

Popular Annual Financial Report



For the fiscal year ending December 31, 2013

Contact Information: 2990 South Pine Tree Road, Hobart, Wisconsin 54155 920-869-1011

About the Village of Hobart

The Village of Hobart is located in northeast Wisconsin in Brown County, approximately 120 miles northwest of the City of Milwaukee, adjacent to the western border of the City of Green Bay, and 20 miles northeast of the City of Appleton. The Village encompasses approximately 33 square miles. The Town of Hobart was incorporated as the Village of Hobart on May 13, 2002. With a 2013 Wisconsin Department of Administration population estimate of 7,070, the population of Hobart has increased 14.4% since the 2010 Federal Census report of 6,182 and 38.9% since the 2000 Federal Census report of 5,090. The population and square mile statistics combine to produce a population density of 214 persons per square mile. This indicates ample land for future growth and orderly development. The Village of Hobart is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Village Board of Trustees.

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. 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.



FY 2013 Fact	Figure
Village Property Total Tax Rate:	\$4.17/\$1000 TAV
Total Property Tax Rate:	* (SD specific)
*West De Pere School District	\$20.10/\$1000 TAV
*Pulaski School District	\$18.42/\$1000 TAV
Village Share of Total:	*
*West De Pere School District	20.71%
*Pulaski School District	22.61%
Total Annual Budget:	\$2,913,453.08
Population:	7,070 (2013 DOA EST.)
Employees:	18.225 FTE**
Outstanding Debt:	\$25,066,942
Bond Rating:	AA
Village Maintained Roads:	87.7 miles
Building Permits	326
Sewer Mains Maintained:	30.3 miles
Water Lines Maintained:	40 miles
Total Assessed Value	\$699,444,600
* Denotes Multiple School Districts	
**FTE - Full-Time Equivalent	
<i>For more information on taxes, please refer to pg. 10</i>	

The information in this report is drawn from the Village of Hobart Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013. Previous year CAFR's have also been utilized, as well as the Village's Fiscal Year 2014 Budget. If you would like to review this reports, you can find them at www.hobart-wi.org.

Overview of Audited Results

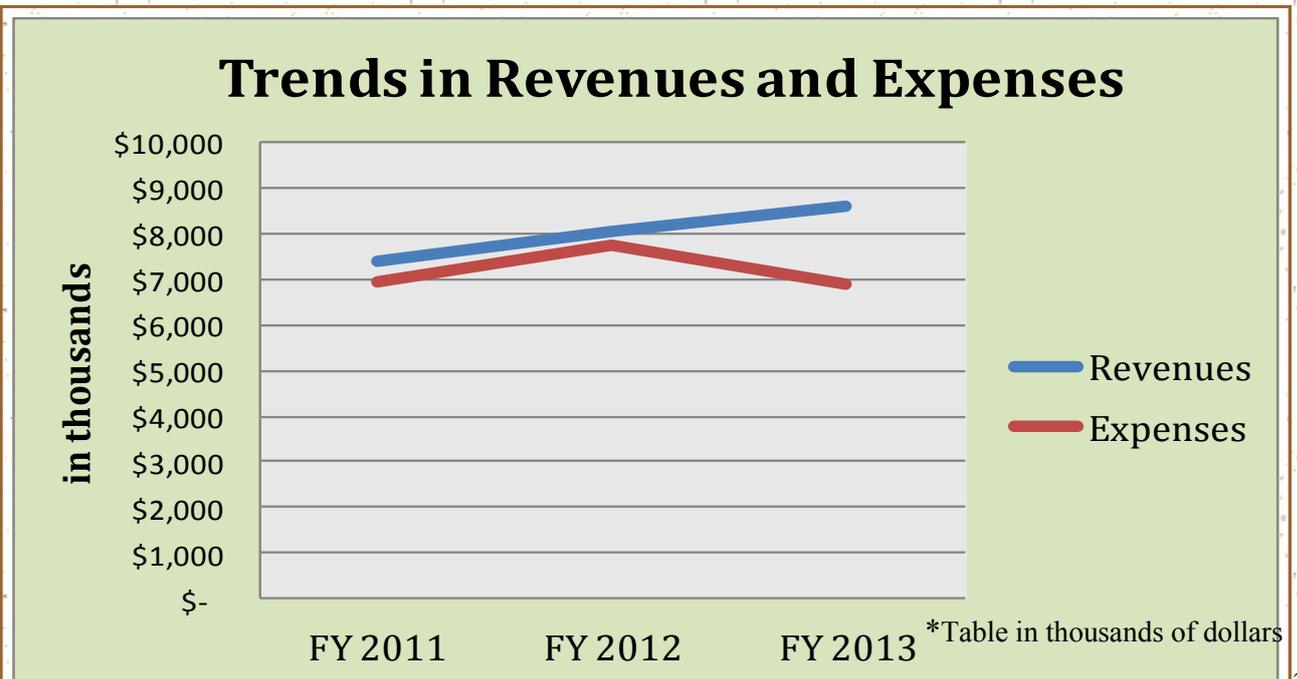
The following summary highlights are taken directly from the Management Discussion and Analysis section of the fiscal year 2013 Comprehensive Annual Financial Report (CAFR):

- The Village's assets totaled \$51.849 million as of December 31, 2013, consisting of \$31.992 million in capital assets and \$19.857 million in current and other assets;
- The Village's liabilities totaled \$36.245 million as of December 31, 2013; consisting of \$25.284 million in long-term liabilities and \$10.961 million in other liabilities.;
- The assets of the Village exceeded its liabilities by \$11.662 million at the close of fiscal year 2013. The Village collected \$8.614 million in revenue and incurred \$6.876 million in expenses. Please see the chart below to further explain the Villages net Assets;
- For its business-type activities, the Village generated \$3.774 million in revenue and incurred \$1.963 million in expenses. For its governmental activities, the Village generated \$4.840 million in revenue and incurred \$4.913 million in expenses;
- The Village's governmental funds reported combined ending fund balance was \$3.144 million, a decrease of \$1.071 million from the previous year. This is largely due to capital projects that were funded for the fiscal year 2014.

	FY 2013	FY 2012	FY 2011
Revenues	\$ 8,614	\$ 8,067	\$ 7,407
Expenses	\$ 6,876	\$ 7,774	\$ 6,940
Increase in Net Assets	\$ 1,738	\$ 293	\$ 467
Net Assets, Beginning of Year	\$ 9,924	\$ 9,631	\$ 9,164
Net Assets, End of Year	\$ 11,662	\$ 9,924	\$ 9,631

*Table in thousands of dollars

Example: FY 2013 Expenses = \$6,876,000



Village Board of Trustees and Appointed Officials

The
Village
Of
Hobart



Top, from left to right: **Trustee Ed Kazik, President Rich Heidel, Trustee Dave Dillenburg**
Bottom, from left to right: **Trustee Debbie Schumacher and Trustee Donna Severson**

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Village Board of Trustees

Governing Philosophy

Preserve, protect and promote the U.S. Constitutional and civil rights of Hobart residents and taxpayers

Continue to ensure, through policies and strategies, that the Constitutional and representative government of the Village of Hobart is upheld, and the health, public safety and welfare of residents is maintained at all times

Continue actions to safeguard and expand the Village's property tax base

Provide policy directives and supportive resources to staff for the purpose of increasing thoughtful, sustainable and fiscally-sound economic development activities throughout the Village of Hobart

Continue seeking innovative methods for improving efficiency of Village services while keeping tax rates among the lowest in the region

Inform, educate and engage Village residents about issues, processes and objectives of the Village of Hobart for purpose of continuously improving the quality of life and community identity of Hobart

Appointed Officials



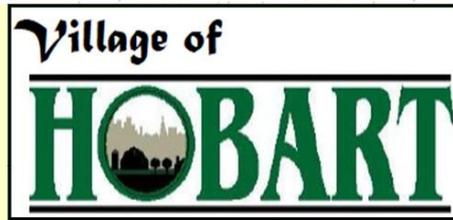
Village Administrator Andrew Vickers



Clerk/Treasurer Mary Smith

Letter from the Village Administrator

The
Village
Of
Hobart



Dear Village of Hobart Citizens, Taxpayers and Neighbors:

I am pleased to present the Popular Annual Financial Report (PAFR) for fiscal year ending December 31, 2013. This report is intended to provide transparency and accountability of Village financial information, which is paramount to our local governance, and our key responsibility as stewards of your taxpayer dollars.

The Village of Hobart aims to receive all three of the Government Finance Officers' Association (GFOA) awards for local government financial reporting including:

- Distinguished Budget Presentation Award;
- Certificate of Achievement for Excellence in Financial Reporting (CAFR);
- Award for Outstanding Achievement in Popular Annual Finance Reporting (PAFR).

It is our belief that participation in GFOA award programs enhances our citizens' understanding of Village finances. We have previously been awarded the Distinguished Budget Presentation Award and Certificate of Achievement for Excellence in Financial Reporting (CAFR), but this will be the Village's first year in trying to attain the Award for Outstanding Achievement in Popular Annual Finance Reporting (PAFR). We believe that sharing financial information in formats consistent with the highest standards in governmental financial reporting is the best way to achieve financial transparency. The above-mentioned awards and certificates have only been achieved by a small number of Wisconsin cities, towns and villages; we are proud to be among these select few.

The PAFR is designed to provide a summary view of the financial activities of the Village. It is a high-level report for citizens who wish to learn more about Hobart's finances. All information in this report can be found in greater detail in the Comprehensive Annual Financial Report (CAFR) found on our homepage, www.hobart-wi.org.

Throughout the year, the Village works on budgets, audits, financial policies, financial forecasts, and financial management. The Village of Hobart invites citizens to share their thoughts and opinions with us, as we understand we always can and will strive to better serve our residents through the programs, projects and services your taxpayer dollars support.

If you have any questions about this document, please email me at andrew@hobart-wi.org or at 869-3804. I would be happy to field any questions or concerns you may have, as well as hear how we can improve our financial reporting in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew J. Vickers".

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

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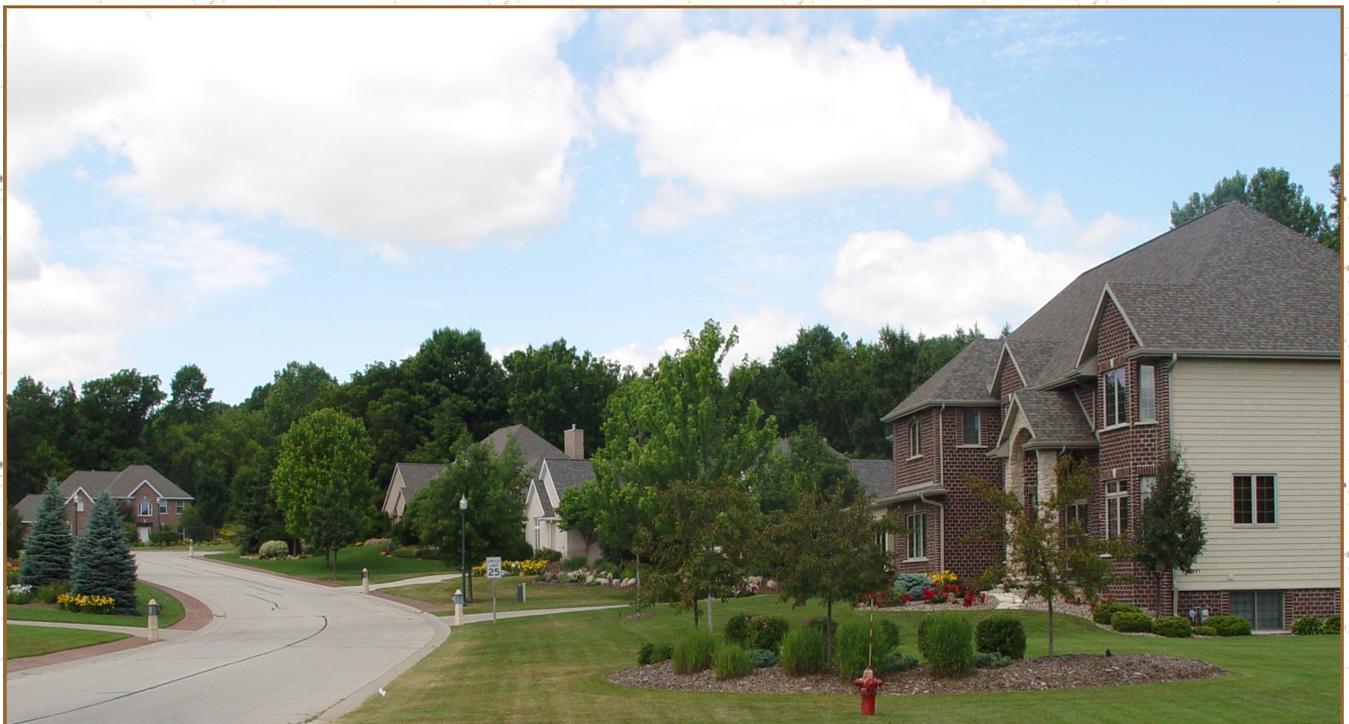
Balance Sheet

The
Village
Of
Hobart

The Statement of Net Assets reflects a healthy financial condition as of December 31, 2013. The assets of the Village exceeded its liabilities by \$11,661,907 at the close of fiscal year 2013. The balance sheet is presented as a high-level summary overview of net assets. For more detail, please see the entire CAFR document, available online at the village website: www.hobart-wi.org

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	as of 12/31/2013	as of 12/31/2012	as of 12/31/2011
Assets			
Current and Other Assets \$	19,856,746	\$ 21,079,071	\$ 21,479,003
Capital Assets \$	31,991,545	\$ 30,004,232	\$ 28,122,554
Total Assets \$	51,848,291	\$ 51,083,303	\$ 49,601,557
Liabilities			
Long Term Liabilities \$	25,284,026	\$ 26,463,670	\$ 25,299,089
Other Liabilities \$	10,961,429	\$ 11,369,458	\$ 14,671,558
Total Liabilities \$	36,245,455	\$ 37,833,128	\$ 39,970,647
Deferred Inflow of Resources			
Property Taxes	\$ 3,940,929	\$ 3,326,061	N/A*
Net Assets	\$ 11,661,907	\$ 9,924,114	\$ 9,630,910
*Not included in 2011 Net Asset calculation			



Budget

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. The Village's Annual Budget document is readily available on the Village website.

	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
REVENUE			
Taxes (non-property)	\$ 53,658.87	\$ 21,750.00	\$ 48,313.78
State Shared Revenue	\$ 88,836.54	\$ 88,340.00	\$ 87,769.67
Federal/State Grants	\$ 211,035.17	\$ 215,882.24	\$ 266,755.95
Licenses/Permits	\$ 179,140.00	\$ 161,390.00	\$ 214,893.47
Law and Ordinance Violations	\$ 52,500.00	\$ 52,500.00	\$ 59,764.48
Public Charges for Services	\$ 384,282.38	\$ 381,243.72	\$ 384,002.39
Reimbursements/Interest	\$ 317,283.97	\$ 297,259.69	\$ 428,942.93
TOTAL REVENUE	\$ 1,286,736.93	\$ 1,218,365.65	\$ 1,490,442.67
EXPENSES			
General Government	\$ 826,359.35	\$ 797,847.51	\$ 765,950.09
Public Safety	\$ 1,134,341.93	\$ 1,082,363.85	\$ 1,053,341.24
Public Works	\$ 666,474.56	\$ 659,036.91	\$ 598,134.38
Conservation and Development	\$ 79,448.09	\$ 78,127.74	\$ 75,297.73
TOTAL EXPENSES	\$ 2,706,623.93	\$ 2,617,376.01	\$ 2,492,723.44
GENERAL FUND TAX LEVY	\$ 1,419,887.00	\$ 1,399,010.36	\$ 1,002,280.77
DEBT SERVICE TAX LEVY	\$ 588,358.74	\$ 764,011.34	\$ 873,539.28
CAPITAL IMPROVEMENT TAX LEVY	\$ 636,575.00	\$ 474,615.00	\$ 484,000.00
TAX INCREMENT DISTRICT LEVY	\$ 268,632.34	\$ 144,111.91	\$ 370,947.30
TOTAL TAX LEVY	\$ 2,913,453.08	\$ 2,781,748.61	\$ 2,730,767.35



Financial Policies

The Village of Hobart is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of our fiscal policies is to enable the Village to achieve and maintain a long-term stable, positive financial condition. These policies are adopted by the Village as the basic framework for overall financial management of the Village, to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

POLICY #1: CASH MANAGEMENT POLICY Maintain adequate management procedure, controls, and policies for the Village's liquid assets. The Village achieves this by the safeguarding and maximizing the income earned on cash assets. Cash, liquidity, and investment management activities shall be conducted prudently.

POLICY #2: DEBT MANAGEMENT POLICY The Village of Hobart shall, as a matter of policy, conduct its finances so that the amount of direct, non self-supporting, unlimited tax general obligation debt outstanding, plus general obligation anticipation debt outstanding at any time that is subject to approval by the Village Board, does not exceed 90% of the Village's legal debt margin capacity which is calculated at 5% of the Village's total equalized valuation.

POLICY #3: CREDIT CARD POLICY Establishes procedures under which departments will control use of credit cards assigned to and utilized by Village employees. These procedures are intended to accomplish the following:

- Ensure procurement complies with other Village-wide policies;
- Enhance productivity;
- Ensure appropriate internal controls to ensure authorized purchases;
- Ensure that the Village bears no legal liability from inappropriate use;
- Ensure prompt payment to vendors.

POLICY #4: GENERAL FUND BALANCE POLICY The Village of Hobart finds that this policy is essential to maintain an adequate level of fund balance within the General Fund in order to:

- Adapt to revenue shortfalls and/or unanticipated expenditures;
- Help ensure stable tax rates;
- Provide for adequate cash liquidity for normal operations;
- Maintain positive factors with the municipal bond markets assessment of Village credit quality.



Revenue Overview

The Village of Hobart operates on six (6) basic revenue streams:

The Village Of Hobart

Charges for Services (37%)

Fees for, but not limited to: water, sanitary sewer, storm water, and garbage and recycling collection are represented under this category

Operating Grants and Contributions (3%)

These funds are collected by a variety of sources, such as the state and federal government. Programs such as the recycling program receive state funding to offset costs.

Capital Grants and Contributions (1%)

Grants from state and federal governments for items such as roads, special projects, etc.

Property Taxes (39%)

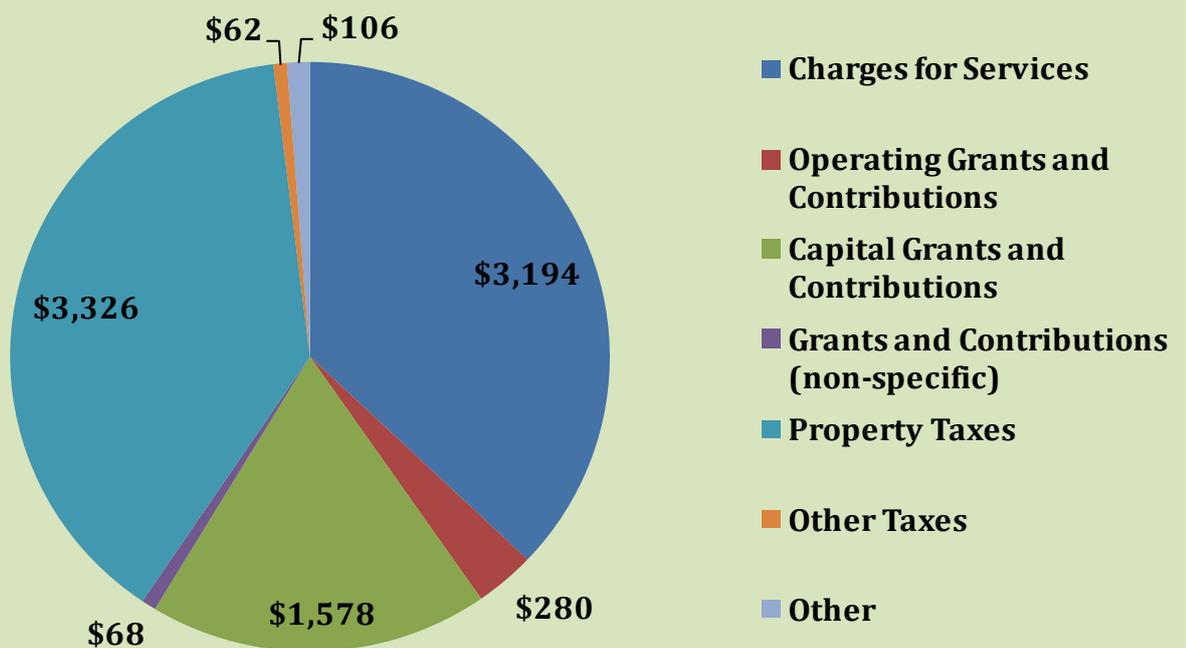
The Village collects the majority of its revenue from local property taxes. The payable rate in 2014 is set at \$4.17 per \$1000 of valuation.

Other Taxes/Miscellaneous (2%)

Revenue Type	\$	%
Charges for Services	\$ 3,194	37%
Operating Grants and Contributions	\$ 280	3%
Capital Grants and Contributions	\$ 1,578	18%
Grants and Contributions (non-specific)	\$ 68	1%
Property Taxes	\$ 3,326	39%
Other Taxes	\$ 62	1%
Other or Miscellaneous	\$ 106	1%
TOTAL REVENUE	\$ 8,614	100%
* Table is in Thousands of Dollars		
Example: Other Taxes = \$62,000		

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Total Fiscal Year 2013 Revenues



* Chart in thousands of dollars

Tax Rate

The Village portion of your tax bill (mill rate) is calculated by **dividing** the **total tax levy** by the total **valuation** of the Village.

The **2014 total tax levy** (expenditures - revenues) = **\$2,913,453.08**

The **2014 assessed value** of the entire Village = **\$699,444,600**

The Village "mill rate" is calculated as follows:

$$\frac{\$2,913,453.08 \text{ (total tax levy)}}{\$699,444,600 \text{ (assessed value)}} = 0.0041654 \text{ (mill rate)} \times 1000 = 4.1654$$

2014 Village of Hobart Tax Rate = \$4.17/(per) \$1000 of property value.

FOR EXAMPLE:

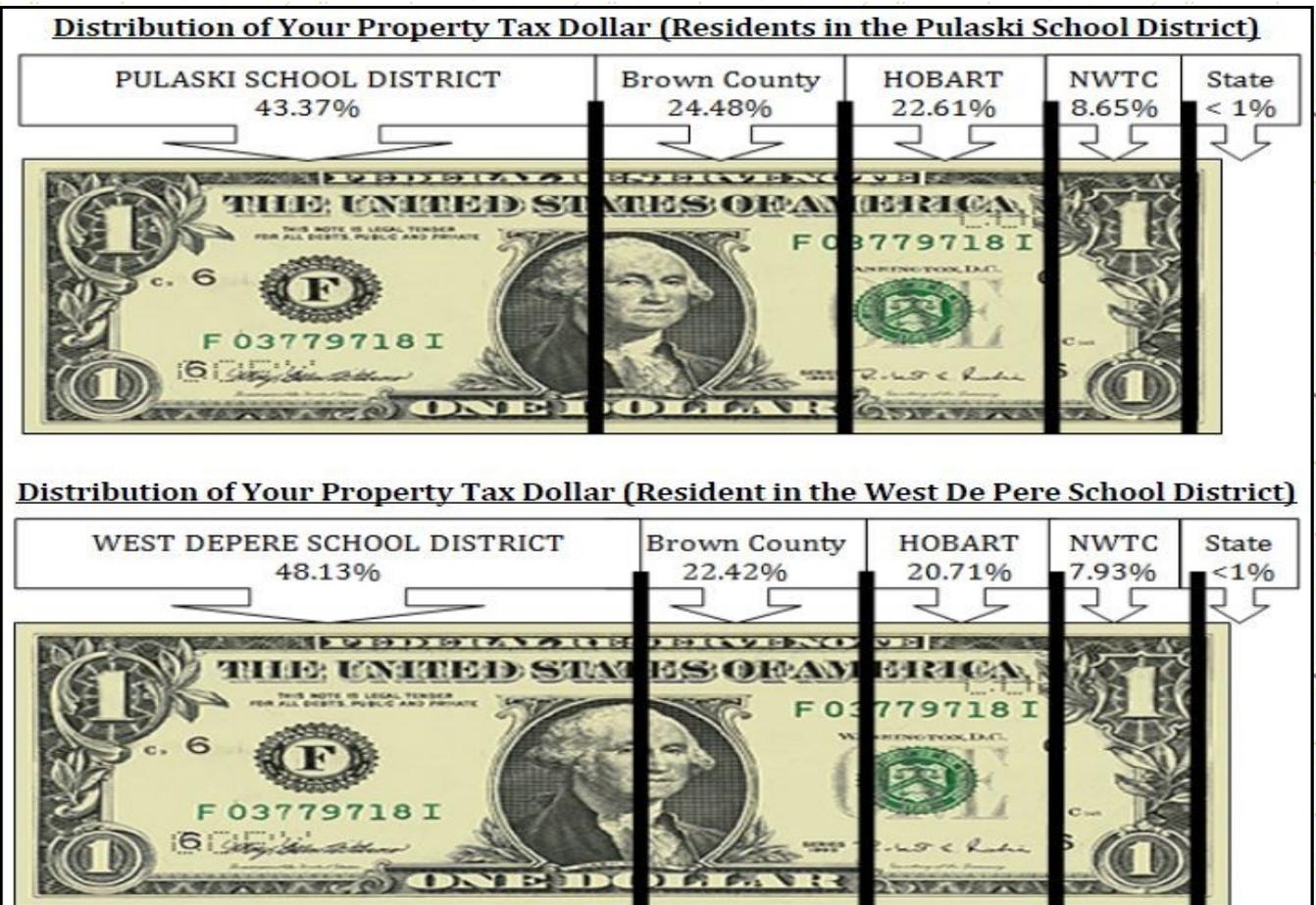
A property **valued at \$200,000** would be taxed at **\$833** for Village operations, or:

$$\$200,000 \text{ (value of property)} \times 0.0041654 \text{ (mill rate)} = \underline{\$833.08}$$

Please note that only a small portion of your property tax dollar goes to Village operations, as seen below.

Hobart Property Tax Dollars:

Brown County assess property taxes on behalf of the county; technical colleges, school districts, state, and the Village of Hobart on a consolidated tax bill. Please refer to your specific school district (below) to view the percentages of each category of your "tax dollar."



To find your total tax rate, school district specific, please refer to the chart on page 2.

Expense Overview

The Village has ten (10) different categories in which it spends funds:

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General Government (12%)

-Consists of Board, Municipal Court, Legal, Administrator, Clerk, General Government, Information Technology, Elections, Audit and other accounting, Treasurer, Uncollected taxes and re-funds, Assessor, General building and equipment, and General insurance

Public Safety (19%)

-Police Department, Fire Department, Building Inspection, and Rescue (EMS) services.

Water, Sewer, and Storm Water Utility (29%)

-Consists of capital to operate, maintain, and/or extend infrastructure.

Expenditure Type	\$	%
General Government	\$ 810	12%
Public Safety	\$ 1,308	19%
Public Works	\$ 991	14%
Health and Human Services	\$ 3	<1%
Culture and Recreation	\$ 13	<1%
Conservation and Development	\$ 1,101	16%
Interest on Long-Term Debt	\$ 687	10%
Water Utility	\$ 791	12%
Sewer Utility	\$ 858	12%
Storm Water Utility	\$ 314	5%
TOTAL EXPENSES	\$ 6,876	100%
* Table is in Thousands of Dollars		
Example: Water Utility = \$791,000		

Health and Human Services (<1%)

-Animal control operations.

Culture and Recreation (<1%)

- Parks

Conservation and Development (16%)

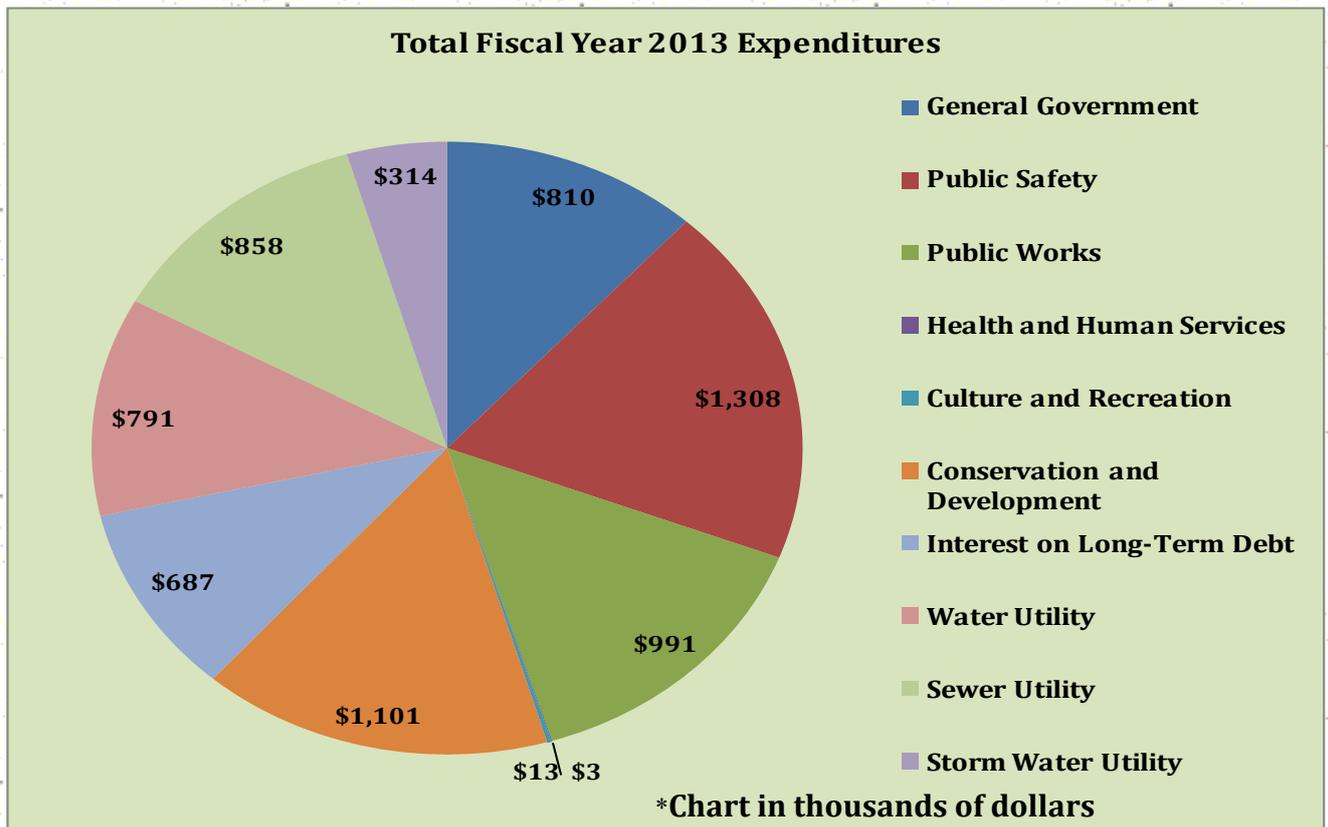
-Economic development -Planning
-Gypsy moth grant -Memorial brick/tree

Interest on Long-Term Debt (16%)

Public Works (14%)

-Highway admin/maintenance/construction
-Street lighting -Garbage collection

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MISSION STATEMENT

The Village of Hobart officials and employees will lead the community in 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. Actions taken in the pursuit of our mission will be in accordance with democratic principles and the Constitution of the United States of America.

CORE ORGANIZATIONAL VALUES

COLLABORATION (TEAMWORK)

We deeply believe collaborative efforts among staff, consultants, elected officials and the public achieves the best result. We will grow equally from successes and mistakes. We will work to complement the skills and talents of our colleagues.

ACCOUNTABILITY

We will maintain a workplace where employees are responsible for their actions and we will uphold integrity & morals in providing service to the public. We will be open and honest in the execution of our duties. We are committed to acting responsibly on behalf of the public's interest.

RESPECT

[ri-spekt (noun)]:
esteem
for or a sense of the
worth or excellence of a
person, a personal
quality or ability.

COMMUNICATION

We will maintain a workplace in which employees are free to share ideas and information and will encourage this exchange. Decisions reached in the organization will be thoroughly communicated to employees and be transparent to the public.

RESPONSIVENESS

Although we place an emphasis on being strategic and proactive, we will promptly react to concerns of citizens. We will work together to solve problems in an equitable and timely manner. We will infuse quality customer service into our organizational culture.