current Village housing trends are expected to be maintained for the next 2-3 years as existing lot inventory remains high.

The unemployment rate for the Village of Hobart in December 2014 was 4.3 percent which is a decrease from the 5.1 percent rate for December 2013. The state's December unemployment rate was 5.2 percent, with a U.S. unemployment rate of 5.6 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. The Village also has a separate economic development website ([www.buildinhobart.com](http://www.buildinhobart.com)) aimed at business attraction and recruitment efforts.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hobart, Wisconsin for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the second consecutive 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.

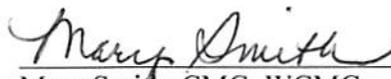
### **Acknowledgements**

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**

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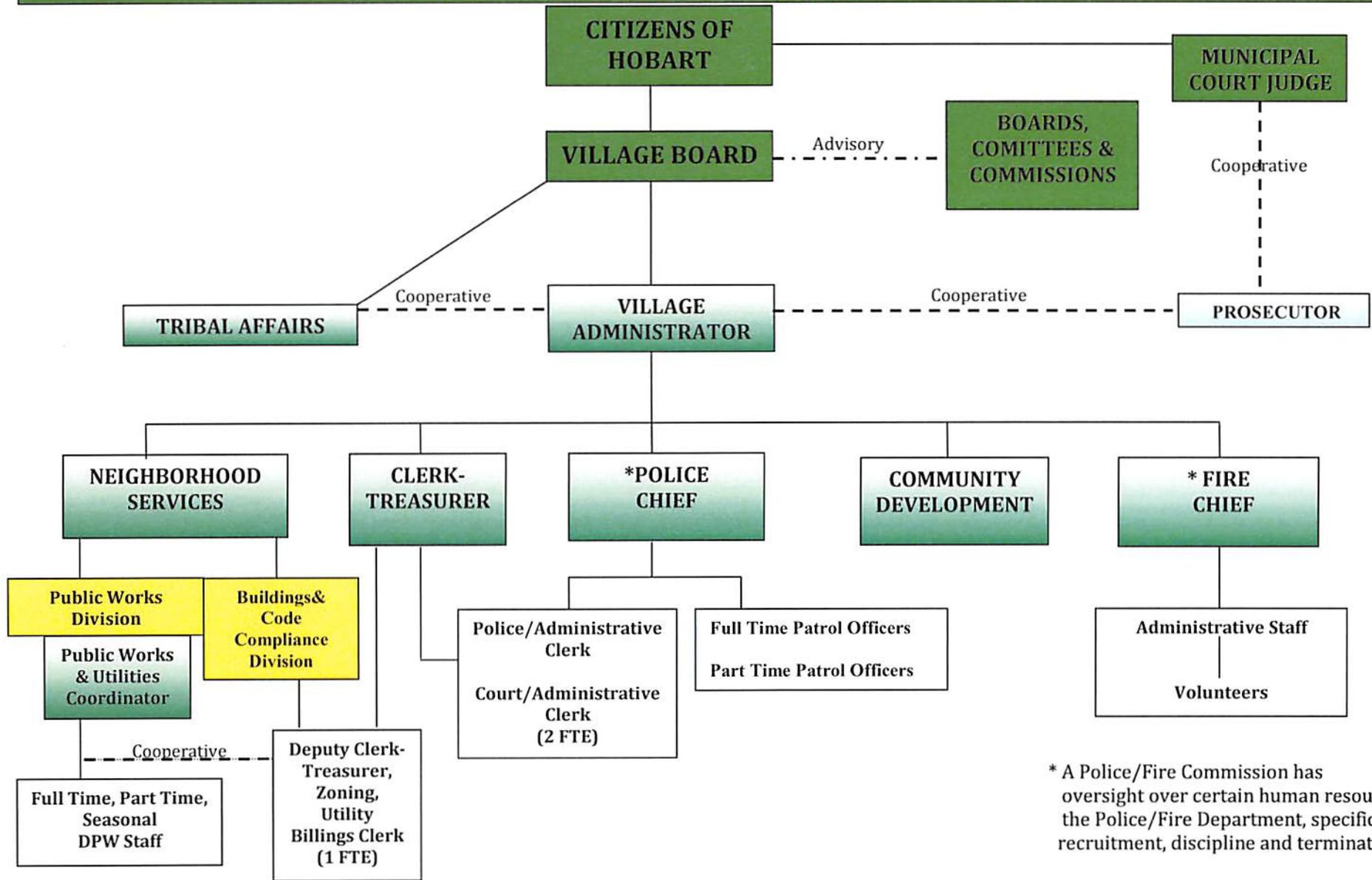
**Village of Hobart  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

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, 2014**

		<b>Term Expires</b>
<b>PRESIDENT</b>	<b>Richard R. Heidel</b>	<b>April 2016</b>
<b>TRUSTEES</b>	<b>David Dillenberg</b>	<b>April 2015</b>
	<b>Ed Kazik</b>	<b>April 2016</b>
	<b>Debbie Schumacher</b>	<b>April 2016</b>
	<b>Donna Severson</b>	<b>April 2015</b>

**GENERAL INFORMATION**

**VILLAGE OF HOBART DEPARTMENT HEADS / APPOINTED OFFICIALS**

**December 31, 2014**

		<b>Length of Time In This Position</b>	<b>Length of Employment With Village of Hobart</b>
<b>Administrator</b>	<b>Andrew Vickers</b>	<b>5 1/2 years</b>	<b>6 1/2 years</b>
<b>Director of Development &amp; Tribal Affairs</b>	<b>Elaine Willman</b>	<b>6 years</b>	<b>7 years</b>
<b>Police Chief</b>	<b>Randy Bani</b>	<b>11 1/2 years</b>	<b>11 1/2 years</b>
<b>Fire Chief (volunteer)</b>	<b>Jerry Lancelle</b>	<b>3 years</b>	<b>26 years</b>
<b>Director of Neighborhood Services</b>	<b>Allyn Dannhoff</b>	<b>5 years</b>	<b>5 years</b>
<b>Accounting Consultant</b>	<b>Brian Ruechel</b>	<b>4 1/2 years</b>	<b>4 1/2 years</b>
<b>Clerk / Treasurer</b>	<b>Mary Smith</b>	<b>31 1/2 years</b>	<b>31 1/2 years</b>
<b>Deputy Clerk / Treasurer</b>	<b>Cindy Kocken</b>	<b>16 1/2 years</b>	<b>16 1/2 years</b>
<b>Public Works Coordinator</b>	<b>Jerry Lancelle</b>	<b>3 1/2 years</b>	<b>3 1/2 years</b>

**CERTIFIED PUBLIC ACCOUNTANTS**

**Schenck Business Solutions, 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, 2014, 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 auditors consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village as of December 31, 2014, 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's 2013 financial statements, and our report dated March 25, 2014, 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, 2013, 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 May 1, 2015, 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  
May 1, 2015

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



## Management's Discussion and Analysis December 31, 2014

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, 2014. 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, 2014 by \$12,275,817 (*net position*). Of this amount, (\$3,125,893) (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 change in net position increased by \$613,910 due to revenues exceeding expenditures;
- As of December 31, 2014, the Village's governmental funds reported combined ending fund balances of \$4,439,127, an increase of \$1,295,265 in comparison with the prior year. The increase resulted from additional fund balance accumulation for future capital outlay development in Tax Increment Districts and Capital Projects. Approximately 0.6% of the fund balance amount, \$27,747 is nonspendable for delinquent taxes and assessments. Approximately 2.3%, \$101,625 is restricted for park development and memorial brick/trees. Approximately 76.8%, \$3,406,931 is assigned for development and capital projects. Approximately 20.3%, \$902,824 is unassigned and *available for spending* at the Village's discretion;
- As of December 31, 2014, the unassigned general fund balance of \$902,824 was approximately 33.2% of total general fund expenditures;
- The Village's total debt increased by \$1,999,430 during 2014. On January 28, 2014 \$1,110,000 in taxable general obligation notes and \$3,780,000 general obligation refunding bonds were issued for the purpose of converting \$4,715,000 in note anticipation notes to a long term debt obligation. There was no gain or loss on the transaction. On December 23, 2014 a \$2,910,100 Board of Commissioners of Public Lands State Trust Fund two-year loan was issued for the purpose of financing economic development projects in the Village's two tax increment districts;
- On February 19, 2015, the Village's long-term debt credit rating was upgraded by Standard and Poor's from AA to AA+ with a stable outlook.

### 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 between 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 48 - 54 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 - 47 of this report.

**Other information.** Supplemental schedules can be found on pages 48 - 54.

**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 \$12,275,817 at the close of 2014.

<b>Village of Hobart's Net Position</b>						
<b>(in thousands of dollars)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and other assets	\$ 19,171	\$ 17,719	\$ 1,655	\$ 2,138	\$ 20,826	\$ 19,857
Capital assets	13,990	12,057	19,927	19,935	33,917	31,992
<b>Total Assets</b>	<b>33,161</b>	<b>29,776</b>	<b>21,582</b>	<b>22,073</b>	<b>54,743</b>	<b>51,849</b>
Long-term liabilities outstanding	19,631	17,143	7,692	8,141	27,323	25,284
Other liabilities	10,497	10,763	180	198	10,677	10,961
<b>Total Liabilities</b>	<b>30,128</b>	<b>27,906</b>	<b>7,872</b>	<b>8,339</b>	<b>38,000</b>	<b>36,245</b>
Deferred inflows of resources	4,467	3,941	-	-	4,467	3,941
<b>Net Position</b>						
Net investment in capital assets	3,065	1,742	12,235	11,793	15,300	13,535
Restricted	102	108	-	-	102	108
Unrestricted	(4,601)	(3,921)	1,475	1,940	(3,126)	(1,981)
<b>Total Net Position</b>	<b>\$ (1,434)</b>	<b>\$ (2,071)</b>	<b>\$ 13,710</b>	<b>\$ 13,733</b>	<b>\$ 12,276</b>	<b>\$ 11,662</b>

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, 2014 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, \$101,625, represents resources that are subject to external restrictions on how they may be used. \$96,232 is restricted for park development and \$5,393 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 \$1,434,082. The change in net position during 2014 was an increase of \$637,079 due to revenues exceeding expenditures. The governmental activities net position is negative due to the Village issuing debt for noncapital 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 \$6,933,611. The change in net position during 2014 was a decrease of \$7,812. Nonoperating expenses relating to interest and fiscal charges of \$106,717 plus transfers out of \$38,655 exceeded operating income of \$137,560 resulting in the net position decrease. The 2014 operating income resulted from operating revenues of \$846,119 exceeding operating expenditures of \$708,559 and the operating income was consistent with the prior year.

Net position of the sewer utility enterprise fund at the end of the year amounted to \$4,239,704. The change in net position during 2014 was a decrease of \$19,278. Nonoperating expenses relating to interest and fiscal charges of \$130,847 exceeded operating income of \$111,569 resulting in the net position decrease. The 2014 operating income resulted from operating revenues of \$892,763 exceeding operating expenditures of \$781,194 and the 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 \$2,536,584. The change in net position during 2014 was an increase of \$3,921. Operating income of \$106,388 plus capital contributions of \$147,315 exceeded nonoperating expenses of \$249,782 resulting in the net position increase. The 2014 operating income resulted from operating revenues of \$517,437 exceeding operating expenditures of \$411,049 and the operating income was consistent with the prior year.

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

Village of Hobart's Change in Net Position (In thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 896	\$ 1,039	\$ 2,257	\$ 2,155	\$ 3,153	\$ 3,194
Operating grants and contributions	306	280	-	-	306	280
Capital grants and contributions	-	-	147	1,578	147	1,578
<b>General Revenues</b>						
Property taxes	3,941	3,326	-	-	3,941	3,326
Other taxes	85	62	-	-	85	62
Grants and contributions not restricted to specific programs	70	68	-	-	70	68
Other	31	65	29	41	60	106
<b>Total Revenues</b>	<b>5,329</b>	<b>4,840</b>	<b>2,433</b>	<b>3,774</b>	<b>7,762</b>	<b>8,614</b>
<b>Expenses</b>						
General government	723	810	-	-	723	810
Public safety	1,291	1,308	-	-	1,291	1,308
Public works	1,046	991	-	-	1,046	991
Health and human services	3	3	-	-	3	3
Culture and recreation	59	13	-	-	59	13
Conservation and development	923	1,101	-	-	923	1,101
Interest on long-term debt	686	687	-	-	686	687
Water utility	-	-	817	791	817	791
Sewer utility	-	-	939	858	939	858
Storm Water utility	-	-	661	314	661	314
<b>Total Expenses</b>	<b>4,731</b>	<b>4,913</b>	<b>2,417</b>	<b>1,963</b>	<b>7,148</b>	<b>6,876</b>
<b>Change in Net Position Before Transfers</b>	<b>598</b>	<b>(73)</b>	<b>16</b>	<b>1,811</b>	<b>614</b>	<b>1,738</b>
<b>Transfers</b>	<b>39</b>	<b>38</b>	<b>(39)</b>	<b>(38)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>637</b>	<b>(35)</b>	<b>(23)</b>	<b>1,773</b>	<b>614</b>	<b>1,738</b>
<b>Net Position - January 1</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>
<b>Net Position - December 31</b>	<b>\$ (1,434)</b>	<b>\$ (2,071)</b>	<b>\$ 13,710</b>	<b>\$ 13,733</b>	<b>\$ 12,276</b>	<b>\$ 11,662</b>

### 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, 2014, the Village's governmental funds reported combined ending fund balances of \$4,439,127, an increase of \$1,295,265 in comparison with the prior year. The increase resulted from additional fund balance accumulation for future capital outlay development in Tax Increment Districts and Capital Projects. Approximately 20.3% of this amount (\$902,824) 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 (\$27,747) restricted for park development and memorial brick/trees (\$101,625) and assigned for development and capital projects (\$3,406,931).

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 \$902,824. 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 33.2% of total general fund expenditures.

The fund balance of the Village's general fund decreased by \$274,040. The decrease resulted from an increase of revenues over budget of \$109,335 due to building and other permits plus state aids for local road improvements which was offset by increases in culture and recreation expenditures for parkland development and, most importantly, a sizable transfer to the capital projects fund for financing future capital projects of \$362,539 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 \$1,346,484 which represents unspent revenues and transfers in 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 \$887,511. Total net position was \$6,933,611 and the total decrease in net position was \$7,812. Nonoperating expenses and transfers out of \$145,372 exceeded operating income of \$137,560 resulting in the net position decrease. The 2014 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 \$267,585. Total net position was \$4,239,704 and the total decrease in net position was \$19,278. Nonoperating expenses of \$130,847 exceeded operating income of \$111,569 resulting in the net position decrease. The 2014 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 \$319,642. Total net position was \$2,536,584 and the total increase in net position was \$3,921. Operating income of \$106,388 and capital contributions of \$147,315 exceeded nonoperating expenses of \$249,782 resulting in the net position increase. The 2014 operating income was consistent with the prior year.

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 2014 original adopted and final budget.

Actual revenues exceeded budgeted revenues by \$109,335 due to positive variances in Village Building permit revenue, and state aids for local road improvements, among other cumulative small variances within departmental line items.

Actual expenditures exceeded budget by \$13,176 due to increased costs for garbage collection services attributed to fuel surcharges and decreased values in the sale of recyclables. Additionally, during the course of the budget year, the Village added the development of the Jan Wos Park in TID #1 which was offset by revenues transferred from the assigned parkland development fund balance account.

### 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, 2014 amounts to \$33,917,356 (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 \$1,925,811.

Village of Hobart's Capital Assets						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 8,196,803	\$ 6,758,873	\$ 573,701	\$ 573,701	\$ 8,770,504	\$ 7,332,574
Buildings and Improvements	1,127,224	1,127,224	21,756,110	21,659,306	22,883,334	22,786,530
Machinery and equipment	1,696,908	1,606,716	3,587,813	3,367,367	5,284,721	4,974,083
Infrastructure	4,177,291	4,177,291	-	-	4,177,291	4,177,291
Construction in progress	1,194,976	494,346	396,318	183,159	1,591,294	677,505
Less accumulated depreciation	(2,402,779)	(2,107,596)	(6,387,009)	(5,848,842)	(8,789,788)	(7,956,438)
<b>Total</b>	<b>\$ 13,990,423</b>	<b>\$ 12,056,854</b>	<b>\$ 19,926,933</b>	<b>\$ 19,934,691</b>	<b>\$ 33,917,356</b>	<b>\$ 31,991,545</b>

During 2014, land increased \$1,437,930 for governmental activities, buildings and improvements capital assets increased \$96,804 for business-type activities, machinery and equipment assets increased \$90,192 for governmental and \$220,446 for business activities, construction in progress increased \$700,630 for governmental and \$213,159 for business activities. An increase of \$833,350 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 \$27,066,372. Of this amount, \$24,858,326 comprises debt backed by the full faith and credit of the government and \$2,208,046 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	
	2014	2013	2014	2013	2014	2013
General obligation debt	\$ 19,374,600	\$ 12,210,500	\$ 5,483,726	\$ 5,748,805	\$ 24,858,326	\$ 17,959,305
Note anticipation notes	-	4,715,000	-	-	-	4,715,000
Notes payable - Green Bay MSD	-	-	2,208,046	2,392,637	2,208,046	2,392,637
<b>Total</b>	<b>\$ 19,374,600</b>	<b>\$ 16,925,500</b>	<b>\$ 7,691,772</b>	<b>\$ 8,141,442</b>	<b>\$ 27,066,372</b>	<b>\$ 25,066,942</b>

During 2014 the Village's total debt increased by \$1,999,430. On January 28, 2014 \$1,110,000 in taxable general obligation notes and \$3,780,000 general obligation refunding bonds were issued for the purpose of converting \$4,715,000 in note anticipation notes to a long term debt obligation. The \$1,110,000 notes refunded \$1,065,000 taxable anticipation notes dated October 4, 2011 and the \$3,780,000 bonds refunded note anticipation notes of \$1,520,000 dated October 4, 2011 and \$2,130,000 dated July 10, 2012. The 2014 refinancing achieved the amortization of the note anticipation notes debt on a long term basis and obtained continued low interest rates thus eliminating future interest rate risk. The \$1.1 million general obligation notes have interest rates ranging from 2.00% in 2015 to 4.10% in 2023, and the \$3.780 million general obligation refunding bonds have interest rates ranging from 2.00% in 2016 to 3.80% in 2029. There was no gain or loss on the transactions. On December 23, 2014 a \$2,910,100 Board of Commissioners of Public Lands State Trust Fund two-year loan was issued for the purpose of financing economic development projects in the Village's two tax increment districts. The loan is due in 2016 at an annual interest rate of 2.5% with a plan to convert the loan to a long term debt obligation during 2015. The Village had 2014 principal debt retirement of \$901,079 in general obligation notes, \$4,715,000 in note anticipation notes, and \$184,591 in notes payable – Green Bay MSD.

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 \$35,416,355, which is significantly in excess of the Village's \$24,858,326 in outstanding general obligation debt. The total outstanding general obligation debt applicable to the debt limit is 70.19% which meets the percentage requirement of the Debt Management Policy adopted by the Village Board.

On February 19, 2015, the Village's long-term debt credit rating was upgraded by Standard and Poor's from AA to AA+ with a stable outlook. Factors cited for the rating upgrade were: very strong economy; very strong budget flexibility; strong budgetary performance; very strong liquidity; strong management conditions; weak debt and contingent liability profile; and adequate institutional framework. Previously in 2012, Standard and Poor's upgraded the Village's debt credit rating from AA- to AA.

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 2015 fiscal year budget.

- The unemployment rate for the Village of Hobart is currently 4.3 percent which is a decrease from the 5.1 percent rate a year ago;
- Taxable assessed value for the Village increased by 4.5 percent;
- A 0% property tax rate increase (Village-only tax rate) with no service or employee reductions;
- A minimum CPI adjustment of 2% for most exempt and non-exempt employees, plus additional discretionary wage/salary adjustments for certain management staff;
- Police staffing allocation, part-time/full-time coverage needs;
- Increased capacity for Management Assistant hour/wages;
- Additional funds made available to the Capital Projects Fund for road improvement projects and reserve account funding for Property Reevaluation; Equipment for Information Technology, Fire Department, Public Works; and Village building improvements;
- Unknown Wisconsin Public Service utility rate increases;
- Accommodation of 2015 Strategic Plan Initiatives;
- Accommodation of 2015 Health insurance premium increases of 5%.

For the past four straight years, the Village of Hobart has ranked in the top 10 for new single family housing starts among all cities, villages and towns in the state of Wisconsin. In 2014, Hobart experienced 64 new single family housing starts, 9 multi-family structures, and 92 multi-family dwelling units. 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 \$90,567,900 in *equalized* incremental value. TID 1 had \$65,482,000 in *equalized* incremental value upon updated assessments as of January 1, 2014 and TID 2 had \$25,085,900 *equalized* incremental value. The Village projects that by the end of 2015, TID 1 will have over 500 new residential dwelling units comprised of both single family and multi-family dwellings, which includes a high-end multi-family project, *Hobart Crossing*, approved to begin construction in 2015. 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. Current Village housing trends are expected to be maintained for the next 2-3 years as existing lot inventory remains high.

The Village is experiencing population growth that, by percentage, is the fastest rate of population growth in the state. State Department of Administration projections show Hobart to be the fastest growing city, village or town over the next 20 years.

#### **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, 2014**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 8,605,940	\$ 1,081,303	\$ 9,687,243
Receivables			
Taxes	10,461,439	-	10,461,439
Accounts	13,629	329,218	342,847
Special assessments	25,676	244,263	269,939
Restricted assets			
Cash and investments	63,770	-	63,770
Capital assets, nondepreciable			
Land	2,343,548	65,030	2,408,578
Land held for resale	5,853,255	-	5,853,255
Construction in progress	1,194,976	396,318	1,591,294
Property held for future use	-	508,671	508,671
Capital assets, depreciable			
Land improvements	-	20,848,949	20,848,949
Buildings and improvements	1,127,224	907,161	2,034,385
Machinery and equipment	1,696,908	3,587,813	5,284,721
Infrastructure	4,177,291	-	4,177,291
Less: Accumulated depreciation	(2,402,779)	(6,387,009)	(8,789,788)
<b>TOTAL ASSETS</b>	<b>33,160,877</b>	<b>21,581,717</b>	<b>54,742,594</b>
<b>LIABILITIES</b>			
Accounts payable	76,998	73,001	149,999
Short-term notes payable	311,250	-	311,250
Accrued and other current liabilities	56,887	7,825	64,712
Accrued interest payable	258,772	99,220	357,992
Due to other governments	9,793,599	-	9,793,599
Unearned revenues			
Long-term obligations			
Due within one year	509,861	474,411	984,272
Due in more than one year	19,120,675	7,217,361	26,338,036
<b>TOTAL LIABILITIES</b>	<b>30,128,042</b>	<b>7,871,818</b>	<b>37,999,860</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	4,466,917	-	4,466,917
<b>NET POSITION</b>			
Net investment in capital assets	3,064,924	12,235,161	15,300,085
Restricted for			
Subsequent year projects	101,625	-	101,625
Unrestricted (Deficit)	(4,600,631)	1,474,738	(3,125,893)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (1,434,082)</b>	<b>\$ 13,709,899</b>	<b>\$ 12,275,817</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, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 723,121	\$ 183,146	\$ -	\$ -
Public safety	1,291,020	299,649	53,424	-
Public works	1,045,986	376,387	252,207	-
Health and human services	2,585	-	-	-
Culture and recreation	58,776	36,519	-	-
Conservation and development	923,198	-	-	-
Interest on debt	686,468	-	-	-
<b>Total Governmental Activities</b>	<b>4,731,154</b>	<b>895,701</b>	<b>305,631</b>	<b>-</b>
<b>Business-type Activities</b>				
Water utility	817,492	846,119	-	-
Sewer utility	938,999	892,763	-	-
Storm water utility	660,831	517,437	-	147,315
<b>Total Business-type Activities</b>	<b>2,417,322</b>	<b>2,256,319</b>	<b>-</b>	<b>147,315</b>
<b>Total</b>	<b>\$ 7,148,476</b>	<b>\$ 3,152,020</b>	<b>\$ 305,631</b>	<b>\$ 147,315</b>

**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

\$ (539,975)	\$ -	\$ (539,975)
(937,947)	-	(937,947)
(417,392)	-	(417,392)
(2,585)	-	(2,585)
(22,257)	-	(22,257)
(923,198)	-	(923,198)
(686,468)	-	(686,468)
<u>(3,529,822)</u>	<u>-</u>	<u>(3,529,822)</u>

-	28,627	28,627
-	(46,236)	(46,236)
-	3,921	3,921
<u>-</u>	<u>(13,688)</u>	<u>(13,688)</u>
<u>(3,529,822)</u>	<u>(13,688)</u>	<u>(3,543,510)</u>

2,716,006	-	2,716,006
588,359	-	588,359
636,575	-	636,575
85,134	-	85,134
70,142	-	70,142
18,380	374	18,754
13,650	28,800	42,450
38,655	(38,655)	-
<u>4,166,901</u>	<u>(9,481)</u>	<u>4,157,420</u>

637,079	(23,169)	613,910
<u>(2,071,161)</u>	<u>13,733,068</u>	<u>11,661,907</u>
<u>\$ (1,434,082)</u>	<u>\$ 13,709,899</u>	<u>\$ 12,275,817</u>

**VILLAGE OF HOBART, WISCONSIN**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2014**

	General	Debt Service	Tax Incremental District #1	Capital Projects	Tax Incremental District #2	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 4,926,810	\$ -	\$ 1,897,214	\$ 1,370,506	\$ 411,410	\$ 8,605,940
Receivables						
Taxes	7,470,146	376,124	1,300,110	781,714	505,598	10,433,692
Delinquent taxes and special assessments	27,747	-	-	-	-	27,747
Special assessments	-	25,676	-	-	-	25,676
Other	13,529	-	100	-	-	13,629
Restricted cash and investments	-	-	-	-	63,770	63,770
<b>TOTAL ASSETS</b>	<b>\$ 12,438,232</b>	<b>\$ 401,800</b>	<b>\$ 3,197,424</b>	<b>\$ 2,152,220</b>	<b>\$ 980,778</b>	<b>\$ 19,170,454</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 52,179	\$ -	\$ 797	\$ 24,022	\$ -	\$ 76,998
Short term note payable	-	-	-	-	311,250	311,250
Accrued payroll liabilities	56,887	-	-	-	-	56,887
Due to other governmental units	9,793,599	-	-	-	-	9,793,599
<b>Total Liabilities</b>	<b>9,902,665</b>	<b>-</b>	<b>797</b>	<b>24,022</b>	<b>311,250</b>	<b>10,238,734</b>
<b>Deferred Inflows of Resources</b>						
Property taxes	1,503,371	376,124	1,300,110	781,714	505,598	4,466,917
Special assessments	-	25,676	-	-	-	25,676
<b>Total Deferred Inflows of Resources</b>	<b>1,503,371</b>	<b>401,800</b>	<b>1,300,110</b>	<b>781,714</b>	<b>505,598</b>	<b>4,492,593</b>
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Delinquent taxes and assessments	27,747	-	-	-	-	27,747
<b>Restricted</b>						
Park development	96,232	-	-	-	-	96,232
Memorial brick/trees	5,393	-	-	-	-	5,393
<b>Assigned</b>						
Development	-	-	1,896,517	-	163,930	2,060,447
Capital projects	-	-	-	1,346,484	-	1,346,484
<b>Unassigned, reported in</b>						
General fund	902,824	-	-	-	-	902,824
<b>Total Fund Balances</b>	<b>1,032,196</b>	<b>-</b>	<b>1,896,517</b>	<b>1,346,484</b>	<b>163,930</b>	<b>4,439,127</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 12,438,232</b>	<b>\$ 401,800</b>	<b>\$ 3,197,424</b>	<b>\$ 2,152,220</b>	<b>\$ 980,778</b>	<b>\$ 19,170,454</b>

(Continued)

**VILLAGE OF HOBART, WISCONSIN**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**December 31, 2014**

**Reconciliation to the Statement of Net Position**

Total Fund Balances as shown on previous page		\$ 4,439,127
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.		13,990,423
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	\$ (19,374,600)	
Premium on debt issued	(255,936)	
Accrued interest on long-term obligations	<u>(258,772)</u>	(19,889,308)
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.		
Special assessments		<u>25,676</u>
Net Position (Deficit) of Governmental Activities as Reported on the Statement of Net Position (see page 22)		<u>\$ (1,434,082)</u>

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, 2014**

	General	Debt Service	Tax Incremental District #1	Capital Projects	Tax Incremental District #2	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 1,425,972	\$ 588,359	\$ 1,026,480	\$ 636,575	\$ 300,459	\$ 3,977,845
Special assessments	-	25,677	-	-	-	25,677
Intergovernmental	609,291	-	4,693	-	283	614,267
Licenses and permits	221,571	-	-	-	-	221,571
Fines and forfeits	45,145	-	-	-	-	45,145
Public charges for services	438,720	-	-	-	-	438,720
Other	28,945	2,926	-	-	159	32,030
<b>Total Revenues</b>	<b>2,769,644</b>	<b>616,962</b>	<b>1,031,173</b>	<b>636,575</b>	<b>300,901</b>	<b>5,355,255</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	700,665	-	-	-	-	700,665
Public safety	1,172,150	-	-	-	-	1,172,150
Public works	700,021	-	-	-	-	700,021
Health and human services	2,585	-	-	-	-	2,585
Culture and recreation	47,929	-	-	-	-	47,929
Conservation and development	96,450	-	49,857	-	15,229	161,536
<b>Debt service</b>						
Principal	-	386,000	1,128,351	-	186,649	1,701,000
Interest and fiscal charges	-	230,962	238,196	-	49,698	518,856
<b>Capital outlay</b>	-	-	1,021,487	760,144	1,411,738	3,193,369
<b>Total Expenditures</b>	<b>2,719,800</b>	<b>616,962</b>	<b>2,437,891</b>	<b>760,144</b>	<b>1,663,314</b>	<b>8,198,111</b>
<b>Excess of Revenues Over (Under)</b>						
<b>Expenditures</b>	49,844	-	(1,406,718)	(123,569)	(1,362,413)	(2,842,856)
<b>Other Financing Sources (Uses)</b>						
Long-term debt issued	-	-	4,710,423	-	3,089,677	7,800,100
Premium on debt issued	-	-	35,641	-	24,200	59,841
Advance refunding of debt	-	-	(2,194,237)	-	(1,566,238)	(3,760,475)
Transfers in	38,655	-	-	508,867	-	547,522
Transfers out	(362,539)	-	-	-	(146,328)	(508,867)
<b>Total Other Financing Sources (Uses)</b>	<b>(323,884)</b>	<b>-</b>	<b>2,551,827</b>	<b>508,867</b>	<b>1,401,311</b>	<b>4,138,121</b>
<b>Net Change in Fund Balances</b>	<b>(274,040)</b>	<b>-</b>	<b>1,145,109</b>	<b>385,298</b>	<b>38,898</b>	<b>1,295,265</b>
<b>Fund Balances - January 1</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>Fund Balances - December 31</b>	<b>\$ 1,032,196</b>	<b>\$ -</b>	<b>\$ 1,896,517</b>	<b>\$ 1,346,484</b>	<b>\$ 163,930</b>	<b>\$ 4,439,127</b>

(Continued)

**VILLAGE OF HOBART, WISCONSIN**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended December 31, 2014**

**Reconciliation to the Statement of Activities**

Net Change in Fund Balances as shown on previous page \$ 1,295,265

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	\$ 2,228,752	
Depreciation expense reported in the statement of activities	<u>(295,183)</u>	1,933,569

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		5,351,000
Long-term debt issued		(7,800,100)
Premium on debt issued		(38,852)

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.		(78,126)
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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>(25,677)</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>\$ 637,079</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, 2014**

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,427,231	\$ 1,427,231	\$ 1,425,972	\$ (1,259)
Intergovernmental	579,342	579,342	609,291	29,949
Licenses and permits	148,265	148,265	221,571	73,306
Fines and forfeits	52,500	52,500	45,145	(7,355)
Public charges for services	431,505	431,505	438,720	7,215
Other general government	21,466	21,466	28,945	7,479
<b>Total Revenues</b>	<b>2,660,309</b>	<b>2,660,309</b>	<b>2,769,644</b>	<b>109,335</b>
<b>Expenditures</b>				
General government	727,015	727,015	700,665	26,350
Public safety	1,196,254	1,196,254	1,172,150	24,104
Public works	666,476	666,476	700,021	(33,545)
Health and human services	3,684	3,684	2,585	1,099
Culture and recreation	10,800	10,800	47,929	(37,129)
Conservation and development	102,395	102,395	96,450	5,945
<b>Total Expenditures</b>	<b>2,706,624</b>	<b>2,706,624</b>	<b>2,719,800</b>	<b>(13,176)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(46,315)</b>	<b>(46,315)</b>	<b>49,844</b>	<b>96,159</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	46,315	46,315	38,655	(7,660)
Transfers out	-	-	(362,539)	(362,539)
<b>Total Other Financing Sources (Uses)</b>	<b>46,315</b>	<b>46,315</b>	<b>(323,884)</b>	<b>(370,199)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(274,040)</b>	<b>(274,040)</b>
<b>Fund Balance - January 1</b>	<b>1,306,236</b>	<b>1,306,236</b>	<b>1,306,236</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,306,236</b>	<b>\$ 1,306,236</b>	<b>\$ 1,032,196</b>	<b>\$ (274,040)</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, 2014

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 622,490	\$ 200,574	\$ 258,239	\$ 1,081,303
Accounts receivable	133,036	196,182	-	329,218
<b>Total Current Assets</b>	<b>755,526</b>	<b>396,756</b>	<b>258,239</b>	<b>1,410,521</b>
Noncurrent assets				
Capital assets, nondepreciable				
Land	65,030	-	-	65,030
Construction in progress	-	-	396,318	396,318
Property held for future use	-	508,671	-	508,671
Capital assets, depreciable				
Structure and improvements	907,161	-	-	907,161
Improvements other than buildings	9,982,707	8,929,376	1,936,866	20,848,949
Equipment	973,013	2,546,681	68,119	3,587,813
Less: Accumulated depreciation	(2,604,481)	(3,598,167)	(184,361)	(6,387,009)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>9,323,430</b>	<b>8,386,561</b>	<b>2,216,942</b>	<b>19,926,933</b>
Other Assets				
Special assessments	143	2,815	68,294	71,252
Special assessments deferred	170,318	-	2,693	173,011
<b>Total Noncurrent Assets</b>	<b>9,493,891</b>	<b>8,389,376</b>	<b>2,287,929</b>	<b>20,171,196</b>
<b>TOTAL ASSETS</b>	<b>10,249,417</b>	<b>8,786,132</b>	<b>2,546,168</b>	<b>21,581,717</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	25,312	41,046	6,643	73,001
Accrued expenses	2,650	2,234	2,941	7,825
Accrued interest	10,514	88,706	-	99,220
<b>Total Current Liabilities</b>	<b>38,476</b>	<b>131,986</b>	<b>9,584</b>	<b>180,046</b>
Noncurrent				
Due within one year	155,800	318,611	-	474,411
Due in more than one year	3,121,530	4,095,831	-	7,217,361
<b>Total Noncurrent Liabilities</b>	<b>3,277,330</b>	<b>4,414,442</b>	<b>-</b>	<b>7,691,772</b>
<b>TOTAL LIABILITIES</b>	<b>3,315,806</b>	<b>4,546,428</b>	<b>9,584</b>	<b>7,871,818</b>
<b>NET POSITION</b>				
Net investment in capital assets	6,046,100	3,972,119	2,216,942	12,235,161
Unrestricted	887,511	267,585	319,642	1,474,738
<b>TOTAL NET POSITION</b>	<b>\$ 6,933,611</b>	<b>\$ 4,239,704</b>	<b>\$ 2,536,584</b>	<b>\$ 13,709,899</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, 2014**

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>Operating Revenues</b>				
<b>Charges for Services</b>				
Metered sales				
Residential	\$ 478,319	\$ 609,990	\$ -	\$ 1,088,309
Commercial	27,641	45,158	-	72,799
Industrial	-	115,558	-	115,558
Public authority	1,126	4,713	-	5,839
Multi-family	47,869	91,067	-	138,936
Private fire protection	14,234	-	-	14,234
Public fire protection	223,034	-	-	223,034
<b>Total Charges for Services</b>	<b>792,223</b>	<b>866,486</b>	<b>-</b>	<b>1,658,709</b>
<b>Other Operating Revenues</b>				
Inspection fees	5,764	7,850	-	13,614
Well operation permits	29,250	-	-	29,250
Other operating revenues	18,882	18,427	517,437	554,746
<b>Total Other Operating Revenues</b>	<b>53,896</b>	<b>26,277</b>	<b>517,437</b>	<b>597,610</b>
<b>Total Operating Revenues</b>	<b>846,119</b>	<b>892,763</b>	<b>517,437</b>	<b>2,256,319</b>
<b>Operating Expenses</b>				
<b>Operation and Maintenance</b>				
Purchased water	233,455	-	-	233,455
Power for pumping	16,215	5,259	-	21,474
Operation labor	37,331	40,334	33,934	111,599
Treatment charges	-	326,877	-	326,877
Chemicals	438	-	-	438
Maintenance of plant	52,987	37,779	122,472	213,238
Operation supplies and expense	12,635	14,987	2,464	30,086
Administrative and general salaries	33,364	26,521	68,726	128,611
Office supplies and expense	4,993	571	-	5,564
Outside services	31,992	58,715	92,418	183,125
Employee pensions and benefits	25,732	21,615	25,882	73,229
Regulatory expense	909	-	-	909
Insurance expense	5,895	3,374	-	9,269
Miscellaneous general expenses	2,260	962	2,252	5,474
<b>Total Operation and Maintenance</b>	<b>458,206</b>	<b>536,994</b>	<b>348,148</b>	<b>1,343,348</b>
Depreciation	247,423	237,069	55,235	539,727
Taxes	2,930	7,131	7,666	17,727
<b>Total Operating Expenses</b>	<b>708,559</b>	<b>781,194</b>	<b>411,049</b>	<b>1,900,802</b>
<b>Operating Income</b>	<b>137,560</b>	<b>111,569</b>	<b>106,388</b>	<b>355,517</b>
<b>Nonoperating Revenues (Expenses)</b>				
Interest income	16	358	-	374
Write off uncollectible special assessments	-	-	(249,782)	(249,782)
Hook-up fees	-	28,800	-	28,800
Interest and fiscal charges	(106,733)	(160,005)	-	(266,738)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(106,717)</b>	<b>(130,847)</b>	<b>(249,782)</b>	<b>(487,346)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>30,843</b>	<b>(19,278)</b>	<b>(143,394)</b>	<b>(131,829)</b>
Capital contributions	-	-	147,315	147,315
Transfers out	(38,655)	-	-	(38,655)
<b>Change in Net Position</b>	<b>(7,812)</b>	<b>(19,278)</b>	<b>3,921</b>	<b>(23,169)</b>
<b>Net Position - January 1</b>	<b>6,941,423</b>	<b>4,258,982</b>	<b>2,532,663</b>	<b>13,733,068</b>
<b>Net Position - December 31</b>	<b>\$ 6,933,611</b>	<b>\$ 4,239,704</b>	<b>\$ 2,536,584</b>	<b>\$ 13,709,899</b>

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, 2014**

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>Cash Flows from Operating Activities</b>				
Cash received from user charges	\$ 1,066,053	\$ 1,023,426	\$ 471,744	\$ 2,561,223
Cash payments to suppliers	(374,070)	(451,124)	(232,817)	(1,058,011)
Cash payments to employees	(92,814)	(93,034)	(128,092)	(313,940)
<b>Net Cash Provided by Operating Activities</b>	<b>599,169</b>	<b>479,268</b>	<b>110,835</b>	<b>1,189,272</b>
<b>Cash Flows from Non-Capital Financing Activities</b>				
Transfer to other funds	(38,655)	-	-	(38,655)
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	(114,220)	(180,011)	(90,423)	(384,654)
Principal payments on long-term debt	(150,257)	(299,413)	-	(449,670)
Interest payments on long-term debt	(107,162)	(166,703)	-	(273,865)
Hook up fees	-	28,800	-	28,800
Contributions from property owners	143	2,814	-	2,957
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(371,496)</b>	<b>(614,513)</b>	<b>(90,423)</b>	<b>(1,076,432)</b>
<b>Cash Flows from Investing Activities</b>				
Interest on investments	16	358	-	374
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>189,034</b>	<b>(134,887)</b>	<b>20,412</b>	<b>74,559</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>433,456</b>	<b>335,461</b>	<b>237,827</b>	<b>1,006,744</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 622,490</b>	<b>\$ 200,574</b>	<b>\$ 258,239</b>	<b>\$ 1,081,303</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating income	\$ 137,560	\$ 111,569	\$ 106,388	\$ 355,517
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	247,423	237,069	55,235	539,727
Depreciation allocation for meters	9,349	(9,349)	-	-
Changes in assets and liabilities				
Accounts receivable	(2,447)	(11,005)	-	(13,452)
Special assessments	-	-	(45,693)	(45,693)
Due from other governments	222,381	141,668	-	364,049
Accounts payable	(15,768)	8,949	(5,140)	(11,959)
Accrued expenses	671	367	45	1,083
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 599,169</b>	<b>\$ 479,268</b>	<b>\$ 110,835</b>	<b>\$ 1,189,272</b>
<b>Noncash Investing, Capital and Financing Activities</b>				
Capital assets contributed	-	-	147,315	147,315

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, 2014

**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, 2014

**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, 2014

**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, 2014**

**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, represents 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, 2014**

**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 adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. The policy indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

**GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS**

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

- **Net investment in capital assets** - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted net position** - Amount of net position that 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, 2014

**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, 2014.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2014

**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 \$9,751,013 on December 31, 2014 as summarized below:

Deposits with financial institutions	\$ 9,700,544
Investments	
Wisconsin local government investment pool	50,469
	<u>\$ 9,751,013</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 9,687,243
Restricted cash and investments	63,770
	<u>\$ 9,751,013</u>

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, 2014**

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

As of December 31, 2014, \$8,092,348 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. \$8,021,807 of the uninsured balance was 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
Wisconsin Local Government Investment Pool	\$ 50,469	\$ -	\$ -	\$ -	\$ 50,469

**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
Wisconsin Local Government Investment Pool	\$ 50,469	\$ 50,469	\$ -	\$ -	\$ -

**Investment in Wisconsin Local Government Investment Pool**

The Village has investments in the Wisconsin local government investment pool of \$50,469 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, 2014, 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, 2014**

**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 College and the State of Wisconsin. Brown County has assumed tax collection responsibilities for the Village.

**3. Restricted Assets**

Restricted assets on December 31, 2014 totaled \$63,770 and consisted of cash and investments held for the following purposes:

Developer escrow	\$ 63,770
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**4. Capital Assets**

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 1,009,028	\$ 1,334,520	\$ -	\$ 2,343,548
Land held for resale	5,749,845	103,410	-	5,853,255
Construction work in progress	494,346	700,630	-	1,194,976
<b>Total capital assets, not being depreciated</b>	<b>7,253,219</b>	<b>2,138,560</b>	<b>-</b>	<b>9,391,779</b>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	1,127,224	-	-	1,127,224
Machinery and equipment	1,606,716	90,192	-	1,696,908
Infrastructure	4,177,291	-	-	4,177,291
<b>Subtotals</b>	<b>6,911,231</b>	<b>90,192</b>	<b>-</b>	<b>7,001,423</b>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	615,891	25,932	-	641,823
Machinery and equipment	957,777	130,007	-	1,087,784
Infrastructure	533,928	139,244	-	673,172
<b>Subtotals</b>	<b>2,107,596</b>	<b>295,183</b>	<b>-</b>	<b>2,402,779</b>
<b>Total capital assets, being depreciated, net</b>	<b>4,803,635</b>	<b>(204,991)</b>	<b>-</b>	<b>4,598,644</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 12,056,854</b>	<b>\$ 1,933,569</b>	<b>\$ -</b>	<b>13,990,423</b>
<b>Less related long-term debt outstanding</b>				<b>10,925,499</b>
<b>Net investment in capital assets</b>				<b>\$ 3,064,924</b>

**VILLAGE OF HOBART, WISCONSIN**  
**Notes to Basic Financial Statements**  
**December 31, 2014**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 65,030	\$ -	\$ -	\$ 65,030
Construction in progress	183,159	213,159	-	396,318
Property held for future use	508,671	-	-	508,671
Subtotals	<u>756,860</u>	<u>213,159</u>	<u>-</u>	<u>970,019</u>
<b>Capital assets, being depreciated:</b>				
Buildings	907,161	-	-	907,161
Land improvements	20,752,145	98,364	1,560	20,848,949
Machinery and equipment	3,367,367	220,446	-	3,587,813
Subtotals	<u>25,026,673</u>	<u>318,810</u>	<u>1,560</u>	<u>25,343,923</u>
<b>Less accumulated depreciation for:</b>				
Buildings	161,117	29,030	-	190,147
Land improvements	4,368,661	408,930	1,560	4,776,031
Machinery and equipment	1,319,064	101,767	-	1,420,831
Subtotals	<u>5,848,842</u>	<u>539,727</u>	<u>1,560</u>	<u>6,387,009</u>
Total capital assets, being depreciated, net	<u>19,177,831</u>	<u>(220,917)</u>	<u>-</u>	<u>18,956,914</u>
Business-type activities capital assets, net	<u>\$ 19,934,691</u>	<u>\$ (7,758)</u>	<u>\$ -</u>	<u>19,926,933</u>
Less related long-term debt outstanding				<u>7,691,772</u>
Net investment in capital assets				<u>\$ 12,235,161</u>

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

<b>Governmental activities</b>	
General government	\$ 12,296
Public safety	80,888
Public works	198,304
Culture and recreation	3,695
Total depreciation expense - governmental activities	<u>\$ 295,183</u>
<b>Business-type activities</b>	
Water utility	\$ 256,772
Sewer utility	227,720
Storm water utility	55,235
Total depreciation expense - business-type activities	<u>\$ 539,727</u>

**VILLAGE OF HOBART, WISCONSIN**  
**Notes to Basic Financial Statements**  
**December 31, 2014**

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

**5. Interfund Receivable, Payables, and Transfers**

Interfund transfers for the year ended December 31, 2014 were as follows:

	Transfer to:		
	General Fund	Capital Projects	Total
Transfers from:			
Water utility enterprise fund	\$ 38,655	\$ -	\$ 38,655
General fund	-	362,539	362,539
Tax Incremental District #2 fund	-	146,328	146,328
Totals	<u>\$ 38,655</u>	<u>\$ 508,867</u>	<u>\$ 547,522</u>

The general fund transfer for 2014 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. Short-term Obligations**

On December 29, 2014 the Village entered into a land contract for the purchase of land. The amount of the land contract is \$311,250. The entire balance is payable on or before January 15, 2015, but not prior to January 1, 2015. The land contract has no interest charged on the outstanding balance.

**7. Long-term Obligations**

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2014:

	Outstanding 1/1/14	Issued	Retired	Outstanding 12/31/14	Due Within One Year
<b>Governmental activities:</b>					
<b>General Obligation Debt</b>					
Bonds	\$ 12,210,500	\$ 3,780,000	\$ 636,000	\$ 15,354,500	\$ 449,750
Notes	-	4,020,100	-	4,020,100	35,000
Note anticipation notes	4,715,000	-	4,715,000	-	-
Premium on debt issued	217,084	59,841	20,989	255,936	25,111
<b>Governmental activities     Long-term obligations</b>	<u>\$ 17,142,584</u>	<u>\$ 7,859,941</u>	<u>\$ 5,371,989</u>	<u>\$ 19,630,536</u>	<u>\$ 509,861</u>
<b>Business-type activities:</b>					
<b>General Obligation Debt</b>					
Notes	\$ 5,748,805	\$ -	\$ 265,079	\$ 5,483,726	\$ 282,342
Notes payable - Green Bay MSD	2,392,637	-	184,591	2,208,046	192,069
<b>Business-type activities     Long-term obligations</b>	<u>\$ 8,141,442</u>	<u>\$ -</u>	<u>\$ 449,670</u>	<u>\$ 7,691,772</u>	<u>\$ 474,411</u>

Total interest paid during the year on long-term debt totaled \$680,835.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2014

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

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

**Bonds**

\$1,125,000 issued 7/15/03; \$110,000 due in 2015 and \$115,000 due in 2016; interest 3.7% to 3.8%	\$ 225,000
\$420,000 issued 4/1/07; \$50,000 to \$100,000 due annually through 2017; interest 4.15%	245,000
\$1,300,000 issued 11/22/10; \$45,000 to \$55,000 due annually through 2024; interest 2.5% to 3.45%	490,000
\$1,895,000 issued 11/22/10; \$110,000 to \$165,000 due annually through 2026; interest 2.0% to 5.05%	1,585,000
\$2,900,000 issued 6/7/11; \$120,000 to \$360,000 due annually through 2026; interest 3.0% to 4.05%	2,560,000
\$1,093,507 issued in 2011; \$47,092 to \$66,705 due annually through 2031; interest 2.2%	958,226
\$5,000,000 issued 7/10/12; \$250,000 to \$370,000 due annually through 2029; interest 2.75% to 3.125%	4,545,000
\$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
\$3,780,000 issued 1/28/14; \$100,000 to \$555,000 due annually 2016 through 2029; interest 2.0% to 3.8%	3,780,000

**Notes**

\$1,110,000 issued 12/23/14; \$35,000 to \$150,000 due annually through 2023; interest 2.0% to 4.1%	1,110,000
\$2,910,100 issued 11/18/14; due in 2016; interest 2.5%	2,910,100
<b>Total Outstanding General Obligation Debt</b>	<b><u>\$ 24,858,326</u></b>

Annual principal and interest maturities of the outstanding general obligation debt of \$24,858,326 on December 31, 2014 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 484,750	\$ 605,544	\$ 282,342	\$ 166,559	\$ 767,092	\$ 772,103
2016	3,769,850	583,427	293,378	158,649	4,063,228	742,076
2017	964,750	470,154	299,437	150,498	1,264,187	620,652
2018	979,750	445,450	305,519	142,178	1,285,269	587,628
2019	997,500	419,462	313,875	133,304	1,311,375	552,766
2020 - 2024	5,638,000	1,607,131	2,171,333	489,785	7,809,333	2,096,916
2025 - 2029	6,540,000	585,344	1,685,867	112,400	8,225,867	697,744
2030 - 2031	-	-	131,975	2,919	131,975	2,919
	<b><u>\$ 19,374,600</u></b>	<b><u>\$ 4,716,512</u></b>	<b><u>\$ 5,483,726</u></b>	<b><u>\$ 1,356,292</u></b>	<b><u>\$ 24,858,326</u></b>	<b><u>\$ 6,072,804</u></b>

**VILLAGE OF HOBART, WISCONSIN**  
**Notes to Basic Financial Statements**  
**December 31, 2014**

**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, 2014 was \$10,558,029 as follows:

Equalized valuation of the Village	\$ 708,327,100
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	35,416,355
Total outstanding general obligation debt applicable to debt limitation	\$ 24,858,326
Less: Amounts available for financing general obligation debt	
Debt service fund	-
Net outstanding general obligation debt applicable to debt limitation	24,858,326
Legal Margin for New Debt	\$ 10,558,029

Notes Payable - Green Bay Metropolitan Sewage District

Notes Payable - Green Bay Metropolitan Sewage District outstanding on December 31, 2014 totaled \$2,208,046 and was comprised of the following issues:

Notes Payable MSD

\$135,545 issued 1992 for interceptor construction; \$4,674 due annually through 2020; non-interest bearing	\$ 28,044
\$1,697,786 issued 1999 for interceptor construction; \$86,267 to \$113,506 due annually through 2022; interest 3.15% to 4.33%	794,750
\$2,151,581 issued 2005 for interceptor construction; \$101,128 to \$154,069 due annually through 2025; interest 4.3%	1,385,252
Total Notes Payable - Green Bay MSD	\$ 2,208,046

Annual principal and interest payments of the above outstanding notes payable on December 31, 2014 are shown below:

Year Ended December 31	Business-type Activities		
	Principal	Interest	Total
2015	\$ 192,069	\$ 91,355	\$ 283,424
2016	199,859	83,564	283,423
2017	207,976	75,447	283,423
2018	216,434	66,990	283,424
2019	225,247	58,177	283,424
2019 - 2023	1,012,391	149,920	1,162,311
2024 - 2025	154,070	6,625	160,695
	\$ 2,208,046	\$ 532,078	\$ 2,740,124

Advance Refunding of Debt

During 2014, the Village called the outstanding balance of the 2011 and 2012 Note Anticipation Notes (NANs) using the proceeds of the 2014 debt issues. The purpose of the call was to retire the NANs and replace them with permanent financing. There was no gain or loss on the transaction.

**VILLAGE OF HOBART, WISCONSIN**  
**Notes to Basic Financial Statements**  
**December 31, 2014**

**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 employees in the General Employment category, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions 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 for 2014 were:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for Village employees covered by the WRS for the year ended December 31, 2014 was \$939,257; the employer's total payroll was \$1,118,666. The total required contribution for the year ended December 31, 2014 was \$141,319, which consisted of \$75,571, or 8.05% of covered payroll from the employer and \$65,748, or 7.00% of covered payroll from employees. Total contributions for the years ending December 31, 2013 and 2012 were \$131,884 and \$121,138 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 years' 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.

**VILLAGE OF HOBART, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2014

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

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 2014 and 2015 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 2014 budget was 4.79%. The actual limit for the Village for the 2015 budget was 4.55%. 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.

**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. Upcoming Accounting Pronouncements**

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide and proprietary fund statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ending December 31, 2015.

**6. Subsequent Event**

On March 24, 2015 the Village issued \$715,000 of general obligation notes for economic development projects. The notes are due and payable on March 15, 2016 with interest at 2.50%.

## **SUPPLEMENTARY INFORMATION**

**VILLAGE OF HOBART, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Budgeted and Actual Revenues**  
**For the Year Ended December 31, 2014**  
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
<b>Taxes</b>				
General property	\$ 1,419,887	\$ 1,419,898	\$ 11	\$ 1,397,546
Managed forest crop tax	250	69	(181)	52
Payment in lieu of taxes	1,744	-	(1,744)	1,744
Interest on taxes	4,850	4,077	(773)	4,763
Use value penalty	500	1,928	1,428	8,566
<b>Total Taxes</b>	<b>1,427,231</b>	<b>1,425,972</b>	<b>(1,259)</b>	<b>1,412,671</b>
<b>Intergovernmental</b>				
<b>Federal aids</b>				
Police grant	10,050	23,850	13,800	39,151
<b>State aids</b>				
Shared taxes	63,060	63,060	-	61,084
Fire insurance	23,727	28,446	4,719	23,727
Fire department grant	-	1,128	1,128	11,000
Transportation	182,985	182,946	(39)	187,832
Local road improvement program	-	50,875	50,875	-
Exempt computer aid	2,050	2,106	56	2,043
Recycling	18,000	18,386	386	18,376
<b>Local aids</b>				
Reimbursements from the Town of Lawrence	279,470	238,494	(40,976)	304,592
<b>Total Intergovernmental</b>	<b>579,342</b>	<b>609,291</b>	<b>29,949</b>	<b>647,805</b>
<b>Licenses and Permits</b>				
Quarry permits	2,085	3,235	1,150	4,985
Liquor and malt beverages	2,480	3,100	620	2,480
Operators license	5,300	7,041	1,741	7,730
Cigarette license	50	50	-	50
Dog license	1,350	642	(708)	976
Cable TV franchise fees	46,500	48,229	1,729	46,774
Building permits and associated fees	87,600	119,905	32,305	181,222
Site review permits	700	900	200	450
Park fee/building permits	-	28,200	28,200	42,400
Park developer fees	-	8,319	8,319	6,459
Zoning permits	2,200	1,950	(250)	1,720
<b>Total Licenses and Permits</b>	<b>148,265</b>	<b>221,571</b>	<b>73,306</b>	<b>295,246</b>
<b>Fines and Forfeits</b>				
Court fines and penalties	52,500	45,145	(7,355)	50,107

(Continued)

**VILLAGE OF HOBART, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Budgeted and Actual Revenues (Continued)**  
**For the Year Ended December 31, 2014**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2013)**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
<b>Public Charges for Services</b>				
General government	3,000	10,815	7,815	7,435
Garbage collection	311,960	310,476	(1,484)	310,896
Police liaison fees	15,814	15,810	(4)	15,155
Street lighting	65,856	65,911	55	67,422
Fire calls	4,000	200	(3,800)	187
Park rentals	4,150	6,041	1,891	7,887
Land and tower rental fees	26,725	29,467	2,742	26,768
<b>Total Public Charges for Services</b>	<b>431,505</b>	<b>438,720</b>	<b>7,215</b>	<b>435,750</b>
<b>Other General Government</b>				
Reimbursements	-	10,304	10,304	26,725
Interest	18,000	15,295	(2,705)	18,676
Other general government	3,466	3,346	(120)	1,508
<b>Total Other General Government</b>	<b>21,466</b>	<b>28,945</b>	<b>7,479</b>	<b>46,909</b>
<b>Total Revenues</b>	<b>\$ 2,660,309</b>	<b>\$ 2,769,644</b>	<b>\$ 109,335</b>	<b>\$ 2,888,488</b>

**VILLAGE OF HOBART, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Budgeted and Actual Expenditures**  
**For the Year Ended December 31, 2014**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2013)**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
<b>General Government</b>				
Board	\$ 53,762	\$ 52,159	\$ 1,603	\$ 54,788
Municipal court	71,200	65,712	5,488	73,655
Legal	204,500	177,721	26,779	253,425
Administrator	82,281	86,808	(4,527)	76,811
Clerk	91,476	92,564	(1,088)	87,633
General government	20,375	17,183	3,192	17,882
Information technology	49,400	51,345	(1,945)	53,314
Elections	7,771	5,772	1,999	5,282
Audit and other accounting	5,016	5,190	(174)	5,282
Treasurer	33,609	33,485	124	31,067
Uncollected taxes and refunds	3,000	2,375	625	3,563
Assessor	32,550	33,001	(451)	31,139
General building and equipment	45,761	51,690	(5,929)	66,790
General insurance	26,314	25,660	654	21,541
<b>Total General Government</b>	<b>727,015</b>	<b>700,665</b>	<b>26,350</b>	<b>782,172</b>
<b>Public Safety</b>				
Police department	704,617	687,090	17,527	691,115
Fire department	366,887	363,308	3,579	370,631
Building inspection	65,598	64,896	702	61,575
Ambulance	55,791	56,691	(900)	54,428
First responders	3,361	165	3,196	525
<b>Total Public Safety</b>	<b>1,196,254</b>	<b>1,172,150</b>	<b>24,104</b>	<b>1,178,274</b>
<b>Public Works</b>				
Highway administration	45,992	45,429	563	44,800
Highway maintenance and construction	253,056	268,379	(15,323)	226,796
Street lighting	79,928	78,438	1,490	75,728
Garbage collection	287,500	307,775	(20,275)	285,982
<b>Total Public Works</b>	<b>666,476</b>	<b>700,021</b>	<b>(33,545)</b>	<b>633,306</b>
<b>Health and Human Services</b>				
Animal control	3,684	2,585	1,099	3,580
<b>Culture and Recreation</b>				
Parks	10,800	47,929	(37,129)	5,291
<b>Conservation and Development</b>				
Economic development	99,345	94,323	5,022	99,132
Gypsy moth grant	-	-	-	73
Planning	3,050	2,100	950	1,230
Memorial brick/tree	-	27	(27)	494
<b>Total Conservation and Development</b>	<b>102,395</b>	<b>96,450</b>	<b>5,945</b>	<b>100,929</b>
<b>Total Expenditures</b>	<b>\$ 2,706,624</b>	<b>\$ 2,719,800</b>	<b>\$ (13,176)</b>	<b>\$ 2,703,552</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 588,359	\$ 588,359	\$ 588,359	\$ -
Special assessments	25,676	25,676	25,677	1
Other	2,927	2,927	2,926	(1)
<b>Total Revenues</b>	<b>616,962</b>	<b>616,962</b>	<b>616,962</b>	<b>-</b>
<b>Expenditures</b>				
Debt service				
Principal	386,000	386,000	386,000	-
Interest and fiscal charges	230,962	230,962	230,962	-
<b>Total Expenditures</b>	<b>616,962</b>	<b>616,962</b>	<b>616,962</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</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>\$ -</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 903,188	\$ 903,188	\$ 1,026,480	\$ 123,292
Intergovernmental	4,703	4,703	4,693	(10)
Other	1,000	1,000	-	(1,000)
<b>Total Revenues</b>	<b>908,891</b>	<b>908,891</b>	<b>1,031,173</b>	<b>122,282</b>
<b>Expenditures</b>				
Conservation and development	50,019	50,019	49,857	162
Debt service				
Principal	250,000	250,000	1,128,351	(878,351)
Interest and fiscal charges	215,186	215,186	238,196	(23,010)
Capital outlay	211,675	211,675	1,021,487	(809,812)
<b>Total Expenditures</b>	<b>726,880</b>	<b>726,880</b>	<b>2,437,891</b>	<b>(1,711,011)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>182,011</b>	<b>182,011</b>	<b>(1,406,718)</b>	<b>(1,588,729)</b>
<b>Other Financing Sources (Uses)</b>				
Long-term debt issued	-	-	4,710,423	4,710,423
Premium on debt issued	-	-	35,641	35,641
Advance refunding of debt	-	-	(2,194,237)	(2,194,237)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>2,551,827</b>	<b>2,551,827</b>
<b>Net Change in Fund Balance</b>	<b>182,011</b>	<b>182,011</b>	<b>1,145,109</b>	<b>963,098</b>
<b>Fund Balance - January 1</b>	<b>751,408</b>	<b>751,408</b>	<b>751,408</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 933,419</b>	<b>\$ 933,419</b>	<b>\$ 1,896,517</b>	<b>\$ 963,098</b>

**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, 2014**

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 636,575	\$ 636,575	\$ 636,575	\$ -
Expenditures				
Capital outlay	636,575	636,575	760,144	(123,569)
Excess of Revenues Over (Under) Expenditures	-	-	(123,569)	(123,569)
Other Financing Sources				
Transfers in	-	-	508,867	508,867
Net Change in Fund Balance	-	-	385,298	385,298
Fund Balance - January 1	961,186	961,186	961,186	-
Fund Balance - December 31	\$ 961,186	\$ 961,186	\$ 1,346,484	\$ 385,298

**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, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ -	\$ 244,892	\$ 300,459	\$ 55,567
Intergovernmental	-	68	283	215
Other	200	200	159	(41)
<b>Total Revenues</b>	<u>200</u>	<u>245,160</u>	<u>300,901</u>	<u>55,741</u>
<b>Expenditures</b>				
Current				
Conservation and development	15,282	15,282	15,229	53
Debt service				
Principal	-	-	186,649	(186,649)
Interest and fiscal charges	43,240	43,240	49,698	(6,458)
Capital outlay	170,327	170,327	1,411,738	(1,241,411)
<b>Total Expenditures</b>	<u>228,849</u>	<u>228,849</u>	<u>1,663,314</u>	<u>(1,434,465)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(228,649)</u>	<u>16,311</u>	<u>(1,362,413)</u>	<u>(1,378,724)</u>
<b>Other Financing Sources (Uses)</b>				
Long-term debt issued	-	-	3,089,677	3,089,677
Premium on debt issued	-	-	24,200	24,200
Advance refunding of debt	-	-	(1,566,238)	(1,566,238)
Transfers out	-	-	(146,328)	(146,328)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,401,311</u>	<u>1,401,311</u>
<b>Net Change in Fund Balance</b>	<u>(228,649)</u>	<u>16,311</u>	<u>38,898</u>	<u>22,587</u>
<b>Fund Balance - January 1</b>	<u>125,032</u>	<u>125,032</u>	<u>125,032</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ (103,617)</u>	<u>\$ 141,343</u>	<u>\$ 163,930</u>	<u>\$ 22,587</u>

# 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>	55 - 61
Revenue Capacity	
<i>These schedules contain information to help the reader assess Hobart's most significant local revenue source, the property tax.</i>	62 - 65
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>	66 - 74
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>	75 - 76
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>	77 - 84

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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ (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	\$ 3,064,924
Restricted for debt service	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	101,625
Unrestricted	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)	(4,600,631)
<b>Total governmental activities net position</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>\$ (1,434,082)</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 12,235,161
Restricted for plant replacement	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	1,474,738
<b>Total business-type activities net position</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>\$ 13,709,899</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ (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	\$ 15,300,085
Restricted for debt service	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	101,625
Unrestricted	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)	(3,125,893)
<b>Total primary government net position</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>	<b>\$ 12,275,817</b>

**Note:**

For each fiscal year where the amount invested in capital assets net of related debt 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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 1,031,860	\$ 678,499	\$ 862,870	\$ 1,115,624	\$ 744,638	\$ 812,213	\$ 812,043	\$ 692,940	\$ 809,804	\$ 723,121
Public safety	681,968	709,320	768,584	856,368	1,103,792	980,844	1,196,094	1,208,225	1,308,458	1,291,020
Public works	752,807	885,329	660,492	598,413	635,985	624,912	758,866	791,467	990,792	1,045,986
Health and human services	-	-	-	-	-	-	6,472	2,115	3,580	2,585
Culture and recreation	-	22,441	12,052	29,786	17,102	19,086	33,267	30,068	12,921	58,776
Conservation and development	193,935	60,807	95,358	217,228	1,691,623	2,445,164	1,709,414	2,005,275	1,101,149	923,198
Interest on debt	694,094	384,483	356,249	617,230	623,611	729,645	668,157	695,699	687,017	686,468
<b>Total governmental activities expenses</b>	<b>3,354,664</b>	<b>2,740,879</b>	<b>2,755,605</b>	<b>3,434,649</b>	<b>4,816,751</b>	<b>5,611,864</b>	<b>5,184,313</b>	<b>5,425,789</b>	<b>4,913,721</b>	<b>4,731,154</b>
<b>Business-type activities:</b>										
Water utility	544,722	548,739	612,637	658,748	945,171	610,851	725,547	804,064	790,576	817,492
Sewer utility	552,920	699,454	640,548	653,868	681,687	710,856	741,163	765,339	857,597	938,999
Storm water utility	-	-	132,751	132,449	308,601	264,817	289,553	411,854	313,793	660,831
<b>Total business-type activities expenses</b>	<b>1,097,642</b>	<b>1,248,193</b>	<b>1,385,936</b>	<b>1,445,065</b>	<b>1,935,459</b>	<b>1,586,524</b>	<b>1,756,263</b>	<b>1,981,257</b>	<b>1,961,966</b>	<b>2,417,322</b>
<b>Total primary government expenses</b>	<b>\$ 4,452,306</b>	<b>\$ 3,989,072</b>	<b>\$ 4,141,541</b>	<b>\$ 4,879,714</b>	<b>\$ 6,752,210</b>	<b>\$ 7,198,388</b>	<b>\$ 6,940,576</b>	<b>\$ 7,407,046</b>	<b>\$ 6,875,687</b>	<b>\$ 7,148,476</b>

(Continued)

**VILLAGE OF HOBART, WISCONSIN**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 132,948	\$ 270,856	\$ 295,993	\$ 223,901	\$ 221,576	\$ 267,171	\$ 152,674	\$ 176,844	\$ 241,703	\$ 183,146
Public safety	66,367	67,767	64,502	102,549	117,370	144,909	305,559	366,632	370,041	299,649
Public works	234,622	220,289	281,753	248,957	372,755	377,767	378,614	372,446	378,318	376,387
Culture and recreation	-	5,545	3,425	4,580	3,750	9,148	10,909	41,137	48,859	36,519
Conservation and development	10,545	8,919	8,297	5,744	4,631	3,641	4,395	2,389	-	-
Interest on debt	111,684	-	-	-	-	-	-	-	-	-
Operating grants and contributions	299,710	347,368	360,791	423,517	468,223	316,680	374,038	313,301	280,086	305,631
Capital grants and contributions	28,817	10,818	1,142	5,125	-	-	294,654	259,029	-	-
<b>Total governmental activities program revenue</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>	<b>1,201,332</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water utility	587,375	563,229	574,185	576,105	624,600	585,122	735,753	835,087	818,020	846,119
Sewer utility	334,956	348,635	358,611	583,917	537,004	499,039	567,769	748,137	829,162	892,763
Storm water utility	-	-	126,455	456,001	457,177	454,700	465,422	451,273	507,478	517,437
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	119,556	35,979	65,978	237,363	-	-	1,114,070	1,204,783	1,577,924	147,315
<b>Total business-type activities program revenue</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>2,403,634</b>
<b>Total primary government program revenues</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>\$ 3,604,966</b>
<b>Net (expense)/revenue</b>										
<b>Governmental activities</b>	<b>\$ (2,469,971)</b>	<b>\$ (1,809,317)</b>	<b>\$ (1,739,702)</b>	<b>\$ (2,420,276)</b>	<b>\$ (3,628,446)</b>	<b>\$ (4,492,548)</b>	<b>\$ (3,663,470)</b>	<b>\$ (3,894,011)</b>	<b>\$ (3,584,714)</b>	<b>\$ (3,529,822)</b>
<b>Business-type activities</b>	<b>(55,755)</b>	<b>(300,350)</b>	<b>(260,707)</b>	<b>408,321</b>	<b>(316,678)</b>	<b>(47,663)</b>	<b>1,126,751</b>	<b>1,258,023</b>	<b>1,770,618</b>	<b>(13,688)</b>
<b>Total primary government net expense</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>	<b>\$ (3,543,510)</b>

(Continued)

**VILLAGE OF HOBART, WISCONSIN**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes										
Property taxes	\$ 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	\$ 3,940,940
Other taxes	64,772	155,331	29,662	2,087	3,093	16,967	48,810	63,728	61,899	85,134
Unrestricted state and federal aids	101,983	102,566	101,492	105,879	100,895	86,420	85,646	68,438	67,898	70,142
Interest earnings	222,507	430,814	391,204	270,039	267,584	114,206	57,359	29,187	23,793	18,380
Miscellaneous	25,144	31,640	42,426	2,229,016	105,101	132,660	113,682	76,045	41,737	13,650
Transfers	104,698	101,110	106,881	104,412	(2,223,672)	(558,545)	(937,871)	1,948,646	37,644	38,655
<b>Total governmental activities</b>	<b>2,786,627</b>	<b>2,858,723</b>	<b>2,763,291</b>	<b>4,852,397</b>	<b>497,256</b>	<b>2,106,263</b>	<b>1,843,588</b>	<b>5,138,142</b>	<b>3,559,032</b>	<b>4,166,901</b>
<b>Business-type activities:</b>										
Taxes										
Property taxes	-	324,228	324,228	324,228	324,228	294,028	194,074	69,530	-	-
Interest earnings	100,577	53,112	49,435	37,008	12,378	9,801	4,375	778	1,701	374
Miscellaneous	123,499	66,288	92,601	3,790	6,517	25,153	24,400	35,800	38,800	28,800
Transfers	(104,698)	(101,110)	(106,881)	(104,412)	2,223,672	558,545	937,871	(1,948,646)	(37,644)	(38,655)
<b>Total business-type activities</b>	<b>119,378</b>	<b>342,518</b>	<b>359,383</b>	<b>260,612</b>	<b>2,566,795</b>	<b>887,527</b>	<b>1,160,720</b>	<b>(1,842,538)</b>	<b>2,857</b>	<b>(9,481)</b>
<b>Total primary government</b>	<b>\$ 2,906,005</b>	<b>\$ 3,201,241</b>	<b>\$ 3,122,674</b>	<b>\$ 5,113,009</b>	<b>\$ 3,064,051</b>	<b>\$ 2,993,790</b>	<b>\$ 3,004,308</b>	<b>\$ 3,295,604</b>	<b>\$ 3,561,889</b>	<b>\$ 4,157,420</b>
<b>Change in Net Position</b>										
<b>Governmental activities</b>	<b>\$ 316,656</b>	<b>\$ 1,049,406</b>	<b>\$ 1,023,589</b>	<b>\$ 2,432,121</b>	<b>\$ (3,131,190)</b>	<b>\$ (2,386,285)</b>	<b>\$ (1,819,882)</b>	<b>\$ 1,244,131</b>	<b>\$ (35,682)</b>	<b>\$ 637,079</b>
<b>Business-type activities</b>	<b>63,623</b>	<b>42,168</b>	<b>98,676</b>	<b>668,933</b>	<b>2,250,117</b>	<b>839,864</b>	<b>2,287,471</b>	<b>(584,515)</b>	<b>1,773,475</b>	<b>(23,169)</b>
<b>Total primary government</b>	<b>\$ 380,279</b>	<b>\$ 1,091,574</b>	<b>\$ 1,122,265</b>	<b>\$ 3,101,054</b>	<b>\$ (881,073)</b>	<b>\$ (1,546,421)</b>	<b>\$ 467,589</b>	<b>\$ 659,616</b>	<b>\$ 1,737,793</b>	<b>\$ 613,910</b>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General fund</b>										
Reserved										
Delinquent tax/assessments					\$ 232,077	\$ 262,128				
Unreserved										
Undesignated	\$ 664,940	\$ 875,394	\$ 521,609	\$ 538,770	497,855	\$ 760,130				
Nonspendable										
Delinquent tax/assessments							\$ 234,996	\$ 244,212	\$ 23,515	\$ 27,747
Restricted										
Park development								48,365	102,824	96,232
Memorial brick/trees								5,864	5,370	5,393
Unassigned							885,672	1,143,712	1,174,527	902,824
<b>Total general fund</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>\$ 1,032,196</b>
<b>All other governmental funds</b>										
Reserved, reported in:										
Special revenue fund	\$ 7,942,048									
Debt service fund	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	(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	\$ 2,060,447
Capital projects fund							666,203	621,423	961,186	1,346,484
<b>Total all other governmental funds</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>\$ 3,406,931</b>
<b>Total governmental funds</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>	<b>\$ 4,439,127</b>

Note:  
Years 2005 - 2010 are presented in accordance with generally accepted accounting principles in effect prior to the implementation of GASB Statement #54.  
Years 2011 - 2014 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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 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	\$ 3,977,845
Special assessments	238,591	137,767	127,083	146,579	126,738	124,302	124,303	32,829	30,877	25,677
Intergovernmental	487,214	552,064	579,570	892,648	803,176	674,554	765,561	694,862	652,576	614,267
Licenses and permits	105,894	130,418	112,100	150,683	142,363	182,012	163,321	221,194	295,246	221,571
Fines and forfeitures	33,010	25,349	33,411	55,032	61,927	53,058	50,690	59,764	50,107	45,145
Public charges for services	235,928	223,733	284,770	269,945	383,821	397,837	434,487	431,858	435,750	438,720
Proceeds from sale of golf course	5,089,597	-	-	-	-	-	-	-	-	-
Other	372,282	565,018	541,174	2,450,998	1,397,598	144,269	108,769	107,621	199,026	32,030
<b>Total revenues</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>5,355,255</b>
<b>Expenditures</b>										
General government	656,759	634,448	788,044	1,103,328	732,850	773,662	791,549	668,710	782,172	700,665
Public safety	626,338	649,040	710,553	797,719	893,108	914,222	1,025,913	1,108,532	1,178,274	1,172,150
Public works	552,353	515,006	493,925	517,652	557,620	482,609	587,661	606,401	633,306	700,021
Health and human services	-	-	-	-	-	-	6,472	2,115	3,580	2,585
Culture and recreation	-	-	-	-	13,226	9,863	14,707	15,440	5,291	47,929
Conservation and development	39,136	52,640	40,005	101,257	123,471	114,376	1,522,643	239,166	122,184	161,536
Capital Outlay	394,146	739,739	1,952,433	6,636,302	3,759,414	4,750,829	783,714	2,533,423	2,069,447	3,193,369
Debt service										
Principal retirement	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	1,701,000
Interest and fiscal charges	580,543	438,844	233,195	330,091	974,686	760,958	753,941	696,201	700,929	518,856
<b>Total Expenditures</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>8,198,111</b>
<b>Excess of revenues over (under) expenditures</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>	<b>(2,842,856)</b>

(continued)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<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	7,800,100
Refunding of debt	-	-	-	-	-	-	-	-	-	(3,760,475)
Premium on debt issued	-	-	-	-	-	21,807	43,046	109,226	121,268	59,841
Transfers in	104,698	8,137,736	551,725	902,006	111,828	1,487,591	1,092,059	1,952,719	400,757	547,522
Transfers out	-	(8,036,626)	(444,844)	(797,594)	-	(1,115,494)	(2,029,930)	(4,073)	(363,113)	(508,867)
<b>Total other financing sources (uses)</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>4,136,121</b>
<b>Net change in fund balances</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>\$ 1,295,265</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>47.0%</b>	<b>83.3%</b>	<b>35.4%</b>	<b>54.8%</b>	<b>24.2%</b>	<b>79.7%</b>	<b>52.7%</b>	<b>58.6%</b>	<b>67.5%</b>	<b>37.2%</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
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
2014	3,971,771	69	-	4,077	1,928	3,977,845

**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				
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%
2014	611,898,200	100,089,400	9,589,300	8,431,400	1,154,000	731,162,300	4.17	708,327,100	103.22%

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	
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	
2014	2.24	0.93	1.00	4.17	20.1%	0.16	0.8%	4.51	21.8%	10.29	49.7%	1.59	7.7%	20.72	

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 9 Years Prior

<u>Taxpayer</u>	<u>Type of Business</u>	2014			2005		
		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	\$ 26,394,000	1	3.77%	\$ 17,363,200	1	3.81%
Hobart Logistics	Warehouse - Manufacturing	11,564,000	2	1.65%	9,829,300	2	2.16%
PHI Holdings	Apartment complex	5,937,200	3	0.85%			
Lexington Homes	Developer	5,643,500	4	0.81%			
EMT Properties	Manufacturing	5,322,800	5	0.76%			
Skyline Apartments	Apartment complex	4,698,500	6	0.67%			
VanRite Properties	Utility buildings	4,429,300	7	0.63%	1,855,100	7	0.41%
Layden Drive Estates	Apartment complex	4,032,000	8	0.58%			
Ravello Townhomes	Apartment complex	3,734,200	9	0.53%			
Individual	Real estate	2,547,900	10	0.36%			
Andrew Homes	Residential development				5,520,700	3	1.21%
Thomas J Juza Custom Homes	Residential development				4,561,500	4	1.00%
Polo Point, LLC	Residential development				2,102,000	5	0.46%
Polo Point Development, LLC	Residential development				1,932,800	6	0.42%
Individual	Real estate				1,651,300	8	0.36%
Individual	Real estate				1,282,200	9	0.28%
Technical Associates Group	Engineering				1,202,200	10	0.26%
<b>Totals</b>		<u>\$ 74,303,400</u>		<u>10.62%</u>	<u>\$ 47,300,300</u>		<u>10.38%</u>

\* 2013 Assessed Valuation \$699,444,600

\*\* 2004 Assessed Valuation \$455,848,000

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
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%	312,056	2,436,279	98.83%
2009	2,568,483	2,410,800	93.86%	136,227	2,547,027	99.16%
2010	2,601,904	2,431,744	93.46%	158,767	2,590,511	99.56%
2011	2,657,919	2,547,655	95.85%	95,469	2,643,124	99.44%
2012	2,651,470	2,553,485	96.30%	87,577	2,641,062	99.61%
2013	2,637,637	2,546,190	96.53%	71,223	2,617,413	99.23%
2014	2,644,821	2,556,114	96.65%	58,040	2,614,154	98.84%

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				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	Premium On Debt Issued	General Obligation Notes	Bond Anticipation Notes	Note Anticipation Notes	Green Bay MSD Notes Payable				
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	\$ 109,226	6,119,391			2,570,054	26,463,671	3.97%	4.66%	4,071
2013	12,210,500		4,715,000	217,084	5,748,805			2,392,637	25,284,026	3.61%	N/A	3,576
2014	19,374,600			255,936	5,483,726			2,208,045	27,322,307	3.74%	N/A	3,590

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	Note Anticipation Notes	Premium On Debt Issued	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)
2005	\$ 6,761,228			\$ 1,858,811	\$ 4,902,417	0.83%	\$ 862.65
2006	6,061,380			2,048,987	4,012,393	0.64%	704.67
2007	5,565,183	\$ 2,010,000		2,025,009	5,550,174	0.91%	945.03
2008	4,823,325	7,930,000		2,893,565	9,859,760	1.56%	1,678.26
2009	5,667,466	19,380,000		2,231,596	22,815,870	3.62%	3,888.19
2010	7,222,655	12,560,000		2,975,086	16,807,569	2.73%	2,718.79
2011	14,973,507	7,585,000		-	22,558,507	3.59%	3,544.71
2012	19,069,391	4,715,000	\$ 109,226	-	23,893,617	3.73%	3,675.38
2013	17,959,305	4,715,000	217,084	-	22,891,389	3.41%	3,237.82
2014	24,858,326		255,936	-	25,114,262	3.55%	3,300.17

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, 2014**

Year	Principal	Interest	Total Requirements
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	140,747	613,247
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
<b>Total</b>	<b>\$ 7,189,500</b>	<b>\$ 1,952,577</b>	<b>\$ 9,142,077</b>

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, 2014**

Year	Principal	Interest	Total Requirements
2015	\$ 300,001	\$ 387,027	\$ 687,028
2016	3,375,100	374,557	3,749,657
2017	550,001	273,269	823,270
2018	560,001	259,235	819,236
2019	565,001	243,429	808,430
2020	610,000	225,477	835,477
2021	630,000	205,355	835,355
2022	655,000	183,441	838,441
2023	674,996	159,982	834,978
2024	695,000	136,342	831,342
2025	715,000	112,459	827,459
2026	745,001	86,701	831,702
2027	645,001	62,510	707,511
2028	680,001	40,012	720,013
2029	784,997	14,139	799,136
<b>Total</b>	<b><u>\$ 12,185,100</u></b>	<b><u>\$ 2,763,935</u></b>	<b><u>\$ 14,949,035</u></b>

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, 2014**

Year	Principal	Interest	Total Requirements
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	84,380	258,051
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	41,681	388,849
2025	380,135	28,548	408,683
2026	385,952	14,290	400,242
2027	61,145	6,356	67,501
2028	62,490	4,996	67,486
2029	63,864	3,606	67,470
2030	65,270	2,185	67,455
2031	66,705	734	67,439
<b>Total</b>	<b>\$ 3,277,330</b>	<b>\$ 841,279</b>	<b>\$ 4,118,609</b>

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, 2014**

Year	Principal	Interest	Total Requirements
2015	\$ 126,542	\$ 63,616	\$ 190,158
2016	132,013	60,082	192,095
2017	132,483	56,467	188,950
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
<b>Total</b>	<b><u>\$ 2,206,396</u></b>	<b><u>\$ 515,013</u></b>	<b><u>\$ 2,721,409</u></b>

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, 2014**

Year	Principal	Interest	Total Requirements
2015	\$ 192,069	\$ 91,355	\$ 283,424
2016	199,859	83,565	283,424
2017	207,976	75,447	283,423
2018	216,434	66,989	283,423
2019	225,246	58,177	283,423
2020	234,430	48,994	283,424
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	154,070	6,625	160,695
	<u>\$ 2,208,046</u>	<u>\$ 532,078</u>	<u>\$ 2,740,124</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, 2014**

<u>Governmental Unit</u>	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct Debt:			
Village of Hobart	<u>\$ 25,114,262</u>	100.000%	<u>\$ 25,114,262</u>
Overlapping Debt:			
Pulaski Community School District	10,110,000	27.818%	2,812,400
West De Pere School District	33,095,000	10.500%	3,474,975
Brown County	129,497,308	3.425%	4,435,283
Northeast Wisconsin Technical College	<u>40,020,000</u>	1.714%	<u>685,943</u>
Total Overlapping Debt	<u>212,722,308</u>		<u>11,408,600</u>
Total Direct and Overlapping Debt	<u>\$ 237,836,570</u>		<u>\$ 36,522,862</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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$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	\$ 35,416,355
Total net debt applicable to limit	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	24,858,326
Legal debt margin	<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>	<u>\$ 10,558,029</u>
Total net debt applicable to the limit as a percentage of debt limit	16.70%	12.89%	11.61%	6.12%	10.91%	13.80%	47.64%	59.49%	53.48%	70.19%

**Computation of Legal Debt Margin**  
**12/31/2014**

Equalized Value	<u>\$ 708,327,100</u>
Debt limitation - 5 percent of total equalized value	\$ 35,416,355
Debt applicable to limitation	
Total outstanding general debt	\$ 24,858,326
Less: Amounts available in debt service funds	<u>                    -</u>
Total debt applicable to limitation	<u>24,858,326</u>
Legal Debt Margin	<u>\$ 10,558,029</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
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	567,927,360	87,360	5.9%	43.4
2013	7,070	N/A	N/A	5.1%	N/A
2014	7,610	N/A	N/A	4.3%	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>2014</u> <u>Employees</u>	<u>2005</u> <u>Employees</u>
Bayland Buildings - BayCo Properties	Real estate, commercial construction	185	75
Bay Valley Foods (Dean Pickle)	Food Processing/Distribution	170	46
EMT International	Web processing designers and manufacturers	160	*
Thornberry Creek at Oneida	Golf course and country club	110	51
High View Custom Fab - HCF Inc.	Metal fabricator	49	50
Robert E. Lee & Associates	Engineering consultant firm	49	54
Safari Steakhouse	Restaurant	41	30
Idealair Heating & Cooling	Plumbing and HVAC	33	*
Centerline Machine & Grinding	Metal fabricator	20	*

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

FUNCTION	TITLE/POSITION	FY 2005 FTEs	FY 2006 FTEs	FY 2007 FTEs	FY 2008 FTEs	FY 2009 FTEs	FY 2010 FTEs	FY 2011 FTEs	FY 2012 FTEs	FY 2013 FTEs	FY 2014 FTEs
<b>ADMINISTRATION</b>											
	Village Administrator	1.00	1.00	1.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
	Intern/ Executive or Management Assistant	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.375	0.50
<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	0.875	0.875	0.875	0.875	0.875
	Patrol Officers	2.50	1.50	3.50	4.00	5.00	5.00	5.00	5.00	5.375	5.875
	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	1.00	1.00	1.00	1.00
	Building Inspector/Zoning Administrator	1.00	1.00	1.00	1.00	1.00	1.00	0.00	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	2.80	2.90
<b>DEPARTMENT OF COMMUNITY DEVELOPMENT</b>											
	Director of Community Development	0.00	0.00	0.00	0.00	0.00	0.50	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	0.50	0.50	0.50	0.50	0.50
<b>TOTAL FTEs ALL DEPARTMENTS</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>	<b>18.950</b>
Winter/summer seasonals and elected officials not included in FTE count.											

**VILLAGE OF HOBART, WISCONSIN**  
 Operating Indicators by Function-Last Six 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>FY2014</b>
<b>Square Miles</b>	33	33	33	33	33	33
<b>Population</b>	5868	6182	6364	6501	7070	7610
<b>Real Estate Parcels</b>	3414	3414	3617	3646	3760	3831
<b>Dog Licenses Issued</b>	213	196	211	218	228	242
<b>Elections Held</b>	2	3	4	5	2	3
<b>Voters Served All elections</b>	2661	4765	6338	11301	2317	4446
<b>Ordinance &amp; Ordinance Amendments Approved</b>	7	7	9	7	5	10
<b>Resolutions Approved</b>	41	33	27	16	27	19
<b>Village Board Meetings Held</b>	45	35	36	33	32	41
<b>Alarm Permits Issued</b>	n/a	n/a	7	121	107	169
<b>Public Hearings Noticed/Held</b>	14	13	15	14	17	18
<b>Hearing Notices Mailed</b>	224	221	255	234	542	392
<b>Letter of Specials</b>	n/a	n/a	34	186	333	510
<b>Checks Processed</b>	n/a	n/a	2441	2073	2261	1784
<b>ACH payments processed</b>	n/a	n/a	676	754	766	864
<b>Accounting Consultant Hours</b>	n/a	225	385	426	396	432
<b>Utility Bills Processed</b>	4084	4284	4880	5068	5286	5657
<b>Total Water Customers as of January 1</b>	1016	1022	1069	1140	1269	1360
<b>Total Sewer Customers as of January 1</b>	940	946	992	1055	1185	1282
<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 Six 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>FY2014</b>
<b>Village Tax Rate*</b>	\$4.10	\$4.20	\$4.20	\$4.17	\$4.17	\$4.17
<b>Levy for Village Operations*</b>	\$2,601,904	\$2,657,919	\$2,651,470	\$2,637,637	\$2,644,821	\$2,661,209
<b>Village Population</b>	5868	6182	6364	6501	7070	7610
<b>Levy Per Capita*</b>	\$443	\$430	\$417	\$406	\$374	\$350
<b>Debt Service as % of Levy*</b>	31.99%	34.62%	32.95%	28.97%	20.20%	14.13%
<b>G.O. Debt Levied*</b>	\$832,313	\$919,820	\$873,539	\$764,011	\$588,359	\$376,124
<b>G.O. Debt Levied Per Capita*</b>	\$141.84	\$148.79	\$137.26	\$117.52	\$83.22	\$49.42
<b>Total Full Time Equivalent Employees ("FTEs") (excluding Fire/Seasonals)</b>	16.450	16.675	16.675	16.675	18.225	18.950
<b>FTEs per capita</b>	0.00280	0.00270	0.00262	0.00256	0.00258	0.00249
<b>Village Bond Rating (Standard &amp; Poor's)</b>	AA-	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	\$ 731,162,300
<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	\$65,482,000
<b>Total Increment Value- TID #2 as of January 1</b>	n/a	n/a	n/a	\$2,712,216	\$14,356,200	\$25,085,900

\* Actual Year Levied, Payable the following year.

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

**FUNCTION: POLICE & COURT**

<b>Activity/Program Area</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
<b>Law Enforcement</b>						
<i>Total Calls for Service</i>	5,305	5,619	5,629	6,131	6823	7175
<i>Neighborhood Watch(NW) Groups</i>	n/a	n/a	n/a	13	13	15
<i>NW Meetings Held</i>	n/a	n/a	n/a	2	0	3
<i>NW Greetings</i>	n/a	n/a	n/a	25	7	45
<i>House Check Performed</i>	n/a	n/a	n/a	112	128	167
<i>Total Animal Complaints</i>	n/a	n/a	n/a	130	153	182
<i>Animal Citations Issued</i>	n/a	n/a	n/a	18	11	7
<i>Traffic Citations/Accidents</i>	n/a	n/a	n/a	141/226	167/272	103/200
<i>Speeding</i>	n/a	n/a	n/a	483	271	248
<i>OWI</i>	n/a	n/a	n/a	73	52	43
<i>Total Citations</i>	876	876	677	1,613	1887	892
<i>Total Warnings</i>	n/a	n/a	n/a	290	331	351
<i>Non-Traffic Citations</i>	67	67	120	128	124	82
<i>Property Crimes</i>	87	87	89	168	165	145
<i>Person-to-Person Crimes</i>	n/a	n/a	n/a	14	*186	*153
*Includes harassment, disturbances, battery, and sex offense						
<b>Municipal Court</b>						
<i>**Total Adult Citations</i>	1,202	1,002	765	1,455	1076	816
<i>**Total Juvenile Citations</i>	30	11	15	8	6	5
<i>*Total Cases Disposed of</i>	1,208	995	825	1,305	1231	833
<i>Total Money Collected</i>	\$136,409.58	\$122,970.44	\$98,617.54	\$114,391.39	\$114,569.20	\$103,156.57
<i>Tax Intercept Collections</i>	n/a	n/a	\$9,746.13	\$7,325.71	\$8,295.43	\$7,961.26
<b>Notes does not include cases sent to circuit court or other venues</b>						
*Disposed of is by finding date, **Citations are by violation date						
Offense could be committed one year and disposed of the following year						

**VILLAGE OF HOBART, WISCONSIN**  
**Operating Indicators by Function-Last Six 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>FY2014</b>
<b>Incidents</b>						
<i>Total Incidents</i>	83.0	78.0	90.0	93.0	96.0	89.0
<i>Structure Fires</i>	25.0	23.0	23.0	21.0	22.0	30.0
<i>Vehicle Incidents</i>	18.0	26.0	23.0	24.0	31.0	9.0
<i>Brush / Wildland</i>	9.0	7.0	9.0	8.0	5.0	2.0
<i>MABAS(Mutual Aid Box Alarm System)</i>	11.0	5.0	15.0	18.0	3.0	13.0
<i>False Alarms</i>	20.0	17.0	26.0	22.0	30.0	35.0
<b>Response Times</b>						
<i>*Average Response from dispatch to arrival (Minutes)</i>	8.2	8.6	8.5	8.3	8.3	8.4
<i>Average Length of Call (Hours)</i>	1.3	1.4	1.1	1.3	1.5	1.0
<i>Average Personnel per Incident</i>	9.0	7.0	7.0	7.0	7.2	7.0
<b>Personnel Participation</b>						
<i>Average Personnel at Meetings</i>	25.6	25.0	22.0	21.5	24.2	23.9
<i>Average Personnel at Trainings</i>	26.3	23.0	20.0	20.0	26.6	22.9
<i>**Average Personnel at Maintenance night</i>	n/a	n/a	n/a	7.0	9.7	15.8
<b>Fire Safety Activities</b>						
<i>Public Education Activities</i>	10.0	9.0	11.0	18.0	16.0	18.0
<i>Fire Inspections</i>	187.0	190.0	207.0	203.0	290.0	250.0
<b>Population &amp; Membership</b>						
<i>Total Firefighters</i>	35.0	29.0	29.0	28.0	30.0	28.0
<i>Population Served</i>	5868	5928	6364	6501	7070	7610
<i>Firefighters per Capita</i>	0.0060	0.0049	0.0046	0.0043	0.0042	0.0037
<b>Rescue Services (provided by County)</b>						
<i>Medical Service Calls</i>	217.0	248.0	262.0	296.0	335.0	469.0
<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 Five Years

**FUNCTION: PUBLIC WORKS & UTILITIES**

Activity/Program Area	Measurement	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Infrastructure Inventory</b>						
<i>Road Lanes</i>	Miles	83.0	83.6	84.6	87.7	87.7
<i>Sewer Mains</i>	Lineal Feet	139,359.0	145,653.0	155,685.0	160,019.0	160,019.0
<i>Water Mains</i>	Lineal Feet	208,256.0	218,830.0	219,967.0	227,059.0	227,059.0
<i>Storm Mains</i>	Lineal Feet	45,821.0	50,659.0	54,154.0	65,249.0	65,249.0
<b>Snow Removal</b>						
	Number of Responses	32	31	24	38	46
	Snowfall amount	55.0	69.0	24.2	66.5	72.1
	Tons of Salt used	548.0	632.0	511.0	924.0	894.0
	Crew Hours	718.0	810.0	543.0	903.5	1,091.0
<b>Road Maintenance</b>						
<i>Potholes</i>	Cold mix (Tons)	n/a	40.0	35.0	44.8	33
	Crew Hours	n/a	69.0	60.0	245	195
<i>Shouldering</i>	Material (Tons)	n/a	60.0	80.0	420.0	46.0
	Crew Hours	n/a	72.0	90.0	160.0	65.5
<i>Street Sweeping</i>	Contractor Hours	n/a	134.0	116.0	124.0	56.5
<i>Signage</i>	Signs installed / replaced	n/a	30	22	152	85
	Crew Hours	n/a	12.0	10.0	270.0	150.0
<b>Solid and Yard Waste Collection</b>						
<i>Yard Waste</i>	Tonnage Collected	0.0	0.0	30.0	350.0	445.0
	Crew Hours	0.0	0.0	20.0	130.0	139.0
<i>Solid Waste</i>	Tonnage Collected	1,398.38	1,369.64	1,395.10	1,520.87	1,534.07
<i>Recyclable</i>	Tonnage Collected	609.16	636.18	617.03	629.79	639.13
<b>Utilities</b>						
<i>Utility Locates</i>	Number of Locates	n/a	1,150	1,364	2,021	1,588
	Crew Hours	n/a	575.0	682.0	338.0	342.0
<i>Scheduled Daily Rounds</i>	Crew Hours	730.0	730.0	730.0	803.0	258.0
<b>Water Utility</b>						
<i>New Meters</i>	Installed	50	70	116	92	109
	Crew Hours	20.0	32.0	57.0	61.0	78.0
<i>Meters Exchanged</i>	Number replaced	61	73	172	354	7
	Crew Hours	30.0	45.0	73.0	297.0	4.0
<i>Meters Repaired/Tested</i>	Number	87	52	174	496	42
	Number of Reads	79	106	203	113	202
<i>Move in/out Reads</i>	Crew Hours	20.0	27.0	51.0	87.5	126.0
	Valves Turned	n/a	304	147	57	45
<i>Valve Turning</i>	Crew Hours	n/a	91.0	73.0	28.0	26.0
	Crew Hours	160.0	148.0	68.0	79.5	64.0
<i>Watermain Flushing</i>	Crew Hours	160.0	148.0	68.0	79.5	64.0
<i>Water sampling</i>	Number of Samples	84	90	130	92	126
	Crew Hours	63.0	68.0	98.0	134.0	182.0
<b>Sanitary Sewer</b>						
<i>Sewer Mains</i>	Cleaned (Lineal Feet)	43,479.0	0.0	44,375.0	46,140.0	40,393.0
	Contractor Hours	40.0	0.0	50.0	56.0	47.0
	Televising (Lineal Feet)	43,479.0	0.0	44,352.0	46,140.0	40,393.0
	Contractor Hours	67.0	0.0	72.0	96.0	90.0

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

**FUNCTION: BUILDING INSPECTIONS, PLANNING & ZONING**

ACTIVITY/PROGRAM AREA	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Summary Permit Data</b>					
<i>Number of Permits</i>	195	211	299	326	256
<i>Total Valuation</i>	\$14,203,468	\$29,211,856	\$28,257,623	\$28,984,079	\$22,749,733
<b>Residential Summary</b>					
<i>New 1&amp;2 Family Dwelling Structures</i>	45	60	102	80	64
<i>New Multi-Family Structures</i>	4	6	9	16	9
<i>Total New Multi-Family Dwelling Units</i>	56	48	128	106	92
<i>Total Residential Valuation on Permits</i>	\$5,012,850	\$12,446,050	\$19,377,777	\$25,776,688	\$19,951,685
<b>Commercial &amp; Industrial Summary</b>					
<i>New Commercial &amp; Industrial Structures</i>	2	2	4	8	6
<i>Commercial &amp; Industrial Additions</i>	0	1	1	3	2
<i>Commercial &amp; Industrial Alterations</i>	1	2	1	7	10
<i>Total Commercial/Industrial Valuation on Permits*</i>	\$4,590,715	\$7,183,255	\$233,300	\$2,924,465	\$2,664,142
<b>Planning &amp; Zoning Commission</b>					
<i>Number of Meetings</i>	13	14	11	10	13
<i>Conditional Use Permits</i>	7	5	7	9	6
<i>Ordinance Amendments</i>	5	9	9	1	14
<i>Plats</i>	0	2	3	2	1
<i>Certified Survey Maps</i>	5	5	2	4	4
<i>Rezoning</i>	5	5	3	4	4
<i>Other Commission Actions</i>	**0	**0	**0	**0	1
<b>Board of Appeals</b>					
<i>Number of Meetings</i>	2	0	1	1	2
<i>Variances Approved</i>	2	0	1	1	2
<b>Site Review Committee</b>					
<i>Number of Meetings</i>	3	5	6	5	6
<i>Applications Reviewed</i>	3	5	12	7	7
* Valuation based on when permits are issued not when value is realized on assessment roll					
**These permit numbers do not include those issued for just electric, HVAC or plumbing work (repairs and alterations) 101 permits. \$282,926 valuation.					

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

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
<b>Function</b>						
<b>Public Safety</b>						
Police Stations	1	1	1	1	1	1
Patrol Units	4	4	5	5	6	6
Fire Stations	2	2	2	2	2	2
<b>Highways and streets</b>						
Street (road lanes)	83.0	83.0	83.6	84.6	87.7	87.7
<b>Culture and recreation</b>						
Developed park acreage	45	45	45	45	45	45
Parks	2	2	2	2	2	2
<b>Water</b>						
Water mains (feet)	189,200	197,359	202,359	219,967	227,059	227,059
Fire Hydrants	363	374	386	393	403	403
<b>Sewers</b>						
Sanitary (feet)	139,359	139,359	145,653	155,685	160,019	160,019
Lift Stations	3	3	3	3	3	3
Storm (feet)	45,821	45,821	50,659	54,154	65,249	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, 2014, 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 May 1, 2015.

**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 a material weakness and a significant deficiency.

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 2014-001 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 2014-002 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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  
May 1, 2015

**VILLAGE OF HOBART, WISCONSIN**  
Schedule of Findings and Responses  
For the Year Ended December 31, 2014

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

Finding No.	Control Deficiencies
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**2014-001 Segregation of Duties - Clerk/Treasurer**

**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.

**2014-002 Adjustments to the Village's Financial Records**

**Condition:** As part of our 2014 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, 2014.