

The  
Village  
Of  
Hobart

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



Popular  
Annual  
Financial  
Report

# Popular Annual Financial Report



**For the fiscal year ending December 31, 2015**

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

# About the Village of Hobart

The  
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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 2015 Wisconsin Department of Administration population estimate of 7,958, the population of Hobart has increased 28.7% since the 2010 Federal Census report of 6,182, and 56.3% since the 2000 Federal Census report of 5,090. The population and square mile statistics combine to produce a population density of 241 persons per square mile. This indicates ample land for future growth and orderly development. The Village of Hobart has received 3 credit rating upgrades in the past 5 years, including the latest upgrade from Standard & Poors on February 19, 2015. The Village currently has a rating of AA+; one of the highest ratings of any municipality in Wisconsin. A higher credit rating allows the Village to borrow funds at lower interest rates.

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The Village of Hobart has continued a pattern of economic growth in 2015. 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 2015, the Village's top employer is Bayland Buildings-BayCo Properties, a real estate and commercial construction company with 185 employees. Bay Valley Foods (Dean Pickle), a food processing/distribution company with 180 employees is the Village's second largest employer. Web processing designer and manufacturer EMT International has a workforce of 160 employees, golf course and country club Thornberry Creek has a staff of 150, and metal fabricator High View Custom Fab-HFC Inc. has a workforce of 50. The non-seasonal adjusted unemployment rate for the Village of Hobart in December 2015 was 3.7 percent which is a decrease from the 4.3 percent rate for December 2014. The state's non-seasonal adjusted December unemployment rate was 4.2 percent, with a U.S. non-seasonal unemployment rate of 4.8 percent.

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 2015 Fact	Figure
<b>Village Property Total Tax Rate:</b>	<b>\$4.17/\$1000 TAV</b>
<b>Total Property Tax Rate:</b>	* (SD specific)
*West De Pere School District	\$20.68/\$1000 TAV
*Pulaski School District	\$19.02/\$1000 TAV
<b>Village Share of Total:</b>	*
*West De Pere School District	20.16%
*Pulaski School District	21.92%
<b>Total Annual Budget:</b>	<b>\$3,051,360.94</b>
<b>Population:</b>	<b>7,958 (2015 DOA EST.)</b>
<b>Employees:</b>	<b>20.3 FTE**</b>
<b>Outstanding Debt:</b>	<b>\$26,827,111</b>
<b>Bond Rating:</b>	<b>AA+</b>
<b>Village Maintained Roads:</b>	<b>90.2 miles</b>
<b>Building Permits</b>	<b>253</b>
<b>Sewer Mains Maintained:</b>	<b>30.7 miles</b>
<b>Water Lines Maintained:</b>	<b>43.3 miles</b>
<b>Total Assessed Value</b>	<b>\$731,162,300</b>
* Denotes Multiple School Districts	
**FTE - Full-Time Equivalent	
<i>For more information on taxes, please refer to pg. 11</i>	

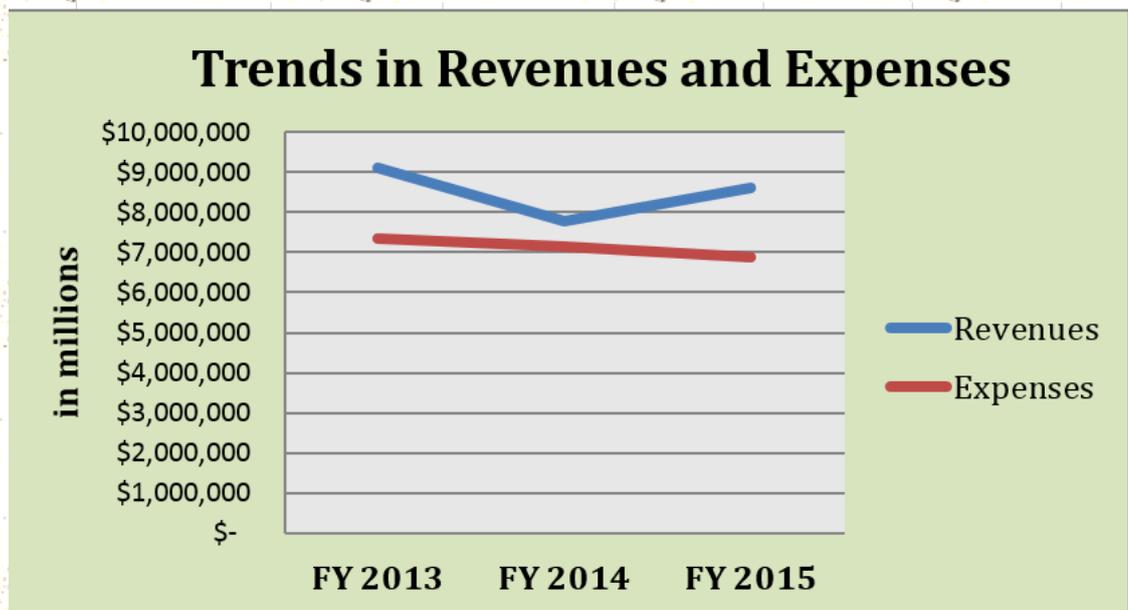
The information in this report is drawn from the Village of Hobart Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. Previous year CAFRs have also been utilized, as well as the Village's Fiscal Year 2015 Budget. If you would like to review these reports, you can find them at [www.hobart-wi.org/finance](http://www.hobart-wi.org/finance).

# Overview of Audited Results

The following summary highlights are taken directly from the fiscal year 2015 Comprehensive Annual Financial Report (CAFR).

- The Village’s assets totaled \$57,735,662 as of December 31, 2015, consisting of \$28,796,543 in capital assets and \$28,939,119 in current and other assets;
- The Village’s liabilities totaled \$37,649,887 as of December 31, 2015; consisting of \$27,147,444 in long-term liabilities and \$10,502,443 in other liabilities.;
- The assets of the Village exceeded its liabilities by \$14,435,100 at the close of fiscal year 2015. The Village collected \$9,119,718 in revenue and incurred \$7,334,929 in expenses. In 2015, the Village changed accounting policies related to pension accounting. The statement of net position reflects the Village’s proportionate share of the Wisconsin Retirement System pension plan. Please see the chart below to further explain the Village’s net position;
- For its business-type activities, the Village generated \$2,745,694 in revenue and incurred \$2,128,371 in expenses. For its governmental activities, the Village generated \$6,374,024 in revenue and incurred \$5,206,558 in expenses;
- The Village’s governmental funds reported combined ending fund balance was \$4,534,568, an increase of \$123,188 from the previous year. The increase resulted from additional fund balance accumulation for future capital outlay development.

	FY 2015	FY 2014	FY 2013
Revenues	\$ 9,119,718	\$ 7,762,386	\$ 8,613,480
Expenses	\$ 7,334,929	\$ 7,148,476.00	\$ 6,875,687
Increase in Net Assets	\$ 1,784,789	\$ 613,910	\$ 1,737,793
Change in Accounting Principle	\$ 374,494	\$ -	\$ -
Net Position, Beginning of Year	\$ 12,275,817	\$ 11,661,907	\$ 9,924,114
<b>Net Position, End of Year</b>	<b>\$ 14,435,100</b>	<b>\$ 12,275,817</b>	<b>\$ 11,661,907</b>



**Clarification on terminology:** “net position” refers to all Village 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. An increase in net position is viewed as positive.

# 2015 Village Board of Trustees and Appointed Officials

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

## Village Board of Trustees

### Governing Philosophy

<p>Preserve, protect and promote the U.S. Constitutional and civil rights of Hobart residents and taxpayers</p>	<p>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</p>
<p>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</p>	<p>Continue seeking innovative methods for improving efficiency of Village services while keeping tax rates among the lowest in the region</p>
<p>Continue actions to safeguard and expand the Village's property tax base</p>	<p>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</p>

## Appointed Officials



**Andrew Vickers, Village Administrator**



**Mary Smith, Clerk-Treasurer**

# Letter from the Village Administrator



The  
Village  
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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, 2015. 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 strives each year 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).

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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, Certificate of Achievement for Excellence in Financial Reporting (CAFR), and 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/finance](http://www.hobart-wi.org/finance).

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.

"The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Village of Hobart, Wisconsin for its Popular Annual Financial Report for the fiscal year ended December 31, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting a governmental unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only.

# Letter from the Village Administrator



The  
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The Village of Hobart, Wisconsin has received an Award for Outstanding Achievement in Popular Financial Reporting the last two consecutive years (fiscal years ended 2013-2014). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

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

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Sincerely,

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

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# Balance Sheet

The  
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The statement of net position reflects a healthy financial condition as of December 31, 2015. The assets of the Village exceeded its liabilities by \$14,435,100 at the close of fiscal year 2015. The balance sheet is presented as a high-level summary overview of net position. For more detail, please see the entire CAFR document, available online at the Village website: [www.hobart-wi.org/finance](http://www.hobart-wi.org/finance).

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	As of 12/31/2015	As of 12/31/2014	As of 12/31/2013
<b>Assets</b>			
Current and Other Assets	\$ 28,939,119	\$ 20,825,238	\$ 19,856,746
Capital Assets	\$ 28,796,543	\$ 33,917,356	\$ 31,991,545
<b>Total Assets</b>	<b>\$ 57,735,662</b>	<b>\$ 54,742,594</b>	<b>\$ 51,848,291</b>
<b>Deferred Outflows Of Resources</b>			
Deferred Outflows Related to Pension	\$ 193,691	\$ -	\$ -
<b>Liabilities</b>			
Long Term Liabilities	\$ 27,147,444	\$ 27,322,308	\$ 25,284,026
Other Liabilities	\$ 10,502,443	\$ 10,677,552	\$ 10,961,429
<b>Total Liabilities</b>	<b>\$ 37,649,887</b>	<b>\$ 37,999,860</b>	<b>\$ 36,245,455</b>
<b>Deferred Inflow Of Resources</b>			
Property Taxes	\$ 5,839,266	\$ 4,466,917	\$ 3,940,929
Deferred Inflows Related to Pension	\$ 5,100		
<b>Total Deferred Inflow of Resources</b>	<b>\$ 5,844,366</b>	<b>\$ 4,466,917</b>	<b>\$ 3,940,929</b>
<b>Net Position</b>	<b>\$ 14,435,100</b>	<b>\$ 12,275,817</b>	<b>\$ 11,661,907</b>



# 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 December 1 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, [www.hobart-wi.org/finance](http://www.hobart-wi.org/finance).

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
<b>REVENUE</b>			
Taxes (non-property)	\$ 55,198.87	\$ 53,658.87	\$ 21,750.00
State Shared Revenue	\$ 94,666.00	\$ 88,836.54	\$ 88,340.00
Federal/State Grants	\$ 220,234.93	\$ 211,035.17	\$ 215,882.24
Licenses/Permits	\$ 181,155.00	\$ 179,140.00	\$ 161,390.00
Law and Ordinance Violations	\$ 52,500.00	\$ 52,500.00	\$ 52,500.00
Public Charges for Services	\$ 409,188.42	\$ 384,282.38	\$ 381,243.72
Reimbursements/Interest	\$ 342,903.36	\$ 317,283.97	\$ 297,259.69
<b>TOTAL REVENUE</b>	<b>\$ 1,355,846.58</b>	<b>\$ 1,286,736.93</b>	<b>\$ 1,218,365.65</b>
<b>EXPENSES</b>			
General Government	\$ 828,652.06	\$ 826,359.35	\$ 797,847.51
Public Safety	\$ 1,213,273.45	\$ 1,134,341.93	\$ 1,082,363.85
Public Works	\$ 735,136.05	\$ 666,474.56	\$ 659,036.91
Conservation and Development	\$ 82,155.79	\$ 79,448.09	\$ 78,127.74
<b>TOTAL EXPENSES</b>	<b>\$ 2,859,217.35</b>	<b>\$ 2,706,623.93</b>	<b>\$ 2,617,376.01</b>
GENERAL FUND TAX LEVY	\$ 1,503,370.77	\$ 1,419,887.00	\$ 1,399,010.36
DEBT SERVICE TAX LEVY	\$ 376,124.00	\$ 588,358.74	\$ 764,011.34
CAPITAL IMPROVEMENT TAX LEVY	\$ 781,714.00	\$ 636,575.00	\$ 474,615.00
TAX INCREMENT DISTRICT LEVY	\$ 390,152.17	\$ 268,632.34	\$ 144,111.91
<b>TOTAL TAX LEVY</b>	<b>\$ 3,051,360.94</b>	<b>\$ 2,913,453.08</b>	<b>\$ 2,781,748.61</b>



# Financial Policies

The  
Village  
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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 procedures, controls, and policies for the Village's liquid assets. The Village achieves this by 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 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, does not, at any time, exceed 90% of the Village's legal debt margin capacity. Statutory debt capacity is set by the State, 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 that 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 finds that this policy is essential to maintain an adequate level of fund balance within the General Fund in order to:

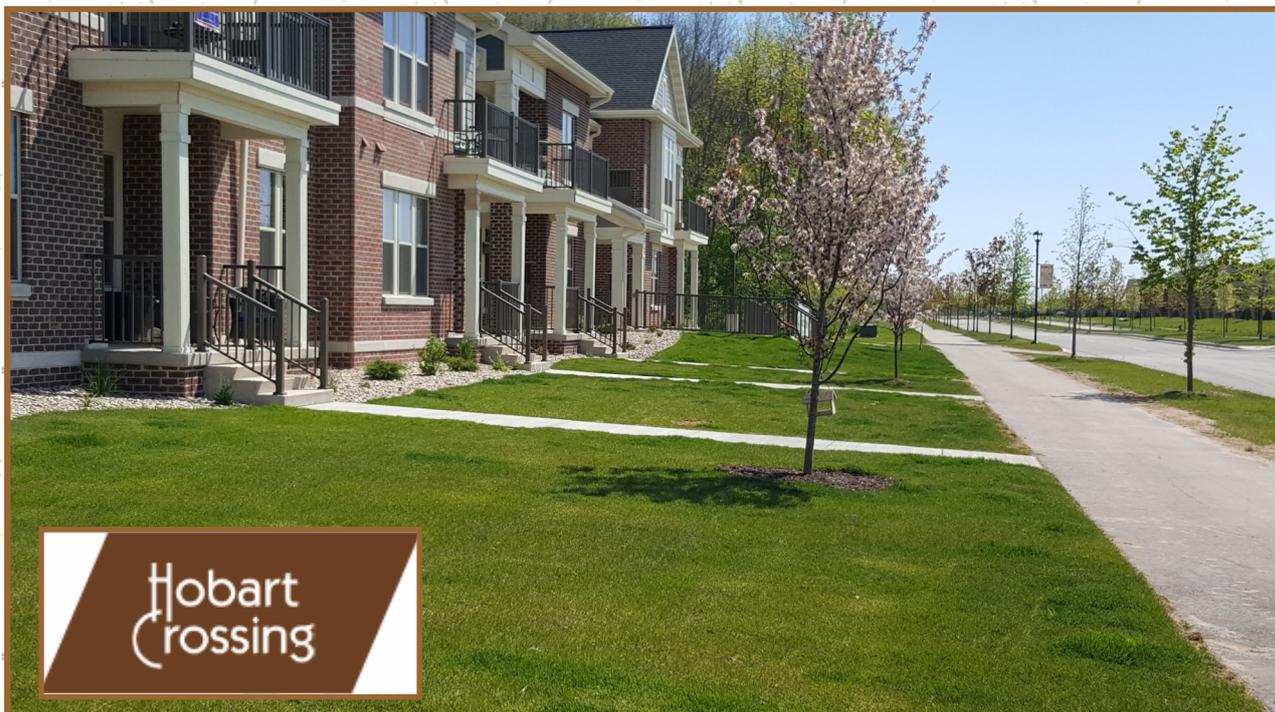
- Adapt to revenue shortfalls and/or unanticipated expenditures;
- Help ensure stable tax rates;
- Provide for adequate cash liquidity for normal operations;
- Maintain positive factors with the municipal bond market's assessment of Village credit quality.

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# Revenue Overview

The Village operates on the following six (6) basic revenue streams:

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## Charges for Services (36%)

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 (including non-specific) (5%)

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

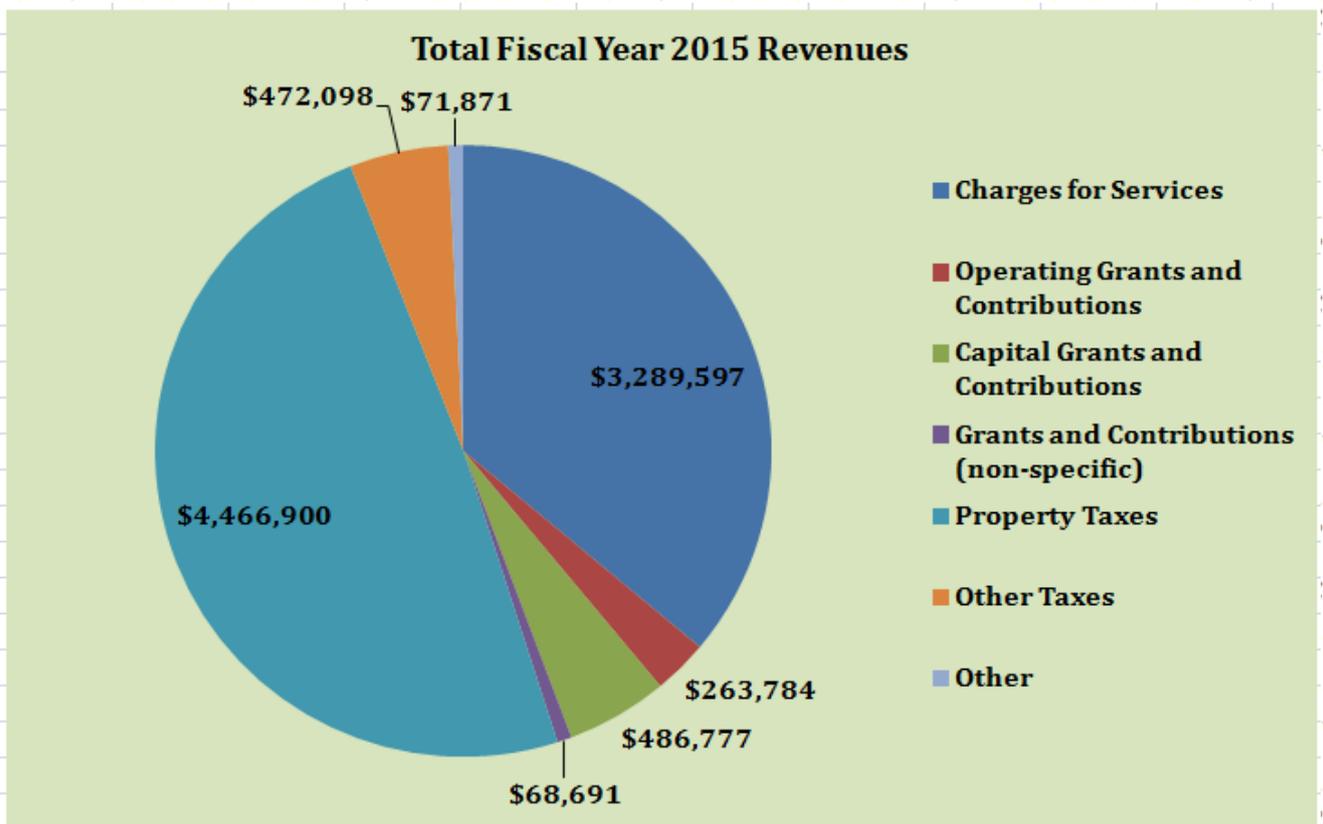
## Property Taxes (49%)

The Village collects the majority of its revenue from local property taxes. The payable rate in 2015 is set at \$4.17 per \$1000 of valuation;

## Other Taxes/Miscellaneous (6%)

Revenue Type	\$	%
Charges for Services	\$ 3,289,597	36%
Operating Grants and Contributions	\$ 263,784	3%
Capital Grants and Contributions	\$ 486,777	5%
Grants and Contributions (non-specific)	\$ 68,691	1%
Property Taxes	\$ 4,466,900	49%
Other Taxes	\$ 472,098	5%
Other	\$ 71,871	1%
<b>TOTAL REVENUE</b>	<b>\$9,119,718</b>	<b>100%</b>

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# 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 **2015 total tax levy** (expenditures - revenues) = **\$3,051,360.94**

The **2015 assessed value** of the entire Village = **\$731,162,300**

The Village "mill rate" is calculated as follows:

$$\frac{\$3,051,360.94 \text{ (total tax levy)}}{\$731,162,300 \text{ (assessed value)}} = 0.0041733 \text{ (mill rate)} \times 1000 = 4.173$$

**2015 Village of Hobart Tax Rate = \$4.17/per \$1000 of a property's assessed value.**

## FOR EXAMPLE:

A property **valued at \$200,000** would contribute \$834 to the Village's operations:

$$\$200,000 \text{ (value of property)} \times 0.0041733 \text{ (mill rate)} = \underline{\$834.66}$$

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

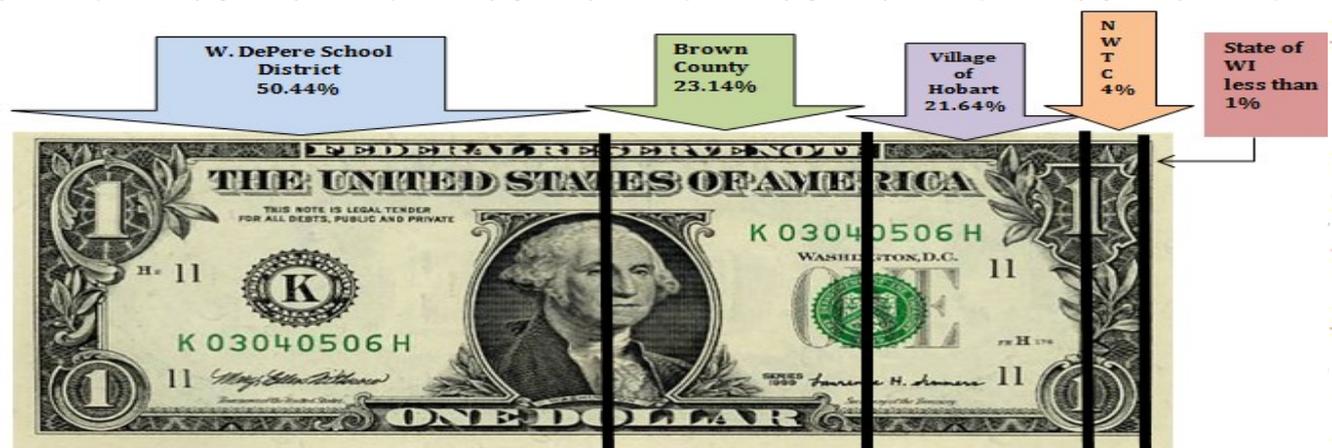
## Hobart Property Tax Dollars:

Brown County assesses 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 where your tax dollars go.

### Distribution of Your Property Tax Dollar (Residents in the Pulaski School District)



### Distribution of Your Property Tax Dollar (Residents in the West De Pere School District)



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

# Expense Overview

The Village has the following ten (10) different categories from which it spends funds:

The Village Of Hobart

## General Government (10%)

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	\$ 744,504	10%
Public Safety	\$ 1,389,272	19%
Public Works	\$ 981,275	13%
Health and Human Services	\$ 2,560	<1%
Culture and Recreation	\$ 23,005	<1%
Conservation and Development	\$ 1,390,695	19%
Interest on Long-Term Debt	\$ 675,247	9%
Water Utility	\$ 816,192	11%
Sewer Utility	\$ 958,551	13%
Storm Water Utility	\$ 353,628	5%
<b>TOTAL EXPENSES</b>	<b>\$ 7,334,929</b>	<b>100%</b>

## Health and Human Services (<1%)

Animal control operations.

## Culture and Recreation (<1%)

Parks

## Conservation and Development (19%)

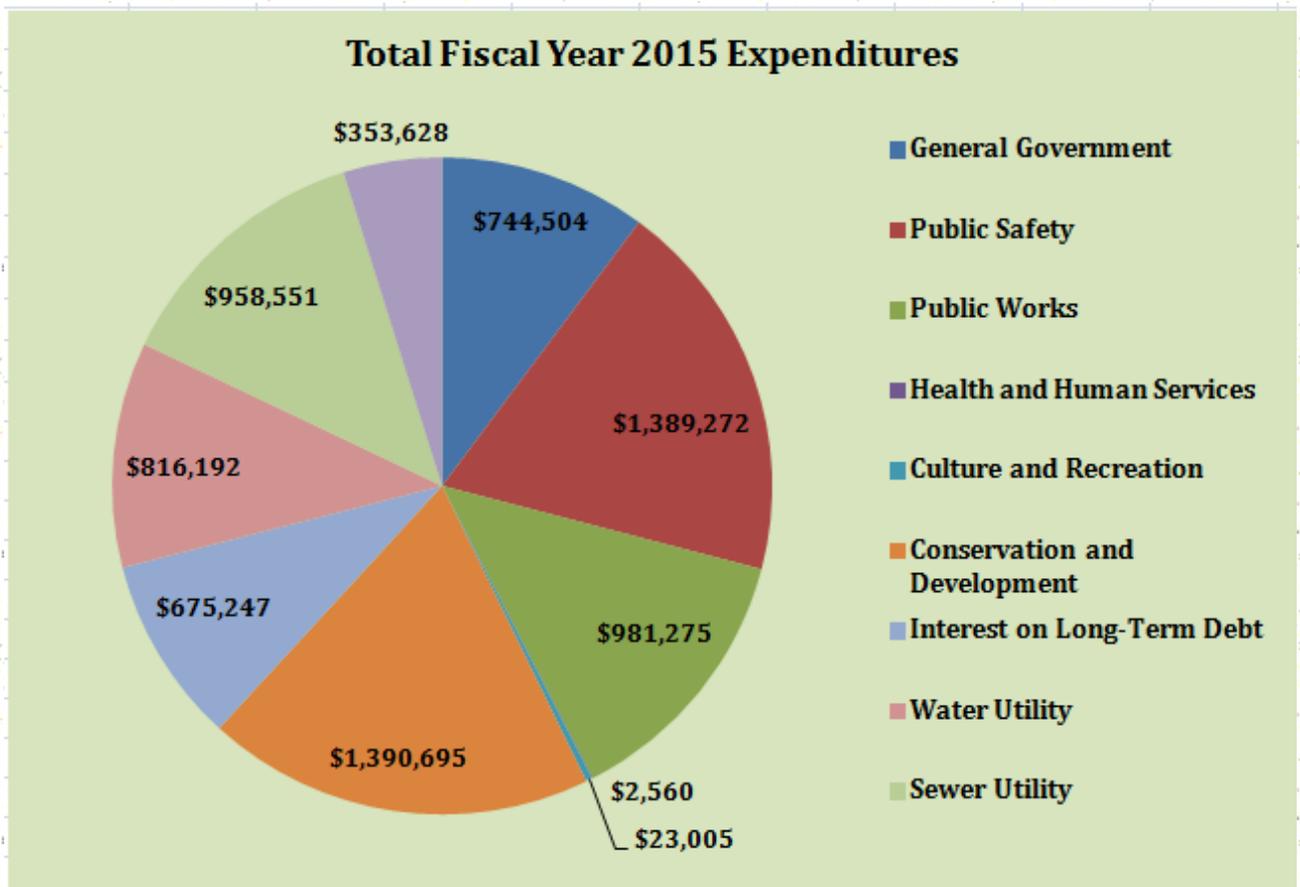
Economic development, Planning, Gypsy moth grant, Memorial brick/tree

## Interest on Long-Term Debt (9%)

## Public Works (13%)

Highway admin/maintenance/construction  
Street lighting, Garbage collection

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Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

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

For its Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

Above is a copy of the 2014 GFOA Award for Outstanding Achievement in Popular Annual Financial Report issued to the Village of Hobart.