

2014 Comprehensive Annual Financial Report

Village of Grafton
Wisconsin

Prepared by the Department
of Administrative Services

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014



GRAFTON
QUALITY LIFE. NATURALLY.

ELECTED OFFICIALS

TITLE	NAME
Village President	James Brunnuell
Village Trustee	David Antoine
Village Trustee	James Grant
Village Trustee	Lisa Harbeck
Village Trustee	David Liss
Village Trustee	Susan Meinecke
Village Trustee	Dean Proefrock

APPOINTED OFFICIALS

TITLE	NAME
Village Administrator	Darrell Hofland
Director of Public Works/Village Engineer	David Murphy
Chief of Police	Charles Wenten
Director of Planning and Development	Jessica Wolff
Director of Administrative Services	Paul Styduhar
Building Inspector	Thomas Johnson
Village Clerk	Kelly Meyer
Library Director	John Hanson
Parks and Recreation Director	John Safstrom
Fire Chief	William Rice

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For the Fiscal Year Ended December 31, 2014

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GRAFTON
QUALITY LIFE. NATURALLY.

May 6, 2015

To the Citizens of the Village of Grafton, Wisconsin:

The Comprehensive Annual Financial Report for the Village of Grafton, 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 Grafton. 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 Grafton 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 sufficiently reliable information for the preparation of the Village of Grafton'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 Grafton'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.

Baker Tilly Virchow Krause, LLP, a firm of certified public accountants and consultants, have audited the Village of Grafton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Grafton 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 unmodified opinion that the Village of Grafton'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.

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

This report includes all funds of the Village. It includes all governmental organizations and activities for which the Village Board of Trustees is financially accountable. The Village provides the full range of municipal services normally associated with a municipality including general administration, police and fire protection, sanitation services, the construction and maintenance of highways, streets, and related infrastructure, recreational activities, cultural events, and economic development. In addition to general activities, the Village Board exercises authority over the Grafton Water and Wastewater Utility; therefore, these activities are included in the financial statements. The Grafton Volunteer Fire Department became a Village department on January 1, 2013; however, the Grafton and Cedarburg School Districts are autonomous entities and have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

COMMUNITY PROFILE

The Village is located in Ozaukee County, in the southeastern part of Wisconsin, approximately 20 miles north of downtown Milwaukee. The Village is 4.53 square miles in size and has a population of 11,467. The Village of Grafton was incorporated in 1896.

The Village Board of Trustees, which consists of the Village President and six Trustees, is elected at large and on a non-partisan basis. Annual elections are held in April. The terms of office are 2 years but are overlapping so that the Village is provided with a continuity of knowledge in the Village business and legislative matters

The Board is responsible for enacting ordinances, resolutions, and regulations governing the Village as well as the appointment of members of various statutory and advisory boards and the Village Administrator. As Chief Administrative Officer, the Village Administrator has the responsibility of administering programs in accordance with policies established by the Village Board and within the guidelines of the annual budget adopted by the Village Board.

The annual budget serves as the foundation for the Village of Grafton's financial planning and control. The development of the budget is completed as two separate projects: the development of the governmental activities program budget, and the development of the forecast (budget) for the Grafton Water and Wastewater Utility.

All departments of the Village of Grafton are required to submit requests for appropriation for all governmental activities to the Village Administrator on or before the last Monday in August of each year. The Village Administrator uses these requests as the starting point for developing a proposed budget for the governmental activities. The Village Administrator presents the proposed budget for all governmental activities to the Village Board approximately the middle of October for review. The Village Board meets with the Village Administrator and all department heads at a budget workshop shortly after receiving the proposed budget. The Village Board is required to hold a public hearing on the proposed budget, which is generally held the last Wednesday in October. The governmental activities budget is generally adopted at the first Village Board meeting in November at which time the required property tax levy is established.

ECONOMIC CONDITION AND OUTLOOK

Recent unemployment rates have increased in the Milwaukee metropolitan area as throughout the nation. However, Ozaukee County's 2014 unemployment rate decreased to 3.5 percent compared to the 2013 unemployment rate of 4.5 percent. The Ozaukee County rate remains lower than the Wisconsin and Federal unemployment rates of 5.2 and 6.2 percent, respectively.

The Village's tax base increased in valuation from 2013 to 2014 by approximately \$53 million, or an overall increase of 4.8 percent. Of the 4.8 percent increase, approximately 0.8 percent represented an offsetting increase in values due to new construction, with an increase in value representing 4.0 percent. In 2014, the Village had \$32.6 million of valuation in building permits, \$13.4 million more than the building permit valuation in 2013. New residential construction totaled \$4.8 million in 2014, an increase of \$0.1 million in comparison to 2013.

Permits for commercial construction accounted for 52 percent of 2014 construction valued at \$16.8 million. Residential construction, including single and multi-family buildings accounted for 41 percent or \$13.5 million of construction valuation. Industrial and tax-exempt construction made up the remaining 7 percent or \$2.3 million.

The Tax Incremental District (TID) No. 2 – Grafton Business Park was created on June 3, 1996, to provide for the installation of public improvements to promote industrial and related office development in the Grafton Business Park. Wisconsin Statutes allow the Village to receive tax increments until the net project costs are fully recovered or until a date 27 years after the formation of the District, whichever occurs first. The public improvements were substantially completed in 1997 and eight industrial or office projects have been constructed within the district. As of January 1, 2014, the tax incremental district equalized value increase between the tax incremental base value of 1996 and the current equalized value of all taxable property within TID No. 2 is \$17.7 million. The Village approved an amendment to the original plan in 2009 to include the ability of the district to donate funds to TID No. 3 – Downtown Redevelopment. In 2011, the Village approved an additional amendment to include the property where Regal Beloit office building was constructed in 2012. This property was integral in solidifying the economic development of the Village.

TID No. 3 – Downtown Redevelopment was created on May 3, 1999, to provide for the infrastructure improvements, traffic circulation, public parking, streetscape improvements, pedestrian amenities, and way-finding improvements necessary to stimulate private reinvestment and redevelopment within the downtown area. As part of this effort, a Community Development Authority (CDA) was created in 1999. The CDA has been a volunteer organization involved in the planning and development process. In 2000, five properties were acquired at the intersection of 12th Avenue and Washington Street and the structures razed. Two of these properties were sold in 2001 for the development of a full service bank, BMO Harris Bank, with additional non-bank offices. The property at the northwest corner was sold in 2004 for the construction of a 5,000 square foot office building. The remaining properties were sold in 2005 for the construction of two mixed use buildings, 22,000 and 12,400 square feet respectively. In 2004, the Village acquired one property on 11th Avenue, which was sold for the construction of a 44 unit condominium, The Heritage of Grafton, completed in 2005.

The Village acquired three parcels on 11th Avenue and two additional properties, one on Bridge Street and one on 13th Avenue, which were sold in 2004 for the construction of a 9 unit condominium, The Bridgewater. Street reconstruction projects completed in 2006 in TID No. 3 included extension of Beech Street from 12th Avenue to Wisconsin Avenue, reconstruction of 13th Avenue and streetscape of Wisconsin Avenue. The Paramount Plaza - a public plaza, and a river walk along the Milwaukee River were completed in 2006. A retail/office building was constructed in 2007 with a brew pub and restaurant that opened in 2008. In 2008, recognizing the need for additional parking due to the success of the downtown businesses, the Village purchased land and constructed additional parking lots. An additional two lots were added in 2009. One was constructed and the other lot was an existing private lot purchased by the Village. In 2012 the Grafton Hotel property located at 1312 Wisconsin Avenue was completed consisting of 20 residential apartments. This development included the renovation of a historical property and is the centerpiece of the redevelopment in the district. As of January 1, 2014, the tax incremental district equalized value increase between the tax incremental base value of 1999 and the current equalized value of all taxable property within TID No. 3 is \$25.4 million. The Village approved an amendment to the original plan in 2009 enabling the district to receive donated funds from TID No. 2 – Grafton Business Park.

TID No. 4 – South Commercial District was created on September 21, 2004, to provide for the infrastructure improvements, traffic circulation, public parking, streetscape improvements, pedestrian amenities, and way-finding improvements necessary to stimulate private reinvestment and redevelopment within the South Commercial District. In April, 2005, the Village approved an amendment to the previous plan that included additional properties identified as integral in solidifying the development of the Village. In 2008 an older mall was demolished and construction began on a mixed commercial and residential development. The commercial component was completed in 2009. As of January 1, 2014, the tax incremental district equalized value increase between the tax incremental base value of 2004 and the current equalized value of all taxable property within TID No. 4 is \$8.3 million. The Village approved an amendment to the original plan in 2010 enabling the district to receive donated funds from TID No. 2 – Grafton Business Park and TID No. 5 – Grafton Commons.

TID No. 5 – Grafton Commons was created on April 20, 2006, to provide infrastructure improvements, traffic circulation, and streetscape improvements necessary to stimulate private investment and commercial development of the area. The location of Grafton Commons is the northwest quadrant of Interstate 43 and WIS 60. The retail stores located in the district include Costco, Best Buy, Kohl's Department Store, PetSmart Pet Store, Dick's Sporting Goods, and Michael's Arts and Crafts. In 2009 an Aldi Food Store and Steinhafel's Mattress store opened. As of January 1, 2014, the tax incremental district equalized value increase between the tax incremental base value of 2006 and the current equalized value of all taxable property within TID No. 5 is \$36.3 million. The Village approved an amendment to the original plan in 2009 enabling the district to donate funds to TID No. 3 - Downtown Redevelopment and in 2010 approved an amendment enabling the district to donate funds to TID No. 4 – South Commercial District.

The Water Utility currently has six deep wells with a capacity of 5,225,760 gallons per day. The 2014 average daily water pumped was 996,805 gallons per day or approximately 19 percent

of the total supply capacity. A 'Water System Master Plan' study was last updated in 2001. Therein, projected water demands predict a need for a future well on the Village's east side at some time between 2010 and 2020. Additional water storage of 330,000 gallons will also be required by 2020. An amendment to the 'Master Plan' was completed in 2002 that included an evaluation of Lake Michigan water supply alternatives. The study indicated that the Utility's current groundwater supply is quite adequate through the year 2020 planning period. A further conclusion identified that the most cost-effective lake water supply option in the future would be construction of a new water treatment plant with some level of regional cooperation. This conclusion was further reinforced in 2012 with a 'regional water system investigation' study that was completed jointly with the cities of Cedarburg and Mequon.

The Utility's wastewater treatment plant currently discharges directly to the Milwaukee River. The facility's most recent discharge permit expired December 31, 2013; a new discharge permit has yet to be issued. A construction upgrade to the treatment plant was completed in 2005 and effectively increased the treatment capacity from 1,600,000 gallons per day to 2,500,000 gallons per day. The project was completed at a cost of \$684,000 and should extend the plant's service life until 2024. In 2014, the average daily flow to the treatment plant was 1,420,000 gallons per day or 57 percent of the design flow capacity. Construction projects occurred in 2012 consisting of a new garage and septic receiving station. The septic receiving station construction began operation in April, 2014.

Administratively, water and sewer rate studies were completed in 2013. A water rate increase request was approved by the Village Board of Trustees and submitted to the Public Service Commission in January, 2014. The water rate increases was approved effective March 19, 2014. The water and sewer rates increased 7.2 and 9.0 percent, respectively. The Public Service Commission of Wisconsin classifies the Village utility as an AB utility. An AB classification is for utilities with a customer base in excess of 4,000. Grafton had an average customer base of 4,973 in 2014.

MAJOR INITIATIVES

FOR THE YEAR

The development trend in 2014 was an increase in growth and development.

Patriot Commons was developed in 2014 totaling 25,000 square feet and opened in January, 2015. This development is located on Port Washington Road near the Interstate 43 corridor and consists of a Men's Wearhouse, ULTA Beauty and Pier 1 Imports.

Construction activity in TID No. 2 – Grafton Business Park consisted of a 24,200 square foot expansion of Kapco for additional manufacturing space. Construction began in 2014 and is scheduled for completion and occupancy in early 2015. Grafton Preschool and Just for Fun received approval for a new 16,000 square foot facility and construction started in October, 2014.

On the Village's east side, Meijer construction began in 2014 for a "super center" totaling 191,352 square feet located south of Home Depot on Port Washington Road which was

approved in 2013. The approval includes three outlots for development. In conjunction with this development the Village upgraded, in 2013, 1,320 lineal feet of Port Washington Road to a four lane highway at a cost of \$1,581,564.

In the Village's South Commercial District, Cornerstone Community Bank purchased property located next to their existing building, renovated one building and razed another building. Burlo Pet Services purchased an empty industrial building, renovated the building and opened for business during 2014. NAPA purchased existing commercial space, renovated and relocated their business during 2014.

Residential development increased in 2014 with the issuance of 23 building permits for new single family units. There were 13 building permits issued in 2013 for new single family units.

FOR THE FUTURE

The Lumberyard Site Master Plan which was completed in 2010, has provided a blueprint for redevelopment opportunities. The Community Development Authority purchased three lots in 2013 and two lots in 2014 in anticipation of this redevelopment. A developer submitted plans in 2015 for the construction of a \$16.6 million mixed use project which will be developed over the next three years.

Development projects in the South Commercial District include the approval of Village Pointe Commons, a \$22 million proposal for the 2015 construction of senior housing and care camps, south of the new Pick 'n Save Store.

FINANCIAL MANAGEMENT

Budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village Board. Activities of the general fund, special revenue funds, debt service fund, capital improvement funds, Enterprise funds and a permanent fund are included in the annual appropriated budget. The budget is adopted at the functional level of expenditure; however, it is monitored by department heads at the departmental level within an individual fund.

As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

AWARDS AND ACKNOWLEDGEMENTS

Over the past year, the Village received two awards. The Village received the "Certificate of Achievement for Excellence in Financial Reporting" for the 2013 Comprehensive Annual Financial Report (CAFR) and the "Distinguished Budget Presentation Award" for the 2014 Program Budget from the Government Finance Officers Association.

We wish to thank the Village President and the Village Board, whose leadership and continued support, made the preparation of this report possible. Preparation of this report was also made possible with the assistance of Baker Tilly Virchow Krause, LLP. Special appreciation is also

given to Accountant Monica Stern whose contributions made the preparation and completion of this CAFR possible.

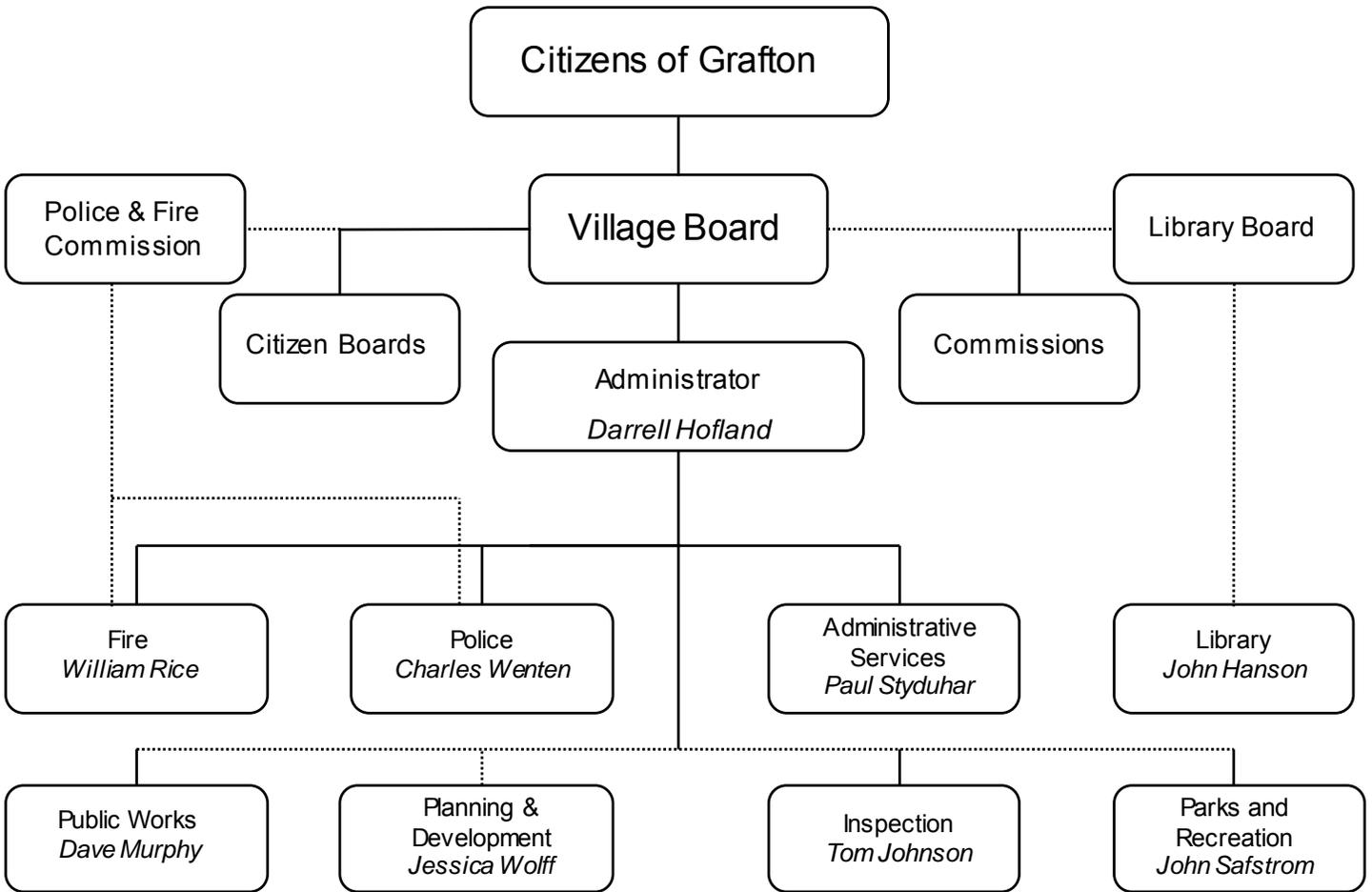
Respectfully submitted,

Darrell Hofland

Darrell Hofland
Village Administrator

Paul Styduhar

Paul Styduhar
Director of Administrative Services



Name

Darrell Hofland

William Rice

Charles Wenten

Tom Johnson

Dave Murphy

Paul Styduhar

Jessica Wolff

John Safstrom

John Hanson

————— Functional Authority

..... Appointment Authority

Title

Village Administrator

Fire Chief

Police Chief

Building Inspector

Director of Public Works / Village Engineer

Administrative Services Director

Planning and Development Director

Parks and Recreation Director

Library Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Grafton
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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 Grafton for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the eleventh consecutive year that the Village of Grafton 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 GFOA to determine its eligibility for another certificate.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Village of Grafton
Grafton, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Grafton, 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 Grafton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Grafton'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 of Grafton'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.

To the Board of Trustees
Village of Grafton

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Grafton, Wisconsin, as of December 31, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Grafton's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Board of Trustees
Village of Grafton

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Grafton's basic financial statements. The Introductory Section and Statistical Section as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Baker Tilly Verchow Krause, LLP

Milwaukee, Wisconsin
April 24, 2015

MANAGEMENTS DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (Unaudited)

As management of the Village of Grafton, we offer readers of the Village of Grafton's financial statements this narrative overview and analysis of the financial activities of the Village of Grafton 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 1 - 7 of this report.

Financial Highlights

- The assets of the Village of Grafton exceeded its liabilities as of December 31, 2014, by \$66,893,756 (*net position*). Of this amount, \$9,687,083 may be used to meet the government's ongoing obligations to citizens and creditors (*unrestricted net position*). The total net position includes all infrastructure installed from 1980 to present.
- The Village of Grafton's total net position increased by a net amount of \$2,166,396 with a \$410,338 decrease in unrestricted net position.
- As of December 31, 2014, the Village of Grafton's governmental funds reported combined ending fund balances of \$7,922,587 a decrease of \$204,239 in comparison with the prior year. Approximately 54 percent of this total, or \$4,263,461, is available for spending at the government's discretion (*committed, assigned and unassigned fund balance*).
- As of December 31, 2014 the assigned and unassigned fund balance for the general fund was \$3,258,286 approximately 37 percent of total anticipated general fund expenditures for 2015.
- The Village of Grafton's total general obligation debt decreased by \$2,881,452 (7.1%) during 2014. No new debt was issued in 2014.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Grafton's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary 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 of Grafton's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal 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 (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the Village of Grafton 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 of Grafton include general government, public safety, public works, community enrichment services, and conservation and development. The business-type activities of the Village of Grafton include the Grafton Water and Wastewater Utility.

The government-wide financial statements include only the activities of the Village of Grafton. A Community Development Authority (CDA) has been established and is considered to be a component unit. However, there was no financial activity for the CDA in 2014.

The government-wide financial statements can be found on pages 29 – 31. 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 of Grafton, 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 of Grafton can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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 government'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 of Grafton maintains twenty one 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, the Debt Service Fund, the Capital Projects Fund, and the Capital Projects Tax Increment District No. 3 (TID No. 3), which are considered to be major funds. Data from the remaining seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* later in this report.

The basic governmental fund financial statements can be found on pages 32 - 38 of this report.

Proprietary funds. Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. 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 Grafton Water Fund and Grafton Wastewater Fund, which are considered to be major funds of the Village of Grafton.

The basic proprietary fund financial statements can be found on pages 39 - 42 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village of Grafton's programs. The fiduciary fund maintained by the Village of Grafton is the Tax Collection Fund which records the tax roll and tax collections for the taxing jurisdictions within the Village of Grafton.

The basic fiduciary fund financial statements can be found on page 43 of this report.

Notes to the 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 financial statements can be found on pages 44 - 82 of this report.

Other information

The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds can be found on pages 88 – 91 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village of Grafton, total net position was \$66,893,756 at the close of 2014.

VILLAGE OF GRAFTON'S NET POSITION As of December 31

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$18,666,565	\$18,807,695	\$ 5,160,720	\$ 6,659,977	\$23,827,285	\$25,467,672
Capital assets	59,451,685	59,556,371	34,278,052	33,424,874	93,729,737	92,981,245
Total Assets	78,118,250	78,364,066	39,438,772	40,084,851	117,557,022	118,448,917
Deferred outflows of resources	384,728	528,214	90,231	100,165	474,959	628,379
Long-term liabilities outstanding	32,314,915	34,989,558	4,480,955	4,968,718	36,795,870	39,958,276
Other liabilities	3,791,516	3,595,186	1,017,463	1,357,792	4,808,979	4,952,978
Total Liabilities	36,106,431	38,584,744	5,498,418	6,326,510	41,604,849	44,911,254
Deferred Inflow of resources	9,533,376	9,438,682	-	-	9,533,376	9,438,682
Net position:						
Net Investment in capital assets	25,406,680	23,046,407	29,495,218	28,162,812	54,901,898	51,209,219
Restricted	1,811,405	2,209,985	658,601	1,210,735	2,470,006	3,420,720
Unrestricted	5,645,086	5,612,462	3,876,766	4,484,959	9,521,852	10,097,421
Total net position	\$ 32,863,171	\$ 30,868,854	\$34,030,585	\$33,858,506	\$66,893,756	\$64,727,360

The largest portion of the Village of Grafton's December 31, 2014 net position (approximately 82 percent) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The Village of Grafton uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Grafton's net investment in its capital assets is reported net of 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.

An additional portion of the Village of Grafton's net position (approximately 4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$9,687,083) may be used to meet the Village's ongoing obligations to citizens, creditors, and employees.

Total capital assets increased by \$748,492 net of depreciation or 1.0 percent in 2014. In 2014, \$1,834,200 in governmental assets were added. However, additions were offset by net disposals of \$229,511 and depreciation of \$1,709,195. Business type capital assets of \$2,086,566 were added in 2014 but offset by \$1,233,388 in depreciation.

Governmental activities. In 2014, governmental activities increased the Village of Grafton's net position by \$1,994,317. The key element in the increase in the Village's net

position was an increase of approximately \$2.4 million related to net investment in capital assets, largely attributable to the Bridge Street dam, approximately \$1.6 million.

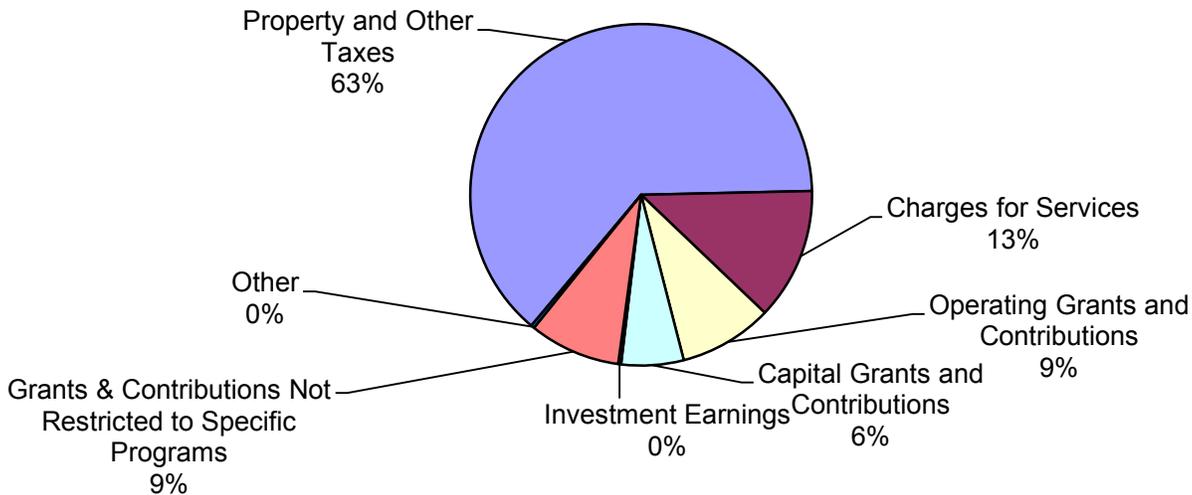
VILLAGE OF GRAFTON'S STATEMENT OF ACTIVITIES
For the year ended December 31

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 1,879,248	\$ 1,674,004	\$ 3,862,198	\$ 3,752,742	\$ 5,741,446	\$ 5,426,746
Operating grants and contributions	1,331,958	1,369,560	3,000	4,000	1,334,958	1,373,560
Capital grants and contributions	887,114	1,913,310	112,504	274,982	999,618	2,188,292
General Revenues						
Property taxes	9,312,273	9,242,618	-	-	9,312,273	9,242,618
Other taxes	246,653	240,373	-	-	246,653	240,373
Grants & contributions not restricted to specific programs	1,299,482	934,392	-	-	1,299,482	934,392
Investment income	41,250	32,240	14,184	720	55,434	32,960
Other	48,221	21,641	-	-	48,221	21,641
Total revenues	15,046,199	15,428,138	3,991,886	4,032,444	19,038,085	19,460,582
Expenses						
General government	1,113,773	1,106,731	-	-	1,113,773	1,106,731
Public safety	4,840,222	4,682,409	-	-	4,840,222	4,682,409
Public works	4,205,192	6,027,858	-	-	4,205,192	6,027,858
Community enrichment services	1,441,183	1,505,768	-	-	1,441,183	1,505,768
Conservation and development	365,718	196,761	-	-	365,718	196,761
Interest and fiscal charges	1,356,035	2,057,640	-	-	1,356,035	2,057,640
Water	-	-	1,460,774	1,339,615	1,460,774	1,339,615
Wastewater	-	-	2,088,792	1,919,537	2,088,792	1,919,537
Total expenses	13,322,123	15,577,167	3,549,566	3,259,152	16,871,689	18,836,319
Change in net position before transfers	1,724,076	(149,029)	442,320	773,292	2,166,396	624,263
Special Item - Contribution of fire department assets	-	2,521,204	-	-	-	2,521,204
Transfers	270,241	270,213	(270,241)	(270,213)	-	-
Increase in net position	1,994,317	2,642,388	172,079	503,079	2,166,396	3,145,467
Net position - beginning of year	30,868,854	28,226,466	33,858,506	33,355,427	64,727,360	61,581,893
Net position - end of year	\$32,863,171	\$30,868,854	\$34,030,585	\$33,858,506	\$66,893,756	\$64,727,360

Public Safety activities accounted for approximately 36 percent of the total 2014 governmental funds expenses within the Village of Grafton. Total Governmental Activity expenses decreased by \$2,255,014 or 14 percent from 2013. This decrease is due to a the 2013 construction project for Port Washington Road (\$1,581,564) and a decrease in debt service payments of \$701,605.

As depicted in the chart below, taxes provided 63 percent of total revenue in 2014. Payments in lieu of taxes account for approximately 2.1 percent of the revenue classified as taxes. Property taxes have historically been the largest revenue source for governmental activities.

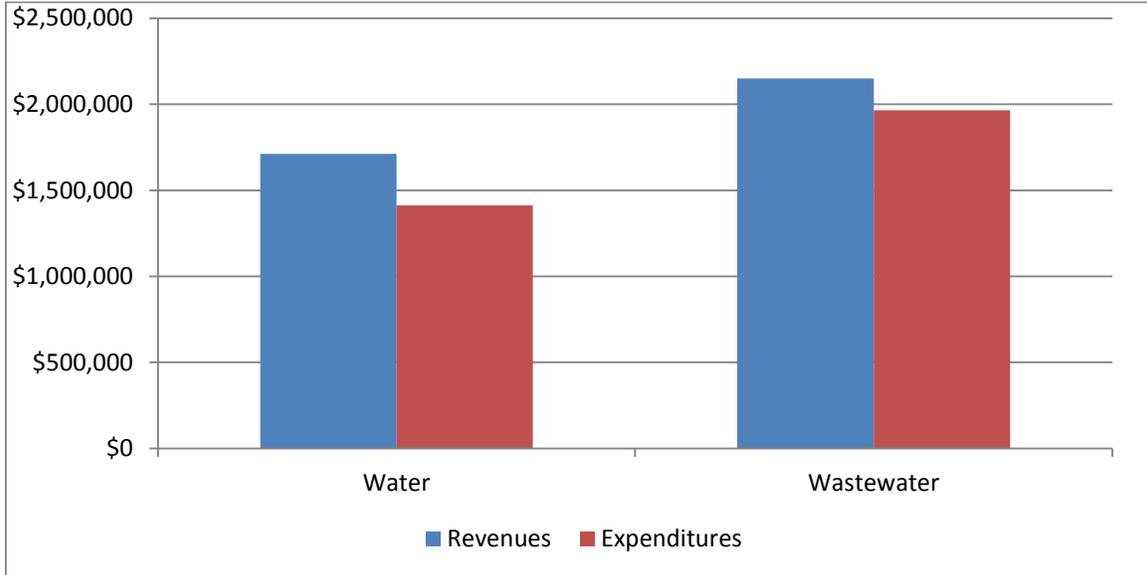
2014 Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the Village of Grafton’s business-type activities net position increased by \$172,079 or 0.5 percent from the previous year. The increase in net position for the Grafton Water and Wastewater Utility is due to water and wastewater improvements.

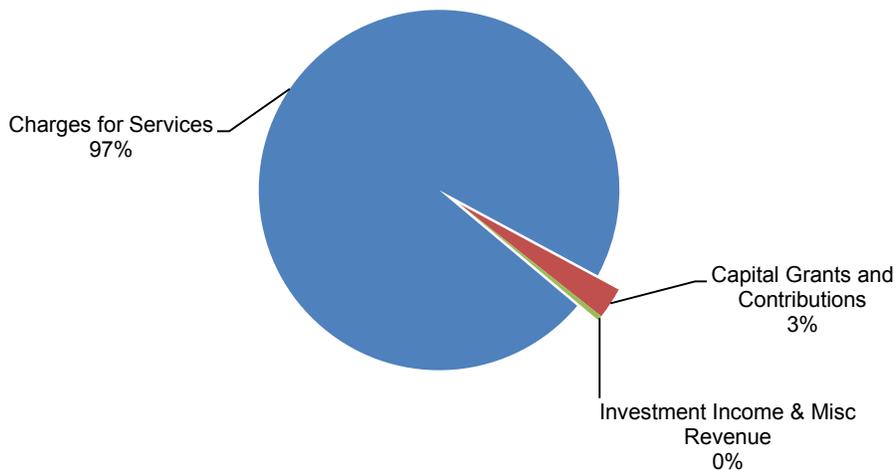
The following graph compares the operating revenues to the operating expenses of each utility. The rate of return of the water utility for 2014 was 2.72 percent. The operating income of the water utility was \$298,942 while the wastewater utility produced an operating income of \$184,291, a rate of return of 1.03 percent. Adjusting for Non-capital financing activities, purchases of capital assets, debt payments and investing activities, the water and wastewater utilities had a net cash outflow of \$1,626,928.

2014 Operating Revenues and Expenditures – Business-type Activities



As shown on the following chart, the revenues of the Grafton Water and Wastewater Utility included capital grants and contributions, investment income, and miscellaneous income in addition to charges for services (operating revenues). Investment income and miscellaneous revenues are not identified specifically to an individual program but to the fund as a whole.

Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Village of Grafton'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 of Grafton's financing requirements. In particular, committed, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2014, the Village of Grafton's governmental funds reported combined ending fund balances of \$7,922,587, a decrease of \$204,239 over the prior year. Approximately 54 percent or \$4,263,461 is available for spending at the government's discretion (*committed, assigned and unassigned fund balance*). The remainder of the fund balance is restricted or non-spendable to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$177,646), 2) to pay for capital equipment and projects (\$2,664,166), 3) for long term receivables from participants of the Village of Grafton's economic development revolving loan fund (\$627,670), 4) to generate income to pay for the perpetual care of the municipal cemetery (\$89,790), and 5) for prepaid insurance premiums, delinquent taxes, and non-current receivables (\$99,854).

Of the \$4,263,461 fund balance available for spending in the governmental funds (committed, assigned and unassigned fund balance), the use of \$3,258,286 or approximately 76 percent was in the general fund's fund balance.

The *General Fund* is the chief operating fund of the Village of Grafton. As of December 31, 2014, the total fund balance of the general fund was \$3,350,270 of which \$2,613,552 was unassigned. This unassigned fund balance represents approximately 32 percent of 2014 total general fund expenditures while total general fund balance represents approximately 42 percent of that same amount.

The fund balance of the general fund increased \$262,744 during fiscal year 2014. The 2014 annual program budget for the Village of Grafton's general fund identified the appropriation of \$631,549 in fund balance to reduce the impact of taxes levied and to balance the budget. However, actual expenditures were less than budgeted expenditures by approximately 6 percent or \$533,435 and actual revenues were more than budgeted revenues in the general fund by \$362,038 or approximately 5 percent.

The *Debt Service Fund* has a total fund balance of \$177,646 all of which is restricted for the payment of debt service. The fund balance decreased by \$39,151.

The *Impact Fee Debt Service Fund* was created to account for the accumulation of impact fees designated for the retirement of debt incurred to construct and improve the fire station, library, police station, and public works facility. The collection of impact fees in

2015 will be applied to the debt service requirement and any additional funds received will be applied to the fund balance to pay for future debt service requirements. The Debt Service Fund advanced the Impact Fee Debt Service Fund \$42,976 in 2014 to meet the debt service requirements of the fund.

The *Capital Projects Funds* provide funding for capital projects of the Village of Grafton or other unique expenditures, which are not normal operating or maintenance type expenditures reportable within the general fund or other governmental funds. The total fund balance as of December 31, 2014 is \$2,868,936 of which \$1,413,430 is related to capital equipment funds to be used for future capital purchases of the Fire Department. TID No. 3 – Downtown Redevelopment has a deficit fund balance of \$1,221,632 due to purchases of land anticipated to be sold and a decrease in increment revenue from a decline in property value.

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

Unrestricted net positions of the Water and Wastewater Utilities at the end of the year amounted to \$4,041,997, a decrease of \$442,962 from December 31, 2013. The total growth in total net position was \$172,079.

The financial statements and a statement of cash flows for the proprietary funds can be found on pages 39 - 42 of this report.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor.

Total actual revenues were more than budgeted revenues by \$362,038. Licenses and Permits, Intergovernmental Charges for Services, Public Charges for Services, Intergovernmental Revenue and tax related revenue exceeded budget by \$223,009, \$45,342, \$44,920, \$28,346 and \$7,366 respectively. Fines and Forfeitures and Investment Earnings were less than budgeted by \$16,317 and \$10,898 respectively. Actual expenditures were less than budgeted expenditures by \$533,435. The Public Safety, General Government, Public Works and Conservation and Development program areas had favorable variances of \$110,742, \$27,521, \$26,698, and \$15,470 respectively. The Contingency account also had a favorable variance of \$353,474.

Because expenditures were less than budgetary estimates, the need to draw upon the fund balance of \$631,549 was not required. The favorable variance in revenues and expenditures aided in the increase of the General Fund’s fund balance by \$262,744.

Capital Asset and Debt Administration

Capital assets. The Village of Grafton's investment in capital assets for its governmental and business type activities as of December 31, 2014, equals \$93,729,737 net of accumulated depreciation. This investment in capital assets includes land, buildings, Improvements other than buildings, machinery and equipment, infrastructure, and construction in progress.

The total increase in the Village of Grafton's investment in capital assets for the current fiscal year totaled \$748,492 net of depreciation, or a 0.8 percent increase.

Capital assets for Governmental Activities increased due to the Bridge Street dam project (\$1,237,723) and street and stormwater improvements (\$593,265). Business-type activities capital assets increased due to \$392,910 of water and sewer asset additions and \$1,693,656 of wastewater additions and construction in progress related to the wastewater septic receiving station project and utility garage.

For further details on capital asset activity, refer to Note III (D) of the Notes to Financial Statements.

Village of Grafton's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land, including easements	\$ 14,782,433	\$ 14,360,061	\$ 538,255	\$ 538,255	\$ 15,320,688	\$ 14,898,316
Buildings, improvements and equipment	28,956,132	29,064,149	51,020,487	48,416,733	79,976,619	77,480,882
Infrastructure	36,299,704	34,373,775	-	-	36,299,704	34,373,775
Construction in progress	55,613	929,416	890	810,090	56,503	1,739,506
Total Capital Assets	80,093,882	78,727,401	51,559,632	49,765,078	131,653,514	128,492,479
Less Accumulated Depreciation	(20,642,197)	(19,171,030)	(17,281,580)	(16,340,204)	(37,923,777)	(35,511,234)
Capital Assets net of Depreciation	\$ 59,451,685	\$ 59,556,371	\$ 34,278,052	\$ 33,424,874	\$ 93,729,737	\$ 92,981,245.0

Long-term debt. At the end of the current fiscal year, the Village of Grafton has total General Obligation debt outstanding of \$37,815,841 entirely backed by the full faith and credit of the government. The Water and Wastewater Utility has \$1,160,000 of outstanding revenue bonds to be paid through the collection of user fees.

No new debt was issued in 2014.

Village of Grafton's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds and notes	\$34,138,056	\$36,714,603	\$3,677,785	\$3,982,690	\$37,815,841	\$40,697,293
Revenue bonds	-	-	1,160,000	1,235,000	\$1,160,000	\$1,235,000
Total	\$34,138,056	\$36,714,603	\$4,837,785	\$5,217,690	\$38,975,841	\$41,932,293

The Village of Grafton received an “Aa2” rating from Moody’s for debt issued on May 24, 2013, the most recent debt issued by the Village.

State statutes limit the amount of general obligation debt a governmental entity may issue up to five percent of its total equalized valuation. The current debt limitation for the Village of Grafton is \$57,422,250, which exceeds the Village of Grafton’s current outstanding general obligation debt. The Village Board has established a policy whereby the Village will not issue debt in excess of 85 percent of the state authorized debt limit. As of December 31, 2014, the Village of Grafton’s outstanding debt equaled 66.0 percent of the state authorized debt limit.

The Grafton Water and Wastewater Utility generally will avoid debt by maintaining and building cash and investments for improvements through its rate structure. Since 1996, the utility has been allocating monies to reserved fund accounts established for a variety of future infrastructure improvements including water main replacement, sewer collection system replacement, and new wastewater treatment facilities and equipment.

Additional information of the Village of Grafton’s long-term debt can be found in note III(F) on pages 70 - 74 and also in the statistical section on pages 142 – 145.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate as of December 31, 2014, for Ozaukee County, which includes the Village of Grafton, was 3.5 percent. This compares with an unemployment rate of 5.2 percent for the State of Wisconsin and a national unemployment rate of 6.2 percent.
- The rate of inflation for the Milwaukee, Wisconsin metro area was 1.3 percent for 2014, while the 2013 equalized tax rate for taxes collected for 2014 operations increased 4.8 percent from 2013. However, the tax levy increased by \$64,217 or 0.9 percent.
- Of the fund balance in the general fund \$644,734 is assigned and is available for spending in the 2015 budget. It is intended that the use of available fund balance will lessen the required tax levy yet meet Village of Grafton guidelines to maintain a minimum unassigned fund balance of 25 percent of General Fund expenses.

Requests for Information

This financial report is designed to provide a general overview of the Village of Grafton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department or the Office of the Village Administrator, 860 Badger Circle, Grafton, WI 53024.

General information relating to the Village of Grafton, Wisconsin, can be found at the Village's website, <http://www.QualityLifeGrafton.com>.

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BASIC FINANCIAL STATEMENTS

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Net Position
As of December 31, 2014

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and investments	\$ 13,821,371	\$ 3,534,347	\$ 17,355,718
Receivables			
Taxes	4,005,835	90,046	4,095,881
Delinquent personal property taxes	7,833	-	7,833
Accounts	326,099	826,367	1,152,466
Loans	50,402	-	50,402
Special assessments	259,987	6,019	266,006
Due from other governments	103,017	-	103,017
Inventories	-	28,683	28,683
Prepaid items	92,021	12,701	104,722
Restricted assets - cash and investments	-	662,557	662,557
Capital Assets			
Land and construction in progress	14,430,975	449,362	14,880,337
Intangible assets	407,071	89,783	496,854
Other capital assets, net of depreciation	44,613,639	33,738,907	78,352,546
Total Assets	78,118,250	39,438,772	117,557,022
Deferred Outflows of Resources			
Deferred loss on refunding	384,728	90,231	474,959
Liabilities			
Accounts payable and accrued expenses	851,577	493,352	1,344,929
Deposits	131,121	7,400	138,521
Due from other governments	57,474	-	57,474
Unearned revenues	-	64,702	64,702
Liabilities payable from restricted assets			
Accrued interest	-	3,956	3,956
Current portion of revenue bonds	-	75,000	75,000
Compensated absences - due within one year	75,487	12,541	88,028
Non-current liabilities - due within one year	2,675,857	360,512	3,036,369
Non-current liabilities - due in more than one year	32,047,783	4,480,955	36,528,738
Landfill post-closure liability	267,132	-	267,132
Total Liabilities	36,106,431	5,498,418	41,604,849
Deferred Inflows of Resources			
Unearned revenue	9,533,376	-	9,533,376
Net Position			
Net investment in capital assets	25,406,680	29,495,218	54,901,898
Restricted for:			
Debt service	75,274	127,071	202,345
Fire and rescue equipment	1,018,671	-	1,018,671
Revolving loans	627,670	-	627,670
Cemetery	89,790	-	89,790
Equipment replacement	-	284,999	284,999
Operations and maintenance	-	246,531	246,531
Unrestricted	5,645,086	3,876,766	9,521,852
Total Net Position	\$ 32,863,171	\$ 34,030,585	\$ 66,893,756

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Activities
For the Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities			
General Government	\$ 1,113,773	\$ 238,210	\$ 50,797
Public Safety	4,840,222	878,837	132,236
Public Works	4,205,192	239,468	935,325
Community Enrichment Services	1,441,183	205,046	213,600
Conservation and Development	365,718	317,687	-
Interest and fiscal charges	1,356,035	-	-
Total Governmental Activities	13,322,123	1,879,248	1,331,958
Business-type Activities			
Water Utility	1,460,774	1,711,885	-
Wastewater Utility	2,088,792	2,150,313	-
Total Business-type Activities	3,549,566	3,862,198	-
Total	\$ 16,871,689	\$ 5,741,446	\$ 1,331,958

General Revenues

Taxes

- Property taxes levied for general purposes
- Property taxes levied for debt service
- Property taxes levied for TID districts
- Other
- Grants and contributions not restricted to specific program
- Investment income
- Miscellaneous

Total General Revenues

Change in Net Position Before Transfers

Transfers

Change in Net Position

NET POSITION - Beginning of year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Activities
For the Year Ended December 31, 2014

	<u>Net Revenues (Expenses) and Changes in Net Position</u>			
	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
\$	201,317	\$ (623,449)	\$ -	\$ (623,449)
	184,781	(3,644,368)	-	(3,644,368)
	89,200	(2,941,199)	-	(2,941,199)
	3,455	(1,019,082)	-	(1,019,082)
	408,361	360,330	-	360,330
	-	(1,356,035)	-	(1,356,035)
	<u>887,114</u>	<u>(9,223,803)</u>	<u>-</u>	<u>(9,223,803)</u>
	27,102	-	278,213	278,213
	<u>88,402</u>	<u>-</u>	<u>149,923</u>	<u>149,923</u>
	115,504	-	428,136	428,136
\$	<u><u>1,002,618</u></u>	<u>(9,223,803)</u>	<u>428,136</u>	<u>(8,795,667)</u>
		6,926,608	-	6,926,608
		523,758	-	523,758
		1,861,907	-	1,861,907
		246,653	-	246,653
ms		1,299,482	-	1,299,482
		41,250	14,184	55,434
		48,221	-	48,221
		<u>10,947,879</u>	<u>14,184</u>	<u>10,962,063</u>
		1,724,076	442,320	2,166,396
		<u>270,241</u>	<u>(270,241)</u>	<u>-</u>
		1,994,317	172,079	2,166,396
		<u>30,868,854</u>	<u>33,858,506</u>	<u>64,727,360</u>
		<u>\$ 32,863,171</u>	<u>\$ 34,030,585</u>	<u>\$ 66,893,756</u>

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Balance Sheet - Governmental Funds
As of December 31, 2014

	General	Debt Service
Assets		
Cash and investments	\$ 6,614,169	\$ 372,792
Receivables		
Taxes	2,209,985	165,784
Delinquent personal property taxes	7,833	-
Accounts	179,639	-
Special assessments	-	-
Loans	-	-
Due from other governments	-	-
Advances to other governmental funds	-	42,976
Prepaid items	84,151	-
Total Assets	\$ 9,095,777	\$ 581,552
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable and accrued liabilities	\$ 425,772	\$ -
Deposits	129,621	-
Due to other governments	-	-
Advances from other governmental funds	-	-
Total Liabilities	555,393	-
Deferred Inflows of Resources		
Unearned revenue	5,190,114	403,906
Unavailable revenue	-	-
Total Deferred Inflows of Resources	5,190,114	403,906
Fund Balances (Deficit)		
Nonspendable	91,984	-
Restricted	-	177,646
Committed	-	-
Assigned	644,734	-
Unassigned (deficit)	2,613,552	-
Total Fund Balances (Deficit)	3,350,270	177,646
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 9,095,777	\$ 581,552

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Balance Sheet - Governmental Funds
As of December 31, 2014

<u>Capital Projects</u>	<u>Capital Projects TID No. 3</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,455,975	\$ 285,629	\$ 5,092,806	\$ 13,821,371
313,361	225,804	1,090,901	4,005,835
-	-	-	7,833
9,439	-	137,021	326,099
105,533	-	154,454	259,987
-	-	50,402	50,402
15,000	-	88,017	103,017
1,645,495	-	-	1,688,471
-	-	7,870	92,021
<u>\$ 3,544,803</u>	<u>\$ 511,433</u>	<u>\$ 6,621,471</u>	<u>\$ 20,355,036</u>
\$ 156,267	\$ 370	\$ 166,796	\$ 749,205
850	650	-	131,121
-	-	57,474	57,474
-	1,181,914	506,557	1,688,471
<u>157,117</u>	<u>1,182,934</u>	<u>730,827</u>	<u>2,626,271</u>
731,444	550,131	2,657,781	9,533,376
118,348	-	154,454	272,802
<u>849,792</u>	<u>550,131</u>	<u>2,812,235</u>	<u>9,806,178</u>
1,645,495	-	7,870	1,745,349
-	-	1,736,131	1,913,777
-	-	1,195,169	1,195,169
892,399	-	139,244	1,676,377
-	(1,221,632)	(5)	1,391,915
<u>2,537,894</u>	<u>(1,221,632)</u>	<u>3,078,409</u>	<u>7,922,587</u>
<u>\$ 3,544,803</u>	<u>\$ 511,433</u>	<u>\$ 6,621,471</u>	<u>\$ 20,355,036</u>

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
As of December 31, 2014

Total fund balance of governmental funds	\$ 7,922,587
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	
Land and construction in progress	14,430,975
Intangible assets	407,071
Other capital assets net of accumulated depreciation	44,613,639
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	
Special assessments receivable	272,802
Debt issuance premiums and discounts, and gains or losses on refundings of debt, are recorded as other financing sources and uses, and expenditures, respectively, in the funds in the period they are incurred, but are deferred and amortized over the life of the associated debt in the statement of net position.	
Unamortized debt premiums and discounts	(291,676)
Unamortized debt refunding losses	384,728
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and promissory notes payable	(34,138,056)
Landfill post-closure liability	(267,132)
Compensated absences	(369,395)
Accrued interest payable	<u>(102,372)</u>
Net Position of Governmental Funds	\$ <u>32,863,171</u>

See accompanying notes to financial statements.

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VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2014

	<u>General</u>	<u>Debt Service</u>
Revenues		
Property taxes	\$ 4,997,727	\$ 523,758
Payments in lieu of taxes	201,317	-
Other taxes	16,781	-
Charges for Services:		
Licenses and permits	581,886	-
Fines and forfeitures	115,783	-
Public charges for services	526,035	-
Intergovernmental charges for services	128,111	-
Operating Grants and Contributions:		
Intergovernmental	1,431,008	-
Impact fees	-	-
Donations	410	-
Capital Grants and Contributions:		
Special assessments and interest	-	-
Investment income	24,102	1,692
Miscellaneous	101,845	-
Total Revenues	8,125,005	525,450
Expenditures		
Current:		
General Government	975,824	-
Public Safety	3,771,106	-
Public Works	2,713,285	-
Community Enrichment Services	472,916	-
Conservation and Development	137,288	-
Capital outlay	-	-
Debt Service:		
Principal	-	2,576,547
Interest and fiscal charges	-	1,252,309
Total Expenditures	8,070,419	3,828,856
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,586	(3,303,406)
Other Financing Sources (Uses)		
Proceeds from sale of capital assets	4,695	-
Transfers in	270,439	3,307,232
Transfers out	(66,976)	(42,977)
Total Other Financing Sources (Uses)	208,158	3,264,255
Net Change in Fund Balance	262,744	(39,151)
FUND BALANCE (DEFICIT) - Beginning of year	3,087,526	216,797
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 3,350,270	\$ 177,646

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2014

<u>Capital Projects</u>	<u>Capital Projects TID No. 3</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 646,721	\$ 597,158	\$ 2,776,782	\$ 9,542,146
-	-	-	201,317
-	-	-	16,781
-	-	-	581,886
-	-	-	115,783
10,500	-	485,734	1,022,269
-	-	245,127	373,238
97,168	402,403	285,914	2,216,493
-	-	297,634	297,634
500	23,270	475	24,655
139,452	-	22,065	161,517
2,645	83	12,727	41,249
2,770	24,353	413,660	542,628
<u>899,756</u>	<u>1,047,267</u>	<u>4,540,118</u>	<u>15,137,596</u>
-	35,001	58,724	1,069,549
-	-	505,117	4,276,223
480	-	6,568	2,720,333
-	-	834,072	1,306,988
-	54,510	182,800	374,598
796,149	625,190	739,825	2,161,164
-	-	-	2,576,547
-	-	-	1,252,309
<u>796,629</u>	<u>714,701</u>	<u>2,327,106</u>	<u>15,737,711</u>
<u>103,127</u>	<u>332,566</u>	<u>2,213,012</u>	<u>(600,115)</u>
78,240	-	42,700	125,635
18,082	623,150	185,095	4,403,998
(425,778)	(1,264,799)	(2,333,227)	(4,133,757)
<u>(329,456)</u>	<u>(641,649)</u>	<u>(2,105,432)</u>	<u>395,876</u>
(226,329)	(309,083)	107,580	(204,239)
2,764,223	(912,549)	2,970,829	8,126,826
<u>\$ 2,537,894</u>	<u>\$ (1,221,632)</u>	<u>\$ 3,078,409</u>	<u>\$ 7,922,587</u>

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014**

Net change in fund balances - total governmental funds \$ (204,239)

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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,161,164
Some items reported as capital outlay expenditures in the fund financial statements are operating expenses in the government-wide statements	(327,144)
Depreciation is reported in the government-wide statements	(1,709,195)
Net book value of capital assets retired	(229,511)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retired	2,576,547
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Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the statement of activities. Similarly, debt issuance costs and losses on refundings of debt are recorded as expenditures in the governmental funds but amortized over the life of the debt issue on the statement of activities.

Amortization of discounts	(631)
Amortization of premiums	32,530
Amortization of refunding losses	(143,486)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Other	(13,975)
Special assessments	(161,517)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(3,709)
Landfill post-closure liability	9,623
Accrued interest on debt	7,860

Change in Net Position of Governmental Activities	\$ <u>1,994,317</u>
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See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Net Position - Proprietary Funds
As of December 31, 2014

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Assets			
Current Assets			
Cash and investments	\$ 3,534,347	\$ -	\$ 3,534,347
Receivables			
Taxes	35,349	54,697	90,046
Special assessments	-	6,019	6,019
Utility customers	284,006	400,771	684,777
Other	5,541	136,049	141,590
Inventory	28,683	-	28,683
Prepaid items	4,532	8,169	12,701
Total Current Assets	<u>3,892,458</u>	<u>605,705</u>	<u>4,498,163</u>
Noncurrent Assets			
Restricted cash and investments	143,472	519,085	662,557
Capital Assets			
Land	42,533	405,939	448,472
Intangible assets	70,000	19,783	89,783
Construction in progress	-	890	890
Plant in service	21,934,748	29,085,739	51,020,487
Accumulated depreciation	(6,060,120)	(11,221,460)	(17,281,580)
Total Noncurrent Assets	<u>16,130,633</u>	<u>18,809,976</u>	<u>34,940,609</u>
Total Assets	<u>20,023,091</u>	<u>19,415,681</u>	<u>39,438,772</u>
Deferred Outflows of Resources			
Deferred loss on refunding	<u>66,327</u>	<u>23,904</u>	<u>90,231</u>
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	59,656	322,026	381,682
Accrued payroll and related liabilities	10,135	18,389	28,524
Accrued interest	2,231	80,915	83,146
Compensated absences	2,922	9,619	12,541
Deposits	7,400	-	7,400
Unearned revenue	64,702	-	64,702
Current portion of notes	82,674	277,838	360,512
Total Current Liabilities	<u>229,720</u>	<u>708,787</u>	<u>938,507</u>
Liabilities payable from restricted assets			
Accrued interest on revenue bonds	1,503	2,453	3,956
Principal on revenue bonds	28,500	46,500	75,000
Total liabilities payable from restricted assets	<u>30,003</u>	<u>48,953</u>	<u>78,956</u>
Noncurrent Liabilities			
Compensated absences	16,837	26,565	43,402
General obligation notes	1,145,297	2,207,256	3,352,553
Revenue bonds	412,300	672,700	1,085,000
Total Noncurrent Liabilities	<u>1,574,434</u>	<u>2,906,521</u>	<u>4,480,955</u>
Total Liabilities	<u>1,834,157</u>	<u>3,664,261</u>	<u>5,498,418</u>
Net Position			
Net investment in capital assets	14,384,717	15,110,501	29,495,218
Restricted			
Redemption	48,287	78,784	127,071
Equipment replacement	-	284,999	284,999
Operations and maintenance	93,682	152,849	246,531
Unrestricted	<u>3,728,575</u>	<u>148,191</u>	<u>3,876,766</u>
Total Net Position	<u>\$ 18,255,261</u>	<u>\$ 15,775,324</u>	<u>\$ 34,030,585</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2014

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Operating Revenues	\$ 1,711,885	\$ 2,150,313	\$ 3,862,198
Operating Expenses			
Operation and maintenance	944,562	1,156,087	2,100,649
Depreciation expense	450,031	783,357	1,233,388
Taxes	18,350	26,578	44,928
Total Operating Expenses	<u>1,412,943</u>	<u>1,966,022</u>	<u>3,378,965</u>
Operating Income	<u>298,942</u>	<u>184,291</u>	<u>483,233</u>
Nonoperating Revenues (Expenses)			
Investment income	8,776	5,408	14,184
Gain on sale of capital assets	1,500	1,500	3,000
Interest on long-term debt	(43,221)	(126,538)	(169,759)
Amortization of loss on refunding	(7,302)	(2,632)	(9,934)
Amortization of debt premiums	2,692	6,400	9,092
Total Nonoperating Expenses	<u>(37,555)</u>	<u>(115,862)</u>	<u>(153,417)</u>
Income before capital contributions and transfers	261,387	68,429	329,816
Capital Contributions	25,602	86,902	112,504
Transfers Out	<u>(200,342)</u>	<u>(69,899)</u>	<u>(270,241)</u>
Change in Net Position	86,647	85,432	172,079
NET POSITION - Beginning of year	<u>18,168,614</u>	<u>15,689,892</u>	<u>33,858,506</u>
NET POSITION - END OF YEAR	<u>\$ 18,255,261</u>	<u>\$ 15,775,324</u>	<u>\$ 34,030,585</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2014

	Water Utility	Wastewater Utility	Total
Cash Flows From Operating Activities:			
Received from customers	\$ 1,526,583	\$ 2,009,356	\$ 3,535,939
Received from municipality	210,000	-	210,000
Paid to suppliers	(710,712)	(880,633)	(1,591,345)
Paid to employees for services	(240,754)	(360,235)	(600,989)
Net Cash From Operating Activities	785,117	768,488	1,553,605
Cash Flows From Noncapital Financing Activities:			
Tax equivalent paid to municipality	(200,342)	(9,658)	(210,000)
Transfer to governmental funds	-	(60,241)	(60,241)
Net Cash From (Used) Noncapital Financing Activities	(200,342)	(69,899)	(270,241)
Cash Flows From Capital and Related Financing Activities:			
Additions to property and plant	(710,347)	(1,699,321)	(2,409,668)
Special assessments received	-	1,003	1,003
Proceeds from sale of capital assets	1,500	1,500	3,000
Principal payments on debt	(106,483)	(273,422)	(379,905)
Interest on debt	(43,460)	(95,446)	(138,906)
Net Cash From (Used) Capital and Related Financing Activities	(858,790)	(2,065,686)	(2,924,476)
Cash Flows From Investing Activities:			
Marketable securities purchased	(2,100,218)	(1,233,461)	(3,333,679)
Marketable securities sold	2,100,218	1,233,461	3,333,679
Interest income	8,776	5,408	14,184
Net Cash From Investing Activities	8,776	5,408	14,184
Net Decrease in Cash and Equivalents	(265,239)	(1,361,689)	(1,626,928)
Cash and Investments, Beginning of year	3,943,058	1,880,774	5,823,832
Cash and Investments, End of Year	\$ 3,677,819	\$ 519,085	\$ 4,196,904

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2014
(Continued)

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Provided by			
Operating Activities:			
Operating income	\$ 298,942	\$ 184,291	\$ 483,233
Adjustments to Reconcile Operating Income to Net Cash			
Provided by Operating Activities:			
Depreciation	450,031	783,357	1,233,388
Depreciation charged to other funds	26,476	(26,476)	-
Changes in Assets and Liabilities Related to Operations:			
Customer accounts receivable	(6,687)	201	(6,486)
Other accounts receivable	6,531	(107,012)	(100,481)
Prepaid expenses	(10,678)	(296)	(10,974)
Due from other funds	(3,061)	(7,670)	(10,731)
Accounts payable and accrued liabilities	30,164	(50,823)	(20,659)
Other current liabilities	(8,040)	(7,084)	(15,124)
Deferred credits	1,439	-	1,439
Net Cash Provided by Operating Activities	\$ 785,117	\$ 768,488	\$ 1,553,605
 Reconciliation of Cash and Investments to the Statement			
of Net Position - Proprietary Fund			
Cash and investments - statement of net position	\$ 3,534,347	\$ -	\$ 3,534,347
Restricted cash and investments - statement of net position	143,472	519,085	662,557
	\$ 3,677,819	\$ 519,085	\$ 4,196,904
 Noncash Investing, Capital and Related Financing Activities			
Capital contributions	\$ 25,602	\$ 86,902	\$ 112,504

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Assets and Liabilities - Agency Fund
Agency Tax Collection Fund
As of December 31, 2014

Assets

Cash and equivalents	\$	8,895,457
Taxes receivable		16,235,219
Total Assets	\$	<u>25,130,676</u>

Liabilities:

Due to other taxing units	\$	<u>25,130,676</u>
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See accompanying notes to financial statements.

VILLAGE OF GRAFTON

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Grafton, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The village has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. 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 or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than enterprise debt.
- Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Tax Incremental District (TID) No. 3 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The village reports the following major enterprise funds:

- Water Utility - accounts for operations of the water distribution system.
- Wastewater Utility - accounts for operations of the sewage treatment plant and related collection systems.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The village reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Park and Open Space	Revolving Loan
Woodlawn Cemetery Capital	Park and Recreational Facilities
Recreation	Library
Environmental	Aquatics
Fire Department	Room Tax

Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Impact Fees

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Incremental District No. 2	Tax Incremental District No. 4
Tax Incremental District No. 5	Equipment
Fire and Rescue Equipment	

Permanent Fund - used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Cemetery Perpetual Care

In addition, the village reports the following fund type:

Agency Fund - used to account for and report assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. It is the practice of the village to utilize special assessment collections to finance future capital project expenditures.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The 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 water and wastewater utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The village has adopted an investment policy. That policy follows the state statute for allowable investments and custodial credit risk. The policy addresses custodial credit risk by giving the investment officer for the Village the ability to invest Village assets in different investment vehicles as long as one of the following two conditions is met. 1) That the Village obtains a collateral agreement from any public depository where investments exceed the F.D.I.C insurance and State of Wisconsin public deposit security coverage limits. The securities collateralized must have a market value of at least 110% of the Village's investments. 2) That the investments meet the following tests; a) Primary capital must be 6% or more, b) Total capital must be 7% or more, c) certificate of deposits must not exceeded 25% of total-deposit base, d) ratio of net income as a percentage of assets must be .5% or better for the previous 12 months, e) return on equity must be 10% or more for the previous 12 months, f) nonperforming loans must not exceed 30% of primary capital, g) net loan charge-offs must be ½ of 1% or less gross loans, and h) loan loss reserves must be 1% or more of gross loans. If all those tests are met, the Village does not need to obtain a collateral agreement for the unsecured funds.

No policy exists for the following risks:

- Credit risk
- Interest rate risk
- Concentration of credit risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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 amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

Property taxes are recorded in the year levied as receivables and deferred inflows of resources as unearned revenues. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and technical college school districts. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities - agency fund.

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	March 31, 2015
Third installment due	May 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale - 2014 delinquent real estate taxes	October 2017

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and wastewater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are not generally significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

Loan receivables are recorded when loans are disbursed.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10-50	Years
Equipment and furnishings	5-50	Years
Infrastructure	25-100	Years
Water utility system	4-107	Years
Wastewater utility system	7-100	Years
Intangible assets - easements	Indefinite	Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Compensated Absences

The accounting treatment for compensated absences depends on whether the absence is used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources. The recorded compensated absences consist of the following:

Paid Time Off

Employees accumulate paid time off based on length of service and are capped based on length of service. Earned balances may be used in future years. The liability for paid time off is recorded in the government-wide statement and proprietary statements.

Due to the long-term nature of this liability, the governmental funds do not report this liability in the fund financial statements. The proprietary funds record this liability as it is incurred in the same manner as it is recorded on the government-wide financial statements. The balance as of December 31, 2014 was \$226,461, \$8,766 and \$28,856 in the governmental activities, water utility and wastewater utility, respectively.

Medical Leave Bank and Medical Leave Separation Bank

The village policies regarding sick leave were changed as of January 1, 2012. For employees who had accumulated sick leave banks that needed to be rolled into the new policy the village offered two different bank methods. Employees were given the choice to transfer the balance into the new medical leave bank which can only be used for FMLA related issues or they could place those banked hours into a one-time medical leave separation bank that would be utilized for medical related expenses after separation of employment.

For those who choose to transfer their accumulated sick bank into the new medical leave bank they were allowed to exceed the hours bank limit of 480 hours as stated in the new policy as long as it did not exceed the old bank limit of 960 hours. Annually employees are given the option to place unutilized paid time off into the medical leave bank or leave the balance as paid time off. The medical leave bank has no liability upon the termination of employment and therefore is not recorded as a liability.

For those who choose to transfer their accumulated sick bank into the medical leave separation bank, the Village has recorded necessary liabilities for this accumulated benefit. However, due to the long-term nature of this liability, the governmental funds do not report this liability in the fund financial statements. The proprietary funds record this liability as it is incurred in the same manner as it is recorded on the government-wide financial statements. The balance as of December 31, 2014 was \$142,934, \$10,993 and \$7,328 in the governmental activities, water utility and wastewater utility, respectively.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is \$8,705,119, made up of 4 issues.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The village has adopted a financial policy authorizing the Finance Director to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The village has a formal minimum fund balance policy. That policy is to maintain a minimum fund balance (unassigned) equal to 25% of the general fund's budgeted expenditures. The unassigned balance at year end in the general fund was \$2,613,552. That amount of unassigned fund balance in the general fund is approximately 30% of budgeted general fund expenditures.

See Note III. I. for further information.

11. Water and Wastewater Rates

Water rates for the utility were approved by the Public Service Commission of Wisconsin on March 19, 2014. Wastewater rates were approved by the Village Board on March 19, 2014.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
Community Enrichment Services	\$ 472,446	\$ 472,916	\$ 470
Debt Service Fund			
Interest and Fiscal Changes	1,246,808	1,252,309	5,501
Transfers out	-	42,977	42,977
Capital Projects Fund			
Public Works	-	480	480
Transfer Out	192,784	425,778	232,994
Capital Project Fund - TID No. 3			
Capital Outlay	426,985	625,190	198,205
Special Revenue Fund - Park and Recreational Facilities			
Community Enrichment Services	500	1,625	1,125
Special Revenue Fund - Revolving Loan Conservation and Development	5,500	80,850	75,350
Capital Project Fund - TID No.2			
General Government	4,350	7,008	2,658
Public Works	5,000	6,568	1,568
Transfers Out	258,131	308,209	50,078
Capital Project Fund - TID No. 4			
General Government	14,500	20,429	5,929
Capital Project Fund - TID No. 5			
General Government	8,850	11,537	2,687
Transfers Out	599,946	828,215	228,269
Permanent Fund - Woodman Cemetary Perpetual Care			
Capital Outlay	185	196	11
Special Revenue Fund - Room Tax Fund Conservation and Development	29,286	40,125	10,839
Special Revenue Fund - Fire Department Fund Capital Outlay	139,737	240,627	100,890

The village controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2014, the Capital Projects - TID No. 3 had a deficit fund balance of \$1,221,632. The deficit fund balance in TID No. 3 is mainly due to the purchase of various properties for redevelopment that is planned to occur in 2015. The Village plans to purchase an additional property in 2015 and issue taxable debt for the value of all purchased properties to eliminate the deficit.

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2014 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 20,782,392	\$ 21,352,103	Custodial credit risk
US agencies	2,042,205	2,042,205	Interest rate, custodial, credit risk
Corporate bonds	242,995	242,995	Interest rate, custodial risk, credit risk, concentration of credit risk
US treasuries	3,214,818	3,214,818	Interest rate, custodial credit risk
LGIP	630,202	630,202	Credit risk
Petty cash	1,120	-	N/A
Total Deposits and Investments	\$ 26,913,732	\$ 27,482,323	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 17,355,718		
Restricted cash and investments	662,557		
Per statement of assets and liabilities - agency fund			
Agency Fund	8,895,457		
Total Deposits and Investments	\$ 26,913,732		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

As of December 31, 2014, \$24,229,424 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 8,181,566
Uninsured and collateral held by the pledging financial institution's trust department or agent not in the village's name	<u>16,047,858</u>
Total	<u>\$ 24,229,424</u>

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2014, the village's investments were exposed to custodial credit risk as follows:

<u>Corporate bonds</u>	
Neither insured nor registered and held by counterparty	<u>\$ 242,995</u>
<u>US Agencies</u>	
Neither insured nor registered and held by counterparty	<u>\$ 2,042,205</u>
<u>US Treasuries</u>	
Neither insured nor registered and held by counterparty	<u>\$ 3,214,818</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The village's policy does not further limit its investment choices. As of December 31, 2014, the village's investments in Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and corporate bonds were rated AAA by Moody's Investors Service.

The village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2014, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Position
US Agencies	Federal Home Loan Mortgage Corporation	37.13%
US Treasuries	US Treasury Bonds	58.45%

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2014, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1	1-3
US Treasuries	\$ 3,214,818	\$ 1,694,744	\$ 1,520,074
US Agencies	2,042,205	-	2,042,205
Corporate Bonds	242,995	-	242,995
Totals	<u>\$ 5,500,018</u>	<u>\$ 1,694,744</u>	<u>\$ 3,805,274</u>

See Note I.D.1. for further information on deposit and investment policies.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Revenues of the village are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to ambulance receivables	\$	17,591
Uncollectibles related to loan receivables		<u>100,000</u>
 Total Uncollectibles of the Current Fiscal Year	 \$	 <u><u>117,591</u></u>

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 9,533,376	\$ -
Special assessments not yet due	<u>-</u>	<u>272,802</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u><u>\$ 9,533,376</u></u>	 <u><u>\$ 272,802</u></u>
 Unearned revenue included in deferred inflows	 <u>9,533,376</u>	
 Total Unearned Revenue for Governmental Funds	 <u><u>\$ 9,533,376</u></u>	

Enterprise funds also defer revenue recognition in connection with resources received, but not yet earned. At the end of the current fiscal year, the Water Utility had \$64,702 in unearned revenues related to water tower lease payments.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Operation & Maintenance - Used to report resources set aside to pay for future operations and maintenance.

Equipment Replacement Account

The wastewater utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2014:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Equipment replacement account	\$ 284,999	\$ -	\$ 284,999
Operations and maintenance	250,487	3,956	246,531
Redemption	127,071	-	127,071
Total	\$ 662,557	\$ 3,956	\$ 658,601

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	\$ 13,952,990	\$ 422,372	\$ -	\$ 14,375,362
Intangible assets - easements	407,071	-	-	407,071
Construction in progress	929,416	363,470	1,237,273	55,613
Total Capital Assets Not Being Depreciated/Amortized	15,289,477	785,842	1,237,273	14,838,046
Capital assets being depreciated				
Buildings and improvements	23,275,649	-	187,972	23,087,677
Equipment and furnishings	5,788,500	359,522	279,567	5,868,455
Infrastructure	34,373,775	1,925,929	-	36,299,704
Total Capital Assets Being Depreciated	63,437,924	2,285,451	467,539	65,255,836
Total Capital Assets	78,727,401	3,071,293	1,704,812	80,093,882
Less: Accumulated depreciation for				
Buildings and improvements	(5,981,369)	(560,398)	-	(6,541,767)
Equipment and furnishings	(3,381,327)	(422,822)	238,028	(3,566,121)
Infrastructure	(9,808,334)	(725,975)	-	(10,534,309)
Total Accumulated Depreciation	(19,171,030)	(1,709,195)	238,028	(20,642,197)
Net Capital Assets Being Depreciated	44,266,894	576,256	229,511	44,613,639
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 59,556,371	\$ 1,362,098	\$ 1,466,784	\$ 59,451,685

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 43,563
Public Safety	322,278
Public Works	1,208,928
Community Enrichment	133,683
Conservation and Development	743
Total Governmental Activities Depreciation Expense	\$ 1,709,195

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated/amortized				
Land	\$ 42,533	\$ -	\$ -	\$ 42,533
Intangible assets - easements	70,000	-	-	70,000
Total Capital Assets Not Being Depreciated/Amortized	112,533	-	-	112,533
Capital assets being depreciated				
Property and equipment	21,617,681	392,910	75,843	21,934,748
Total Capital Assets Being Depreciated	21,617,681	392,910	75,843	21,934,748
Total Capital Assets	21,730,214	392,910	75,843	22,047,281
Less: Accumulated depreciation for				
Property and equipment	(5,659,456)	(476,507)	75,843	(6,060,120)
Total Accumulated Depreciation	(5,659,456)	(476,507)	75,843	(6,060,120)
Net Capital Assets Being Depreciated	15,958,225	(83,597)	-	15,874,628
Net Water Capital Assets	\$ 16,070,758	\$ (83,597)	\$ -	\$ 15,987,161

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Wastewater</u>				
Capital assets not being depreciated/amortized				
Land	\$ 405,939	\$ -	\$ -	\$ 405,939
Intangible assets - easements	19,783	-	-	19,783
Construction in progress	<u>810,090</u>	<u>1,326,459</u>	<u>2,135,659</u>	<u>890</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>1,235,812</u>	<u>1,326,459</u>	<u>2,135,659</u>	<u>426,612</u>
Capital assets being depreciated				
Property and equipment	<u>26,799,052</u>	<u>2,502,856</u>	<u>216,169</u>	<u>29,085,739</u>
Total Capital Assets Being Depreciated	<u>26,799,052</u>	<u>2,502,856</u>	<u>216,169</u>	<u>29,085,739</u>
Total Capital Assets	<u>28,034,864</u>	<u>3,829,315</u>	<u>2,351,828</u>	<u>29,512,351</u>
Less: Accumulated depreciation for				
Property and equipment	<u>(10,680,748)</u>	<u>(756,881)</u>	<u>216,169</u>	<u>(11,221,460)</u>
Total Accumulated Depreciation	<u>(10,680,748)</u>	<u>(756,881)</u>	<u>216,169</u>	<u>(11,221,460)</u>
Net Capital Assets Being Depreciated	<u>16,118,304</u>	<u>1,745,975</u>	<u>-</u>	<u>17,864,279</u>
Net Wastewater Capital Assets	<u>\$ 17,354,116</u>	<u>\$ 3,072,434</u>	<u>\$ 2,135,659</u>	<u>\$ 18,290,891</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 33,424,874</u>	<u>\$ 2,988,837</u>	<u>\$ 2,135,659</u>	<u>\$ 34,278,052</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 450,031
Wastewater	<u>783,357</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 1,233,388</u>

Depreciation expense does not agree to the increases in accumulated depreciation for the Business-type activities due to joint metering.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND ADVANCES AND TRANSFERS

Advances

There are various funds of the Village that have made advances to other Village funds. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources in each fund. Each fund's repayment schedules will be based on the timing of new developments within the village. The main source of revenue in each fund is reliant on fees from developments.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Capital Projects Fund	Parks and Recreation Facilities Fund	\$ 77,972	\$ 77,972
Capital Projects Fund	Impact Fees Debt Service Fund	327,194	327,194
Debt Service Fund	Impact Fees Debt Service Fund	42,976	42,976
Capital Projects Fund	TID No. 3 Capital Projects Fund	1,181,914	1,181,914
Capital Projects Fund	TID No. 4 Capital Projects Fund	58,415	58,415
Total - Fund Financial Statements		1,688,471	
Less: Fund eliminations		(1,688,471)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ -	

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Cemetery Perpetual Care Fund	\$ 196	Transfer of investment income
General Fund	Wastewater Utility	60,241	Administrative charges
Debt Service Fund	Room Tax Fund	130,000	Debt service requirements
Debt Service Fund	Park & Recreational Facilities Fund	79,338	Debt service requirements
Debt Service Fund	Environmental Fund	50,000	Debt service requirements
Debt Service Fund	Impact Fee Fund	334,388	Debt service requirements
Debt Service Fund	TID No. 2 Fund	39,542	Debt service requirements
Debt Service Fund	TID No. 3 Fund	1,264,799	Debt service requirements
Debt Service Fund	TID No. 4 Fund	584,799	Debt service requirements
Debt Service Fund	TID No. 5 Fund	599,946	Debt service requirements
Debt Service Fund	Capital Projects Fund	224,422	Debt service requirements
Capital Projects Fund	Park & Recreational Facilities Fund	18,082	Partial repayment of advance.
TID No. 3 Fund	TID No. 2 Fund	268,667	Donation to offset deficit
TID No. 3 Fund	TID No. 5 Fund	211,542	Donation to offset deficit
TID No. 3 Fund	Capital Projects Fund	142,941	Donation to offset deficit
Aquatics Fund	General Fund	66,976	Support of fund
Impact Fee Fund	Debt Service Fund	42,977	Advance to offset deficit
TID No. 4 Fund	TID No. 5 Fund	16,727	Donation to offset deficit
TID No. 4 Fund	Capital Projects Fund	58,415	Advance to offset deficit
General Fund	Water Utility	200,342	Property tax equivalent
General Fund	Wastewater Utility	<u>9,658</u>	Property tax equivalent
Total - Fund Financial Statements		4,403,998	
Less: Fund eliminations		<u>(4,133,757)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 270,241</u>	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-type Activities	\$ 270,241	
Business-type Activities	Governmental Activities	<u>-</u>	
Total Government-wide Financial Statements		<u>\$ 270,241</u>	

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND ADVANCES AND TRANSFERS (cont.)

Transfers (cont.)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 36,714,603	\$ -	\$ 2,576,547	\$ 34,138,056	\$ 2,675,857
Unamortized discount	(8,209)	-	(631)	(7,578)	-
Unamortized premium	331,784	-	32,530	299,254	-
Sub-totals	<u>37,038,178</u>	<u>-</u>	<u>2,608,446</u>	<u>34,429,732</u>	<u>2,675,857</u>
Other Liabilities					
Vested compensated absences	365,686	369,395	365,686	369,395	75,487
Landfill post-closure liability	276,755	-	9,623	267,132	-
Total Other Liabilities	<u>642,441</u>	<u>369,395</u>	<u>375,309</u>	<u>636,527</u>	<u>75,487</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 37,680,619</u>	<u>\$ 369,395</u>	<u>\$ 2,983,755</u>	<u>\$ 35,066,259</u>	<u>\$ 2,751,344</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,982,690	\$ -	\$ 304,905	\$ 3,677,785	\$ 360,512
Revenue bonds	1,235,000	-	75,000	1,160,000	75,000
Unamortized premium	44,371	-	9,091	35,280	-
Sub-totals	<u>5,262,061</u>	<u>-</u>	<u>388,996</u>	<u>4,873,065</u>	<u>435,512</u>
Other Liabilities					
Vested compensated absences	56,180	55,943	56,180	55,943	12,541
Total Business-type Activities Long-Term Liabilities	<u>\$ 5,318,241</u>	<u>\$ 55,943</u>	<u>\$ 445,176</u>	<u>\$ 4,929,008</u>	<u>\$ 448,053</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2014, was \$57,422,250. Total general obligation debt outstanding at year end was \$37,815,841.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by resources derived from various sources, including property tax levies, special assessments, impact fees, and tax increments.

Governmental Activities					Balance
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2014</u>
GO Bond	9/1/2005	12/1/2024	4.01%	\$ 8,435,000	\$ 2,062,087
GO Bond	6/15/2006	12/1/2025	4.00%	7,995,000	3,800,000
GO Bond	6/1/2007	12/1/2017	3.80%	1,240,000	1,240,000
GO Bond	9/8/2009	6/1/2027	5.25%	8,010,000	7,305,000
GO Refunding Bond	9/8/2009	6/1/2027	3.95%	2,625,000	2,625,000
GO Refunding Bond	8/3/2011	6/1/2028	2.5-4.6%	4,955,000	4,955,000
GO Refunding Bond	9/7/2011	12/1/2017	2.00%	1,385,000	920,000
GO Bond	5/17/2012	12/1/2022	1.49%	1,225,000	1,035,000
GO Bond	5/17/2012	6/1/2024	2.39%	2,055,000	1,965,000
GO Bond	6/20/2013	6/1/2026	1.80%	7,671,701	7,465,969
GO Promissory Note	6/1/2007	12/1/2016	3.90%	670,000	190,000
GO Promissory Note	12/7/2010	3/1/2020	3.40%	835,000	575,000
Total Governmental Activities - General Obligation Debt					<u>\$ 34,138,056</u>

Business-type Activities					Balance
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2014</u>
GO Bond	9/1/2005	12/1/2024	4.01%	\$ 8,435,000	\$ 157,913
GO Bond	6/20/2013	6/2/2026	1.80%	1,563,299	1,469,031
State Trust Fund Loan	9/5/2008	3/15/2018	4.25%	1,117,900	560,477
State Trust Fund Loan	10/19/2011	3/15/2021	3.75%	600,000	490,364
State Trust Fund Loan	10/1/2013	3/15/2026	3.75%	1,000,000	1,000,000
Total Business-type Activities - General Obligation Debt					<u>\$ 3,677,785</u>

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 2,675,857	\$ 1,151,612	\$ 360,512	\$ 132,510
2016	2,763,743	1,070,797	394,283	102,969
2017	2,583,764	981,340	410,377	88,697
2018	2,200,584	899,149	434,927	73,920
2019	2,652,739	809,397	294,270	57,782
2020-2024	14,841,369	2,715,269	1,381,361	162,689
2025-2028	<u>6,420,000</u>	<u>502,290</u>	<u>402,055</u>	<u>16,260</u>
Totals	<u>\$ 34,138,056</u>	<u>\$ 8,129,854</u>	<u>\$ 3,677,785</u>	<u>\$ 634,827</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and wastewater utilities.

The water utility has pledged future water revenues to repay revenue bonds issued in prior years. Proceeds from the bonds provided financing for the waterworks system. The bonds are payable solely from water utility revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 6.28% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$567,973. Principal and interest paid for the current year and total customer gross revenues were \$47,679 and \$757,749, respectively.

The wastewater utility has pledged future wastewater revenues to repay revenue bonds issued in prior years. Proceeds from the bonds provided financing for the treatment facility. The bonds are payable solely from wastewater utility revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 7.98% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$926,693. Principal and interest paid for the current year and total customer gross revenues were \$77,793 and \$973,056, respectively.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2014, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
<u>Water Utility</u>					
Revenue Bond	6/1/2007	12/1/2026	4.33%	\$ 589,000	\$ 440,800
<u>Wastewater Utility</u>					
Revenue Bond	6/1/2007	12/1/2026	4.33%	\$ 961,000	<u>719,200</u>
Total Business-type Activities - Revenue Debt					<u>\$ 1,160,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 75,000	\$ 47,471
2016	80,000	44,471
2017	85,000	41,271
2018	85,000	37,871
2019	90,000	34,471
2020-2024	510,000	114,200
2025-2026	<u>235,000</u>	<u>14,911</u>
Totals	<u>\$ 1,160,000</u>	<u>\$ 334,666</u>

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Prior-Year Defeasance of Debt

In prior years, the village defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the village's financial statements. At December 31, 2014, \$5,205,000 of bonds outstanding are considered defeased. The bonds are callable as follows:

<u>Call Date</u>	<u>Amount</u>
12/1/2016	\$ <u>5,205,000</u>

G. LEASE DISCLOSURES

Lessor - Operating Leases

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water Utility property for the purpose of telecommunication relays. Revenue from this activity totaled \$100,169 for the year ended December 31, 2014. Future minimum lease payments receivable in conjunction with these leases are as follows:

<u>Years</u>	<u>Business-type Activities Principal</u>
2015	\$ 101,607
2016	104,215
2017	106,928
2018	117,030
2019	<u>119,963</u>
Totals	\$ <u>549,743</u>

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. LANDFILL POST-CLOSURE LIABILITY

In 1997, the Village was contacted by the Town of Grafton concerning a closed noncombustible landfill site that was used by the Village and the Town where underground water contamination was detected. In 1998, the Town of Grafton paid for extension of a water main to all properties affected by the contamination. The Village of Grafton Water and Wastewater Utility contributed towards the project to compensate the Town for the cost of overseeing the water mains and to vary the route of the project in order to accommodate potential future development that may occur in the Village.

Groundwater sampling was performed by the Town during 1998-2001. As part of an Administrative Order issued by the Wisconsin Department of Natural Resources, the Town has installed or has access to four groundwater monitoring wells and three bedrock piezometers in the area. The Town continues the implementation of a long-term groundwater monitoring plan and is evaluating remedial action options.

During 2007, the Village undertook the West Plume Environmental Project. This consists of a planned monitoring program associated with a natural attenuation strategy for a contaminated groundwater plume on the Village's south side. The plume originates from a private manufacturing property.

The present value of total operation and maintenance costs for these environmental matters has been estimated at \$267,132 for the next thirty years. This estimate is subject to changes from deflation, inflation, technology, or changes in laws and regulations and therefore this amount has been included as a long-term obligation. No current portion of this obligation has been reported as of December 31, 2014 as there is no agreed upon repayment structure.

I. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2014, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 14,375,362
Construction in progress	55,613
Intangible assets	407,071
Other capital assets, net of accumulated depreciation	44,613,639
Less: Long-term debt outstanding	(34,138,056)
Plus: Net of unamortized debt premium, discount and refunding loss	<u>93,051</u>
Total Net Investment in Capital Assets	<u>25,406,680</u>
Restricted	
Debt service	75,274
Fire and rescue equipment	1,018,671
Revolving loans	627,670
Cemetery	<u>89,790</u>
Total Restricted	<u>1,811,405</u>
Unrestricted	<u>5,645,086</u>
Total Governmental Activities Net Position	<u>\$ 32,863,171</u>

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2014, include the following:

	General Fund	Debt Service	Capital Projects	TID No. 3	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Prepaid items	\$ 84,151	\$ -	\$ -	\$ -	\$ 7,870	\$ 92,021
Noncurrent receivable	7,833	-	1,645,495	-	-	1,653,328
Restricted for:						
Debt service	-	177,646	-	-	-	177,646
Revolving loans	-	-	-	-	627,670	627,670
Cemetery perpetual care	-	-	-	-	89,790	89,790
Fire and rescue equipment	-	-	-	-	1,018,671	1,018,671
Committed to:						
Park and open space	-	-	-	-	42,724	42,724
Woodlawn cemetery capital	-	-	-	-	10,009	10,009
Recreation	-	-	-	-	17,013	17,013
Library	-	-	-	-	54,784	54,784
Environmental	-	-	-	-	168,716	168,716
Fire department	-	-	-	-	377,862	377,862
Room tax	-	-	-	-	129,302	129,302
Fire and rescue equipment	-	-	-	-	394,759	394,759
Assigned to:						
Subsequent year's budget	644,734	-	-	-	-	644,734
Capital improvements	-	-	892,399	-	-	892,399
Equipment	-	-	-	-	139,244	139,244
Unassigned (deficit)	2,613,552	-	-	(1,221,632)	(5)	1,391,915
Total Fund Balances (Deficit)	\$ 3,350,270	\$ 177,646	\$ 2,537,894	\$ (1,221,632)	\$ 3,078,409	\$ 7,922,587

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 448,472
Construction in progress	890
Intangible assets	89,783
Other capital assets, net of accumulated depreciation	33,738,907
Less: Long-term debt outstanding	(4,837,785)
Plus: Unamortized refunding loss	90,231
Less: Unamortized debt premium	(35,280)
Total Net Investment in Capital Assets	<u>29,495,218</u>
Restricted	
Equipment replacement	284,999
Redemption	127,071
Operations and maintenance	<u>246,531</u>
Total Restricted	<u>658,601</u>
Unrestricted	<u>3,876,766</u>
Total Business-type Activities Net Position	<u>\$ 34,030,585</u>

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

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, and Executives and Elected Officials. Required contributions for protective employees are the same 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 December 31, 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Protective with Social Security	7.00%	10.31%

The payroll for village employees covered by the WRS for the year ended December 31, 2014 was \$4,703,438; the employer's total payroll was \$5,040,015. The total required contribution for the year ended December 31, 2014 was \$716,004 or 14.5% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ended 2013 and 2012 were \$698,489 and \$629,138, 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.

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.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

As of December 31, 2014 there was no pension related debt for the village.

B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

At December 31, 2014, the village had signed a commitment under a service agreement with Utility Service Co., LLC related to their water tank maintenance which provides for payments ranging from \$31,756 to \$73,818 per year through 2027. Total amount of payments over the life of contract total \$687,486.

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the village attorney 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.

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The Village collects impact fees for the purpose of providing for the construction, expansion and improvement of Village parks. The fees are collected and recorded as revenue in the Park and Recreational Facilities Fund. The cash collections are held in an interest-bearing bank account. Total collections for 2014 were \$6,223. The fund balance as of December 31, 2014 is \$0.

The Village also collects impact fees for the retirement of debt incurred to construct and improve the fire station, the police facility, the public works facility, and the library. These fees are collected and recorded as revenue in the impact fee debt service fund. The cash collections were held in an interest bearing account. Total collections for 2014 were \$291,411. The fund balance as of December 31, 2014 is \$0.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The fees are to be used to fund specific projects within a specific period of time. In the event the projects are not completed or the time period elapses, the Village will be required to refund the impact fees to the owners of the property on which the fees were originally charged.

D. SUBSEQUENT EVENTS

The Village was awarded a personal residence of a participant in the Economic Development Revolving Loan Program, in settlement of \$100,000 loan, that was placed in default action in 2014. Foreclosure proceedings began in May, 2014. Subsequently in February, 2015 the property was awarded by the court to the Village from the Sheriff's sale that occurred in January, 2015. The property has an assessed value of \$188,900. An eviction notice was served in March, 2015 and the property owner requested to make an offer of purchase which was submitted to the Village Board in March, 2015 and a counter-offer was made by the Village Board. The property owner has submitted an acceptance of the counter-offer with the sale date scheduled for March 31, 2015. Proceeds from the sale will be used to pay off the loan principal, interest, penalties, delinquent taxes and all court and attorney related fees. As of December 31, 2014, the Village has recorded an allowance for uncollectible receivables for the full value of the outstanding receivable.

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*

When they become effective, application of these standards may restate portions of these financial statements.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

F. JOINT VENTURES

Various area communities jointly operate the Mid-Moraine Municipal Court (Court) which provides municipal court services. The communities share in the annual operation of the Court proportionate to the individual municipalities' annual case load as follows:

<u>Municipality</u>	<u>% Exp Paid</u>
Village of Grafton	6.70 %
Village of Thiensville	2.07
City of West Bend	27.10
Village of Germantown	14.85
City of Hartford	11.27
Village of Kewaskum	2.58
Village of Slinger	4.91
Village of Jackson	4.10
City of Port Washington	5.56
Village of Saukville	4.94
City of Cedarburg	2.56
Town of Hartford	0.19
Town of Trenton	1.53
Village of Newburg	0.07
Village of Fredonia	0.46
City of Mequon	<u>11.11</u>
Total	<u>100.00 %</u>

The Village received \$89,930 in fine revenues from the Mid-Moraine Municipal Court during 2014.

The governing body of the Court is made up of representatives from each community. Local representatives are appointed by the president, or chairman of the member municipality. The governing body has authority to adopt its own budget and control the financial affairs of the district. Costs incurred for each municipality are offset by amounts collected for each municipality. Any excess or deficiency is paid to or received from the municipality.

The Court is structured to charge the communities for all of the court's expenditures and pay the communities for the court revenues collected. Therefore, the court does not accumulate fund balance. The Village does not report an equity interest in this joint venture. Financial information of the Court as of December 31, 2014 is available directly from the Court.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

G. AGREEMENTS WITH THE TOWN OF GRAFTON

In 1997, the village entered into an agreement with the Town of Grafton whereby the village would incur \$2,000,000 of municipal bonds to finance the construction of a new fire station. The Town agreed to share in the annual debt service payments. The debt will be shared by allocating, on an annual basis, the amount due each year from the Town to the village by determining the proportion that each municipality's tax base for the year preceding the year in which the payment is due bears to the total property tax base of the two municipalities combined for the same year. Property located within a tax incremental financing district is to be excluded from the taxable property base figures used to calculate the proportions.

In January of 2000, the Village entered into an agreement with the Town of Grafton to finance improvements to the library building owned by the Village of Grafton. The Village of Grafton and the Town of Grafton had previously entered into an agreement establishing a joint library board under Wis. Stats. 66.30 and 43.56 for the purpose of operating the library.

The joint library board approved improvements to the library facility of approximately \$600,000 with approximately \$150,000 estimated to come from private donations and the balance plus issuance costs to be financed by the Village of Grafton from the issuance of general obligation debt. The Village and the Town have agreed to share the expense of the debt service incurred as a result of said borrowing, plus the costs associated with the issuance of the borrowing. The amount due from the Town to the Village shall be calculated on an annual basis by determining the proportion that each municipality's citizens use of the library in the year preceding the year in which payment shall be due bears to the total library usage for the same year. The debt is anticipated to be repaid over a twelve-year period.

The Village retains ownership of the land and building. In the event the library building is sold, the net proceeds from the sale attributable to the children's area shall be distributed to the Village and Town according to a formula established in the agreement.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,990,361	\$ 4,990,361	\$ 4,997,727	\$ 7,366
Payments in lieu of taxes	196,756	196,756	201,317	4,561
Other taxes	20,000	20,000	16,781	(3,219)
Intergovernmental	1,402,662	1,402,662	1,431,008	28,346
Licenses and permits	358,877	358,877	581,886	223,009
Fines and forfeitures	132,100	132,100	115,783	(16,317)
Public charges for services	481,115	481,115	526,035	44,920
Intergovernmental charges for services	82,759	82,759	128,111	45,352
Donations	-	-	410	410
Investment income	35,000	35,000	24,102	(10,898)
Miscellaneous	63,337	63,337	101,845	38,508
Total Revenues	7,762,967	7,762,967	8,125,005	362,038
Expenditures:				
General Government	1,427,627	1,356,819	975,824	380,995
Public Safety	3,834,859	3,881,848	3,771,106	110,742
Public Works	2,720,752	2,739,983	2,713,285	26,698
Community Enrichment Services	467,858	472,446	472,916	(470)
Conservation and Development	152,758	152,758	137,288	15,470
Total Expenditures	8,603,854	8,603,854	8,070,419	533,435
Excess of Revenues Over (Under) Expenditures	(840,887)	(840,887)	54,586	895,473
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	8,000	8,000	4,695	(3,305)
Transfers in	270,388	270,388	270,439	51
Transfers out	(69,050)	(69,050)	(66,976)	2,074
Total Other Financing Sources (Uses)	209,338	209,338	208,158	(1,180)
Net Change in Fund Balance	\$ (631,549)	\$ (631,549)	262,744	\$ 894,293
FUND BALANCE - BEGINNING OF YEAR			3,087,526	
FUND BALANCE - END OF YEAR			\$ 3,350,270	

See Independent Auditors' report and accompanying notes to required supplementary information.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Required Supplementary Information
As of and For the Year Ended December 31, 2014

NOTE 1 – BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The Village adopts annual budgets for the general, special revenue, debt service and capital project funds. These annual appropriations lapse at year end, unless specifically authorized by the Village Board to be carried forward to the succeeding year's budget. A comparison of budget to actual for the General Fund is presented in the required supplementary information. A comparison of budget to actual for all other budgeted funds is not a required part of the basic financial statements and is presented in the supplementary information accompanying this report.

Annual budgets are adopted in accordance with state statutes, and are adopted on a basis consistent with generally accepted accounting procedures (GAAP).

During the year, the Village Administrator 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 for financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.

The budget may be subsequently amended by a two-thirds majority of the Village Board. Budget amendments during the year were not material in relation to the original budget, and consisted of amendments adjusting budgeted amounts between departments, but not affecting total budgeted revenues or expenditures. Appropriations (or functions, such as general government, public safety, etc.) represent the level of expenditures which cannot be exceeded without approval of the Village Board.

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SUPPLEMENTARY INFORMATION

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Combining Balance Sheet - Nonmajor Governmental Funds
As of December 31, 2014

	Special Revenue Funds							
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics
Assets								
Cash and investments	\$ 63,359	\$ 572,658	\$ 10,009	\$ 77,972	\$ 19,756	\$ 339,093	\$ 168,716	\$ 876
Receivables								
Taxes	14,365	-	-	-	-	197,107	-	-
Accounts	-	4,610	-	-	141	198	-	-
Special assessments	-	-	-	-	-	-	-	-
Loans	-	50,402	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	33,370	-	-
Prepaid items	-	-	-	-	533	7,332	-	5
Total Assets	<u>\$ 77,724</u>	<u>\$ 627,670</u>	<u>\$ 10,009</u>	<u>\$ 77,972</u>	<u>\$ 20,430</u>	<u>\$ 577,100</u>	<u>\$ 168,716</u>	<u>\$ 881</u>
Liabilities, Deferred Inflows of Resources and Fund Balance								
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 2,884	\$ 34,768	\$ -	\$ 881
Due to other governments	-	-	-	-	-	-	-	-
Advances from other governmental funds	-	-	-	77,972	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,972</u>	<u>2,884</u>	<u>34,768</u>	<u>-</u>	<u>881</u>
Deferred Inflows of Resources								
Unearned revenue	35,000	-	-	-	-	480,216	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,216</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	533	7,332	-	5
Restricted	-	627,670	-	-	-	-	-	-
Committed	42,724	-	10,009	-	17,013	54,784	168,716	-
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	(5)
Total Fund Balances	<u>42,724</u>	<u>627,670</u>	<u>10,009</u>	<u>-</u>	<u>17,546</u>	<u>62,116</u>	<u>168,716</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 77,724</u>	<u>\$ 627,670</u>	<u>\$ 10,009</u>	<u>\$ 77,972</u>	<u>\$ 20,430</u>	<u>\$ 577,100</u>	<u>\$ 168,716</u>	<u>\$ 881</u>

Special Revenue Funds		Debt Service Fund	Capital Projects Funds					Permanent Fund	Total Nonmajor Funds
Fire Department	Room Tax	Impact Fees	TID No. 2	TID No. 4	TID No. 5	Equipment	Fire and Rescue Equipment	Cemetery Perpetual Care	
\$ 646,054	\$ 82,073	\$ 370,170	\$ 226,003	\$ 163,998	\$ 465,576	\$ 325,624	\$ 1,471,079	\$ 89,790	\$ 5,092,806
131,721	-	-	157,279	73,407	323,190	129,763	64,069	-	1,090,901
76,983	55,089	-	154,454	-	-	-	-	-	137,021
-	-	-	-	-	-	-	-	-	154,454
-	-	-	-	-	-	-	-	-	50,402
-	-	-	-	-	-	-	54,647	-	88,017
-	-	-	-	-	-	-	-	-	7,870
<u>\$ 854,758</u>	<u>\$ 137,162</u>	<u>\$ 370,170</u>	<u>\$ 537,736</u>	<u>\$ 237,405</u>	<u>\$ 788,766</u>	<u>\$ 455,387</u>	<u>\$ 1,589,795</u>	<u>\$ 89,790</u>	<u>\$ 6,621,471</u>
\$ 98,509	\$ 7,860	\$ -	\$ 101	\$ 148	\$ 1,372	\$ -	\$ 20,273	\$ -	\$ 166,796
57,474	-	-	-	-	-	-	-	-	57,474
-	-	370,170	-	58,415	-	-	-	-	506,557
<u>155,983</u>	<u>7,860</u>	<u>370,170</u>	<u>101</u>	<u>58,563</u>	<u>1,372</u>	<u>-</u>	<u>20,273</u>	<u>-</u>	<u>730,827</u>
320,913	-	-	383,181	178,842	787,394	316,143	156,092	-	2,657,781
-	-	-	154,454	-	-	-	-	-	154,454
<u>320,913</u>	<u>-</u>	<u>-</u>	<u>537,635</u>	<u>178,842</u>	<u>787,394</u>	<u>316,143</u>	<u>156,092</u>	<u>-</u>	<u>2,812,235</u>
-	-	-	-	-	-	-	-	-	7,870
-	-	-	-	-	-	-	1,018,671	89,790	1,736,131
377,862	129,302	-	-	-	-	-	394,759	-	1,195,169
-	-	-	-	-	-	139,244	-	-	139,244
-	-	-	-	-	-	-	-	-	(5)
<u>377,862</u>	<u>129,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,244</u>	<u>1,413,430</u>	<u>89,790</u>	<u>3,078,409</u>
<u>\$ 854,758</u>	<u>\$ 137,162</u>	<u>\$ 370,170</u>	<u>\$ 537,736</u>	<u>\$ 237,405</u>	<u>\$ 788,766</u>	<u>\$ 455,387</u>	<u>\$ 1,589,795</u>	<u>\$ 89,790</u>	<u>\$ 6,621,471</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds							
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics
Revenues								
Taxes	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 474,148	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	182,683	-	-
Donations	-	-	-	-	-	475	-	-
Public charges for services	-	-	1,850	-	38,667	15,883	-	68,983
Intergovernmental charges for services	-	-	-	-	-	-	-	-
Impact fees	-	-	-	6,223	-	-	-	-
Investment income	163	2,786	16	19	-	-	1,261	-
Miscellaneous	-	-	-	1,625	-	2,083	-	-
Total Revenues	<u>30,163</u>	<u>2,786</u>	<u>1,866</u>	<u>7,867</u>	<u>38,667</u>	<u>675,272</u>	<u>1,261</u>	<u>68,983</u>
Expenditures								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Community Enrichment Services	-	-	-	1,625	41,216	655,272	-	135,959
Conservation and Development	-	80,850	-	-	-	-	18,161	-
Capital outlay	38,185	-	-	-	-	-	-	-
Total Expenditures	<u>38,185</u>	<u>80,850</u>	<u>-</u>	<u>1,625</u>	<u>41,216</u>	<u>655,272</u>	<u>18,161</u>	<u>135,959</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>(8,022)</u>	<u>(78,064)</u>	<u>1,866</u>	<u>6,242</u>	<u>(2,549)</u>	<u>20,000</u>	<u>(16,900)</u>	<u>(66,976)</u>
Other Financing Sources (Uses)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	66,976
Transfers out	-	-	-	(97,419)	-	-	(50,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,419)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>66,976</u>
Net Change in Fund Balance	<u>(8,022)</u>	<u>(78,064)</u>	<u>1,866</u>	<u>(91,177)</u>	<u>(2,549)</u>	<u>20,000</u>	<u>(66,900)</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR	50,746	705,734	8,143	91,177	20,095	42,116	235,616	-
FUND BALANCE - END OF YEAR	<u>\$ 42,724</u>	<u>\$ 627,670</u>	<u>\$ 10,009</u>	<u>\$ -</u>	<u>\$ 17,546</u>	<u>\$ 62,116</u>	<u>\$ 168,716</u>	<u>\$ -</u>

Special Revenue Funds		Debt Service Fund	Capital Projects Funds					Permanent Fund	Total
Fire Department	Room Tax	Impact Fees	TID No. 2	TID No. 4	TID No. 5	Equipment	Fire and Rescue Equipment	Cemetery Perpetual Care	Nonmajor Funds
\$ 334,353	\$ 229,872	\$ -	\$ 230,553	\$ 209,042	\$ 825,155	\$ 287,567	\$ 156,092	\$ -	\$ 2,776,782
-	-	-	22,065	-	-	-	-	-	22,065
66,006	-	-	5,947	12,464	16,357	2,457	-	-	285,914
-	-	-	-	-	-	-	-	-	475
360,351	-	-	-	-	-	-	-	-	485,734
165,428	-	-	-	-	-	-	79,699	-	245,127
-	-	291,411	-	-	-	-	-	-	297,634
-	-	-	4,862	59	565	251	2,549	196	12,727
392	-	-	58,904	349,456	-	-	-	1,200	413,660
<u>926,530</u>	<u>229,872</u>	<u>291,411</u>	<u>322,331</u>	<u>571,021</u>	<u>842,077</u>	<u>290,275</u>	<u>238,340</u>	<u>1,396</u>	<u>4,540,118</u>
-	19,750	-	7,008	20,429	11,537	-	-	-	58,724
505,117	-	-	-	-	-	-	-	-	505,117
-	-	-	6,568	-	-	-	-	-	6,568
-	-	-	-	-	-	-	-	-	834,072
-	40,125	-	546	40,793	2,325	-	-	-	182,800
240,627	-	-	-	141	-	261,625	199,247	-	739,825
<u>745,744</u>	<u>59,875</u>	<u>-</u>	<u>14,122</u>	<u>61,363</u>	<u>13,862</u>	<u>261,625</u>	<u>199,247</u>	<u>-</u>	<u>2,327,106</u>
<u>180,786</u>	<u>169,997</u>	<u>291,411</u>	<u>308,209</u>	<u>509,658</u>	<u>828,215</u>	<u>28,650</u>	<u>39,093</u>	<u>1,396</u>	<u>2,213,012</u>
-	-	-	-	-	-	42,700	-	-	42,700
-	-	42,977	-	75,142	-	-	-	-	185,095
-	(130,000)	(334,388)	(308,209)	(584,800)	(828,215)	-	-	(196)	(2,333,227)
-	(130,000)	(291,411)	(308,209)	(509,658)	(828,215)	42,700	-	(196)	(2,105,432)
180,786	39,997	-	-	-	-	71,350	39,093	1,200	107,580
197,076	89,305	-	-	-	-	67,894	1,374,337	88,590	2,970,829
<u>\$ 377,862</u>	<u>\$ 129,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,244</u>	<u>\$ 1,413,430</u>	<u>\$ 89,790</u>	<u>\$ 3,078,409</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
General property taxes	\$ 4,990,361	\$ 4,990,361	\$ 4,997,727	\$ 7,366
Payments in lieu of taxes	196,756	196,756	201,317	4,561
Interest and penalties on delinquent taxes	20,000	20,000	16,781	(3,219)
Total Taxes	<u>5,207,117</u>	<u>5,207,117</u>	<u>5,215,825</u>	<u>8,708</u>
Intergovernmental Revenues:				
Shared revenues	471,939	471,939	491,525	19,586
Law enforcement	56,000	56,000	63,773	7,773
General highway aids	763,782	763,782	763,782	-
Computer aid	33,121	33,121	34,033	912
Police training	3,520	3,520	3,520	-
Connecting streets	50,125	50,125	50,227	102
Recycling	24,175	24,175	24,148	(27)
Total Intergovernmental Revenues	<u>1,402,662</u>	<u>1,402,662</u>	<u>1,431,008</u>	<u>28,346</u>
Licenses and Permits:				
Trainings				
Liquor and malt beverage	15,702	15,702	14,975	(727)
Operators	6,200	6,200	5,238	(962)
Cigarette	1,000	1,000	900	(100)
Bicycle	50	50	-	(50)
Dog and cat	2,100	2,100	2,097	(3)
Amusement device	1,625	1,625	1,700	75
Business and occupational	100	100	1,706	1,606
Permits:				
Building	110,000	110,000	293,044	183,044
Electrical	20,000	20,000	34,580	14,580
Plumbing	20,000	20,000	32,602	12,602
Other	600	600	1,555	955
Land use fees	5,500	5,500	6,665	1,165
Cable television	170,000	170,000	172,624	2,624
Street opening	2,000	2,000	6,800	4,800
Signs	4,000	4,000	7,400	3,400
Total Licenses and Permits	<u>\$ 358,877</u>	<u>\$ 358,877</u>	<u>\$ 581,886</u>	<u>\$ 223,009</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2014
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Fines and Forfeitures:				
Court fines	\$ 105,000	\$ 105,000	\$ 89,930	\$ (15,070)
Other municipal court	500	500	40	(460)
Parking violations	25,000	25,000	23,330	(1,670)
Miscellaneous forfeitures	1,600	1,600	2,483	883
Total Fines and Forfeitures	<u>132,100</u>	<u>132,100</u>	<u>115,783</u>	<u>(16,317)</u>
Public Charges for Services:				
Recycling fees	133,530	133,530	134,087	557
Property inquiry fees	2,000	2,000	3,675	1,675
Weights and measures	11,000	11,000	12,314	1,314
Assessing records maintenance	15,000	15,000	28,322	13,322
License publication fees	62	62	56	(6)
DPW materials sold	150	150	622	472
Weed cutting	1,369	1,369	470	(899)
Park fees	18,000	18,000	17,717	(283)
Planning charges	61,500	61,500	69,409	7,909
Copy fees	1,800	1,800	2,318	518
Miscellaneous charges	198,364	198,364	196,117	(2,247)
Senior recreation fees	8,340	8,340	8,768	428
Engineering/Inspection fees	30,000	30,000	52,160	22,160
Total Public Charges for Services	<u>481,115</u>	<u>481,115</u>	<u>526,035</u>	<u>44,920</u>
Intergovernmental Charges for Services:				
School district crossing guard	21,281	21,281	23,807	2,526
Inspection services	19,000	19,000	61,826	42,826
Fire department dispatch services	42,478	42,478	42,478	-
Fire department share of workers' compensation	-	-	-	-
Total Intergovernmental Charges for Services	<u>82,759</u>	<u>82,759</u>	<u>128,111</u>	<u>45,352</u>
Donations	<u>-</u>	<u>-</u>	<u>410</u>	<u>410</u>
Investment Income	<u>35,000</u>	<u>35,000</u>	<u>24,102</u>	<u>(10,898)</u>
Miscellaneous:				
Miscellaneous general revenue	5,000	5,000	41,777	36,777
Rent	25,217	25,217	26,444	1,227
Recycling	33,120	33,120	33,624	504
Total Miscellaneous	<u>63,337</u>	<u>63,337</u>	<u>101,845</u>	<u>38,508</u>
Total Revenues	<u>\$ 7,762,967</u>	<u>\$ 7,762,967</u>	<u>\$ 8,125,005</u>	<u>\$ 362,038</u>

**Village of Grafton
Ozaukee County, Wisconsin**

**Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Village Board	\$ 39,339	\$ 39,339	\$ 37,872	\$ 1,467
Legal	28,500	28,500	28,483	17
Administration	229,135	233,803	233,349	454
Clerk	137,327	138,926	128,284	10,642
Elections	29,023	29,067	33,180	(4,113)
Finance	353,468	359,516	349,212	10,304
Assessing	94,990	95,463	92,305	3,158
Village hall expenses	41,760	41,884	44,040	(2,156)
Other General Government	32,781	32,988	25,240	7,748
Total General Government	<u>986,323</u>	<u>999,486</u>	<u>971,965</u>	<u>27,521</u>
Public Safety:				
Police administration	529,810	529,810	487,322	42,488
Police operations	2,427,817	2,456,959	2,396,898	60,061
Trainings	397,568	412,656	406,723	5,933
Police building	75,803	75,939	70,183	5,756
Inspection	193,861	196,484	199,980	(3,496)
Other Administration	210,000	210,000	210,000	-
Total Public Safety	<u>\$ 3,834,859</u>	<u>\$ 3,881,848</u>	<u>\$ 3,771,106</u>	<u>\$ 110,742</u>

Village of Grafton
Ozaukee County, Wisconsin

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2014
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public Works:				
Public works administration	\$ 212,124	\$ 215,904	\$ 214,517	\$ 1,387
Engineering	193,090	196,392	197,525	(1,133)
Street maintenance	959,537	964,782	933,929	30,853
Street cleaning	38,679	39,200	33,469	5,731
Snow removal	179,579	180,840	176,896	3,944
Forestry	56,755	57,672	46,747	10,925
Traffic control	26,166	26,334	44,929	(18,595)
Storm water management	73,669	74,181	84,840	(10,659)
Bridges and dams	2,618	2,640	1,604	1,036
Equipment maintenance	283,790	285,951	277,249	8,702
Garage and building	95,572	95,928	114,486	(18,558)
Recycling	599,173	600,159	587,094	13,065
Total Public Works	<u>2,720,752</u>	<u>2,739,983</u>	<u>2,713,285</u>	<u>26,698</u>
Community Enrichment Services:				
Adult senior services	103,333	103,662	104,413	(751)
Parks and playgrounds	159,841	161,867	162,682	(815)
Community activities administration	197,775	199,987	198,321	1,666
Cemetery	6,909	6,930	7,500	(570)
Total Community Enrichment Services	<u>467,858</u>	<u>472,446</u>	<u>472,916</u>	<u>(470)</u>
Conservation and Development:				
Community development	152,758	152,758	137,288	15,470
Total Conservation and Development	<u>152,758</u>	<u>152,758</u>	<u>137,288</u>	<u>15,470</u>
Contingency	441,304	357,333	3,859	353,474
Total Expenditures	<u>\$ 8,603,854</u>	<u>\$ 8,603,854</u>	<u>\$ 8,070,419</u>	<u>\$ 533,435</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 523,758	\$ 523,758	\$ 523,758	\$ -
Investment income	3,500	3,500	1,692	(1,808)
Total Revenues	527,258	527,258	525,450	(1,808)
Expenditures				
Debt Service				
Principal	2,576,547	2,576,547	2,576,547	-
Interest and fiscal charges	1,246,808	1,246,808	1,252,309	(5,501)
Total Expenditures	3,823,355	3,823,355	3,828,856	(5,501)
Excess (Deficit) of Revenues Over (Under) Expenditures	(3,296,097)	(3,296,097)	(3,303,406)	(7,309)
Other Financing Sources (Uses)				
Transfers In	3,305,049	3,305,049	3,307,232	2,183
Transfers Out	-	-	(42,977)	(42,977)
Total other financing sources	3,305,049	3,305,049	3,264,255	(40,794)
Net Change in Fund Balance	\$ 8,952	\$ 8,952	(39,151)	\$ (48,103)
FUND BALANCE - BEGINNING OF YEAR			216,797	
FUND BALANCE - END OF YEAR			\$ 177,646	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 646,721	\$ 646,721	\$ 646,721	\$ -
Intergovernmental	472,168	472,168	97,168	(375,000)
Donations	-	-	500	500
Special assessments	150,673	150,673	139,452	(11,221)
Public charges for services	10,500	10,500	10,500	-
Investment income	1,372	1,372	2,645	1,273
Miscellaneous income	-	-	2,770	2,770
Total Revenues	1,281,434	1,281,434	899,756	(381,678)
Expenditures				
Current				
Public works	-	-	480	(480)
Capital outlay	1,353,290	1,353,290	796,149	557,141
Total Expenditures	1,353,290	1,353,290	796,629	556,661
Excess (Deficit) of Revenues Over (Under) Expenditures	(71,856)	(71,856)	103,127	174,983
Other Financing Sources (Uses)				
Proceeds from sales of capital assets	8,000	8,000	78,240	70,240
Transfers in	95,000	95,000	18,082	(76,918)
Transfers out	(192,784)	(192,784)	(425,778)	(232,994)
Total Other Financing Sources (Uses)	(89,784)	(89,784)	(329,456)	(239,672)
Net Change in Fund Balance	\$ (161,640)	\$ (161,640)	(226,329)	\$ (64,689)
FUND BALANCE - BEGINNING OF YEAR			2,764,223	
FUND BALANCE - END OF YEAR			\$ 2,537,894	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund -
Tax Incremental Financing District No. 3
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 578,710	\$ 578,710	\$ 597,158	\$ 18,448
Intergovernmental	2,900	2,900	402,403	399,503
Donations	2,800	2,800	23,270	20,470
Investment income	500	500	83	(417)
Miscellaneous	1,107,200	1,107,200	24,353	(1,082,847)
Total revenues	1,692,110	1,692,110	1,047,267	(644,843)
Expenditures				
Current				
General Government	47,000	47,000	35,001	11,999
Public Works	620,000	620,000	-	620,000
Community Enrichment Services	-	-	-	-
Conservation and Development	64,500	64,500	54,510	9,990
Capital outlay	426,985	426,985	625,190	(198,205)
Debt service				
Interest and fiscal charges	7,500	7,500	-	7,500
Total Expenditures	1,165,985	1,165,985	714,701	451,284
Excess (Deficit) of Revenues Over (Under) Expenditures	526,125	526,125	332,566	(193,559)
Other Financing Sources (Uses)				
Transfers in	-	-	623,150	623,150
Transfers out	(1,264,799)	(1,264,799)	(1,264,799)	-
Debt issued	1,016,500	1,016,500	-	(1,016,500)
Debt issuance premiums	5,000	5,000	-	(5,000)
Total Other Financing Sources (Uses)	(243,299)	(243,299)	(641,649)	(398,350)
Net Change in Fund Balance	\$ 282,826	\$ 282,826	(309,083)	\$ (591,909)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR			(912,549)	
FUND BALANCE (DEFICIT) - END OF YEAR			\$ (1,221,632)	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Water Utility
For the Year Ended December 31, 2014

Operating Revenues

Sales of Water	
Metered Sales	
Residential	\$ 857,115
Multifamily	58,188
Commercial	198,113
Industrial	80,027
Public authorities	18,064
Total Metered Sales	<u>1,211,507</u>
Bulk Sales	1,697
Private fire protection	37,385
Public fire protection	331,807
Total Sales of Water	<u>1,582,396</u>
Other Operating Revenues	
Customer forfeited discounts	10,485
Other water revenues	119,004
Total Operating Revenues	<u>1,711,885</u>

Operating Expenses

Source of Supply Expenses	
Operation labor	16,903
Total Pumping Expenses	<u>16,903</u>
Pumping Expenses	
Operation labor	25,020
Power purchased for pumping	76,291
Supplies	7,206
Maintenance	14,681
Total Pumping Expenses	<u>123,198</u>
Water Treatment Expenses	
Operation labor	16,505
Chemicals	24,264
Operation supplies	317
Maintenance	9,342
Total Water Treatment Expenses	<u>50,428</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Water Utility
For the Year Ended December 31, 2014
(Continued)

Operating Expenses (Continued)

Transmission and Distribution	
Operation supplies	\$ 119,195
Maintenance:	
Reservoirs	183,159
Mains	28,645
Services	18,888
Meters	10,268
Hydrants	51,184
Total Transmission and Distribution	<u>411,339</u>
Customer Accounts	
Meter reading labor	1,863
Accounting and collecting labor	44,806
Supplies	2,807
Total Customer Accounts	<u>49,476</u>
Administrative and General	
Salaries	92,110
Outside services	54,149
Office supplies and expenses	11,512
Property insurance	9,747
Injuries and damages	7,023
Employee pensions and benefits	64,836
Maintenance	8,007
Miscellaneous	45,834
Total Administrative and General	<u>293,218</u>
Total Operation and Maintenance	<u>944,562</u>
Other Operating Expenses	
Depreciation	450,031
Taxes	18,350
Total Other Operating Expenses	<u>468,381</u>
Total Operating Expenses	<u>1,412,943</u>
OPERATING INCOME	<u><u>\$ 298,942</u></u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Wastewater Utility
For the Year Ended December 31, 2014

Operating Revenues

Residential	\$ 1,369,629
Commercial	481,588
Industrial	123,503
Public authorities	28,096
Other	107,932
Subtotal Operating Revenues	<u>2,110,748</u>

Other Operating Revenues

Customer forfeited discounts	10,585
Other sewer revenues	28,980
Total Operating Revenues	<u>2,150,313</u>

Operating Expenses

Operation

Supervision and labor	123,716
Operation supplies	6,245
Power and fuel for pumping	35,616
Treatment chemicals	27,633
Power, fuel and sludge hauling	280,089
Transportation	15,358
Total Operation	<u>488,657</u>

Maintenance

Meters	8,992
Sewage collection system	31,960
Pumping equipment	79,910
Treatment equipment	123,466
General plant	65,702
Total Maintenance	<u>310,030</u>

Customer Accounts

Billing, collecting and accounting	1,887
Meter reading	9,950
Total Customer Accounts	<u>11,837</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Wastewater Utility
For the Year Ended December 31, 2014
(Continued)

Operating Expenses (Continued)

General

Salaries	\$	72,908
Office supplies		9,736
Outside services employed		103,716
Insurance		22,321
Employee pensions and benefits		134,977
Miscellaneous		1,905
Total General		<u>345,563</u>
Total Operation and Maintenance		<u>1,156,087</u>

Other Operating Expenses

Depreciation		783,357
Taxes		26,578
Total Other Operating Expenses		<u>809,935</u>
Total Operating Expenses		<u>1,966,022</u>
OPERATING INCOME	\$	<u><u>184,291</u></u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Park and Open Space
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Investment income	50	50	163	113
Total Revenues	30,050	30,050	30,163	113
Expenditures				
Capital outlay	43,500	43,500	38,185	5,315
Net Change in Fund Balance	\$ (13,450)	\$ (13,450)	(8,022)	\$ 5,428
FUND BALANCE - Beginning of Year			50,746	
FUND BALANCE - END OF YEAR			\$ 42,724	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Revolving Loan
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 4,766	\$ 4,766	\$ 2,786	\$ (1,980)
Expenditures				
Current				
Conservation and Development	5,500	5,500	80,850	(75,350)
Net Change in Fund Balance	<u>\$ (734)</u>	<u>\$ (734)</u>	(78,064)	<u>\$ (77,330)</u>
FUND BALANCE - Beginning of Year			705,734	
FUND BALANCE - END OF YEAR			<u>\$ 627,670</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Woodlawn Cemetery Capital
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Public charges for services	\$ 600	\$ 600	\$ 1,850	\$ 1,250
Investment income	15	15	16	1
Total Revenues	<u>615</u>	<u>615</u>	<u>1,866</u>	<u>1,251</u>
 Excess (Deficit) of Revenues Over Expenditures	 <u>\$ 615</u>	 <u>\$ 615</u>	 1,866	 <u>\$ 1,251</u>
 FUND BALANCE - Beginning of Year			 8,143	
FUND BALANCE - END OF YEAR			<u>\$ 10,009</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Park and Recreational Facilities
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 183,311	\$ 183,311	\$ 6,223	\$ (177,088)
Investment income	-	-	19	19
Miscellaneous income	-	-	1,625	1,625
Total Revenues	<u>183,311</u>	<u>183,311</u>	<u>7,867</u>	<u>(175,444)</u>
Expenditures				
Current				
Community Enrichment Services	<u>500</u>	<u>500</u>	<u>1,625</u>	<u>(1,125)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	182,811	182,811	6,242	(176,569)
Other Financing Sources (Uses)				
Transfers out	<u>(203,700)</u>	<u>(203,700)</u>	<u>(97,419)</u>	<u>106,281</u>
Net Change in Fund Balance	<u>\$ (20,889)</u>	<u>\$ (20,889)</u>	(91,177)	<u>\$ (70,288)</u>
FUND BALANCE - Beginning of Year			<u>91,177</u>	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Recreation
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Public charges for services	\$ 45,000	\$ 45,000	\$ 38,667	\$ (6,333)
Expenditures				
Current				
Community Enrichment Services	47,936	47,936	41,216	6,720
Net Change in Fund Balance	\$ (2,936)	\$ (2,936)	(2,549)	\$ 387
FUND BALANCE - Beginning of Year			20,095	
FUND BALANCE - END OF YEAR			\$ 17,546	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Library
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 474,148	\$ 474,148	\$ 474,148	\$ -
Intergovernmental	182,147	182,147	182,683	536
Donations	-	-	475	475
Public charges for services	18,400	18,400	15,883	(2,517)
Miscellaneous	-	-	2,083	2,083
Total Revenues	<u>674,695</u>	<u>674,695</u>	<u>675,272</u>	<u>577</u>
Expenditures				
Current				
Community Enrichment Services	<u>663,940</u>	<u>663,940</u>	<u>655,272</u>	<u>8,668</u>
Net Change in Fund Balance	<u>\$ 10,755</u>	<u>\$ 10,755</u>	20,000	<u>\$ 9,245</u>
FUND BALANCE - Beginning of Year			42,116	
FUND BALANCE - END OF YEAR			<u>\$ 62,116</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Environmental
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 2,500	\$ 2,500	\$ 1,261	\$ (1,239)
Expenditures				
Current				
Conservation and Development	40,000	40,000	18,161	21,839
Excess (Deficit) of Revenues Over (Under) Expenditures	(37,500)	(37,500)	(16,900)	20,600
Other Financing Uses				
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	\$ (87,500)	\$ (87,500)	(66,900)	\$ 20,600
FUND BALANCE - Beginning of Year			<u>235,616</u>	
FUND BALANCE - END OF YEAR			\$ <u>168,716</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Aquatics
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Public charges for services	\$ 79,950	\$ 79,950	\$ 68,983	\$ (10,967)
Expenditures				
Current				
Community Enrichment Services	149,000	149,000	135,959	13,041
Excess (Deficit) of Revenues Over (Under) Expenditures	(69,050)	(69,050)	(66,976)	2,074
Other Financing Sources				
Transfers in	69,050	69,050	66,976	(2,074)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Fire Department
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 334,353	\$ 334,353	\$ 334,353	\$ -
Intergovernmental revenues	50,000	50,000	66,006	16,006
Public charges for services	180,000	180,000	360,351	180,351
Intergovernmental charges for services	222,902	222,902	165,428	(57,474)
Miscellaneous	-	-	392	392
Total Revenues	<u>787,255</u>	<u>787,255</u>	<u>926,530</u>	<u>139,275</u>
Expenditures				
Current				
Public Safety	647,518	647,518	505,117	142,401
Capital outlay	<u>139,737</u>	<u>139,737</u>	<u>240,627</u>	<u>(100,890)</u>
Total Expenditures	<u>787,255</u>	<u>787,255</u>	<u>745,744</u>	<u>41,511</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	180,786	<u>\$ 180,786</u>
FUND BALANCE - Beginning of Year			<u>197,076</u>	
FUND BALANCE - END OF YEAR			<u>\$ 377,862</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Room Tax
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 205,000	\$ 205,000	\$ 229,872	\$ 24,872
Expenditures				
Current				
General government	42,750	42,750	19,750	23,000
Conservation and development	29,286	29,286	40,125	(10,839)
Total expenditures	<u>72,036</u>	<u>72,036</u>	<u>59,875</u>	<u>12,161</u>
Excess of Revenues Under Expenditures	132,964	132,964	169,997	37,033
Other Financing Uses				
Transfers out	<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,964</u>	<u>\$ 2,964</u>	39,997	<u>\$ 37,033</u>
FUND BALANCE - Beginning of Year			89,305	
FUND BALANCE - END OF YEAR			<u>\$ 129,302</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund - Impact Fees
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 248,577	\$ 248,577	\$ 291,411	\$ 42,834
Investment income	100	100	-	(100)
Total Revenues	248,677	248,677	291,411	42,734
Other Financing Sources (Uses)				
Transfers in	85,711	85,711	42,977	(42,734)
Transfers out	(334,388)	(334,388)	(334,388)	-
Total Other Financing Sources (Uses)	(248,677)	(248,677)	(291,411)	(42,734)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Tax Incremental Financing District No. 2
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 227,361	\$ 227,361	\$ 230,553	\$ 3,192
Special assessments	22,065	22,065	22,065	-
Intergovernmental revenues	6,000	6,000	5,947	(53)
Investment income	3,282	3,282	4,862	1,580
Miscellaneous income	9,403	9,403	58,904	49,501
Total Revenues	268,111	268,111	322,331	54,220
Expenditures				
Current				
General Government	4,350	4,350	7,008	(2,658)
Public Works	5,000	5,000	6,568	(1,568)
Conservation and Development	630	630	546	84
Total Expenditures	9,980	9,980	14,122	(4,142)
Excess of Revenues Over Expenditures	258,131	258,131	308,209	50,078
Other Financing Uses				
Transfers Out	(258,131)	(258,131)	(308,209)	(50,078)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Tax Incremental Financing District No. 4
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 216,281	\$ 216,281	\$ 209,042	\$ (7,239)
Intergovernmental revenues	11,000	11,000	12,464	1,464
Investment income	100	100	59	(41)
Miscellaneous income	322,726	322,726	349,456	26,730
Total Revenues	550,107	550,107	571,021	20,914
				:
Expenditures				
Current				
General Government	14,500	14,500	20,429	(5,929)
Conservation and Development	72,000	72,000	40,793	31,207
Capital outlay	5,000	5,000	141	4,859
Total Expenditures	91,500	91,500	61,363	30,137
Excess (Deficit) of Revenues Under Expenditures	458,607	458,607	509,658	51,051
Other Financing Sources (Uses)				
Transfers in	218,589	218,589	75,142	(143,447)
Transfers out	(584,800)	(584,800)	(584,800)	-
Total Other Financing Sources (Uses)	(366,211)	(366,211)	(509,658)	(143,447)
Net Change in Fund Balance	\$ 92,396	\$ 92,396	-	\$ (92,396)
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			-	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Tax Incremental Financing District No. 5
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 782,392	\$ 782,392	\$ 825,155	\$ 42,763
Intergovernmental revenues	20,000	20,000	16,357	(3,643)
Investment income	1,000	1,000	565	(435)
Total Revenues	<u>803,392</u>	<u>803,392</u>	<u>842,077</u>	<u>38,685</u>
Expenditures				
Current				
General Government	8,850	8,850	11,537	(2,687)
Conservation and Development	3,500	3,500	2,325	1,175
Total Expenditures	<u>12,350</u>	<u>12,350</u>	<u>13,862</u>	<u>(1,512)</u>
Excess of Revenues Over Expenditures	<u>791,042</u>	<u>791,042</u>	<u>828,215</u>	<u>37,173</u>
Other Financing Uses				
Transfers out	<u>(599,946)</u>	<u>(599,946)</u>	<u>(828,215)</u>	<u>(228,269)</u>
Net Change in Fund Balance	<u>\$ 191,096</u>	<u>\$ 191,096</u>	-	<u>\$ (191,096)</u>
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Equipment
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 287,567	\$ 287,567	\$ 287,567	\$ -
Intergovernmental revenues	1,850	1,850	2,457	607
Investment income	450	450	251	(199)
Total Revenues	289,867	289,867	290,275	408
Expenditures				
Capital outlay	313,500	313,500	261,625	51,875
Excess (Deficit) of Revenues Under Expenditures	(23,633)	(23,633)	28,650	52,283
Other Financing Sources				
Proceeds from sale of capital assets	26,000	26,000	42,700	16,700
Net Change in Fund Balance	\$ 2,367	\$ 2,367	71,350	\$ 68,983
FUND BALANCE - Beginning of Year			67,894	
FUND BALANCE - END OF YEAR			\$ 139,244	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Fire and Rescue Equipment
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 156,092	\$ 156,092	\$ 156,092	\$ -
Intergovernmental charges for services	222,400	222,400	79,699	(142,701)
Investment income	1,000	1,000	2,549	1,549
Total Revenues	<u>379,492</u>	<u>379,492</u>	<u>238,340</u>	<u>(141,152)</u>
Expenditures				
Capital outlay	<u>577,000</u>	<u>577,000</u>	<u>199,247</u>	<u>377,753</u>
Excess (Deficit) of Revenues Under Expenditures	<u>(197,508)</u>	<u>(197,508)</u>	<u>39,093</u>	<u>236,601</u>
Other Financing Sources				
Proceeds from sale of capital assets	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net Change in Fund Balance	<u>\$ (177,508)</u>	<u>\$ (177,508)</u>	39,093	<u>\$ 216,601</u>
FUND BALANCE - Beginning of Year			<u>1,374,337</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,413,430</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Permanent Fund - Woodlawn Cemetery Perpetual Care
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 185	\$ 185	\$ 196	\$ 11
Miscellaneous income	<u>600</u>	<u>600</u>	<u>1,200</u>	<u>600</u>
Total Revenues	<u>785</u>	<u>785</u>	<u>1,396</u>	<u>611</u>
Other Financing Uses				
Transfer out	<u>(185)</u>	<u>(185)</u>	<u>(196)</u>	<u>(11)</u>
Net Change in Fund Balance	\$ <u>600</u>	\$ <u>600</u>	1,200	\$ <u>600</u>
FUND BALANCE - Beginning of Year			<u>88,590</u>	
FUND BALANCE - END OF YEAR			\$ <u>89,790</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Changes in Assets and Liabilities
Agency Fund - Tax Collection Fund
For the Year Ended December 31, 2014

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2014</u>
Assets:				
Cash and equivalents	\$ 9,370,565	\$ 8,895,457	\$ (9,370,565)	\$ 8,895,457
Taxes receivable	16,465,575	16,235,219	(16,465,575)	16,235,219
Total Assets	<u>\$ 25,836,140</u>	<u>\$ 25,130,676</u>	<u>\$ (25,836,140)</u>	<u>\$ 25,130,676</u>
Liabilities:				
Due to other taxing units	<u>\$ 25,836,140</u>	<u>\$ 25,130,676</u>	<u>\$ (25,836,140)</u>	<u>\$ 25,130,676</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

**Schedule of Changes in Capital Assets Used in the Operation of
Governmental Funds by Function and Activity
For the Year Ended December 31, 2014**

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance December 31, 2014</u>
General Government:				
Administration	\$ 4,188,250	\$ -	\$ (305,994)	\$ 3,882,256
Elections	21,000	-	-	21,000
Total General Government	<u>4,209,250</u>	<u>-</u>	<u>(305,994)</u>	<u>3,903,256</u>
Public Safety:				
Fire department	3,603,146	140,191	(23,183)	3,720,154
Police department	5,175,006	199,983	(155,311)	5,219,678
Emergency government	14,000	-	-	14,000
Building inspection and assessment	13,500	21,640	-	35,140
Total Public Safety	<u>8,805,652</u>	<u>361,814</u>	<u>(178,494)</u>	<u>8,988,972</u>
Public Works:				
Right of way	9,165,090	-	-	9,165,090
Infrastructure	35,710,262	1,052,126	-	36,762,388
Other public works	10,600,099	129,720	(233,518)	10,496,301
Recycling	6,018	-	-	6,018
Total Public Works	<u>55,481,469</u>	<u>1,181,846</u>	<u>(233,518)</u>	<u>56,429,797</u>
Culture, Recreation and Education				
Library	1,985,878	-	-	1,985,878
Senior center	561,736	-	-	561,736
Community center	266,937	-	-	266,937
Parks	4,763,047	433	-	4,763,480
Aquatics	1,401,883	-	-	1,401,883
Cemetery	36,684	-	-	36,684
Total Culture, Recreation and Education	<u>9,016,165</u>	<u>433</u>	<u>-</u>	<u>9,016,598</u>
Conservation and Development				
Planning and development	1,214,865	540,394	-	1,755,259
Grand Total	<u>\$ 78,727,401</u>	<u>\$ 2,084,487</u>	<u>\$ (718,006)</u>	<u>\$ 80,093,882</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Capital Assets Used in the Operation of
Governmental Funds by Function and Activity
As of December 31, 2014

	Land and Construction in Progress	Intangible Assets	Land Improvements	Buildings and Improvements	Equipment and Furnishings	Infrastructure	Totals
General Government:							
Administration	\$ 1,270,696	\$ -	57,136	\$ 2,415,341	\$ 139,084	\$ -	\$ 3,882,257
Elections		-	-	-	21,000	-	21,000
Total General Government	<u>1,270,696</u>	<u>-</u>	<u>57,136</u>	<u>2,415,341</u>	<u>160,084</u>	<u>-</u>	<u>3,903,257</u>
Public Safety:							
Fire department	158,307	-	57,732	1,920,000	1,584,115	-	3,720,154
Police department	37,200	-	144,233	4,179,075	859,169	-	5,219,677
Emergency government	-	-	-	-	14,000	-	14,000
Building inspection and assessment	-	-	-	-	35,140	-	35,140
Total Public Safety	<u>195,507</u>	<u>-</u>	<u>201,965</u>	<u>6,099,075</u>	<u>2,492,424</u>	<u>-</u>	<u>8,988,971</u>
Public Works:							
Right of way	9,165,090	-	-	-	-	-	9,165,090
Infrastructure	55,613	407,071	-	-	-	36,299,704	36,762,388
Other public works	88,842	-	2,178,353	5,468,052	2,761,054	-	10,496,301
Recycling	-	-	-	-	6,018	-	6,018
Total Public Works	<u>9,309,545</u>	<u>407,071</u>	<u>2,178,353</u>	<u>5,468,052</u>	<u>2,767,072</u>	<u>36,299,704</u>	<u>56,429,797</u>
Culture, Recreation and Education:							
Library	-	-	9,100	1,929,827	46,951	-	1,985,878
Senior center	52,800	-	27,380	476,178	5,378	-	561,736
Community center	25,000	-	-	241,937	-	-	266,937
Parks	1,837,033	-	1,190,807	1,390,561	345,079	-	4,763,480
Aquatics	-	-	178,060	1,192,465	31,358	-	1,401,883
Cemetery	-	-	11,250	5,325	20,109	-	36,684
Total Culture, Recreation, and Education	<u>1,914,833</u>	<u>-</u>	<u>1,416,597</u>	<u>5,236,293</u>	<u>448,875</u>	<u>-</u>	<u>9,016,598</u>
Conservation and Development:							
Planning and development	1,740,394	-	14,865	-	-	-	1,755,259
Total Conservation and Development	<u>1,740,394</u>	<u>-</u>	<u>14,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,755,259</u>
Grand Total	<u>\$ 14,430,975</u>	<u>\$ 407,071</u>	<u>3,868,916</u>	<u>\$ 19,218,761</u>	<u>\$ 5,868,455</u>	<u>\$ 36,299,704</u>	<u>\$ 80,093,882</u>

STATISTICAL SECTION

This part of the Village of Grafton'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 the Village's overall financial health.

<u>Category</u>	<u>Table Numbers</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	1, 2, 3, 4, 5
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the income tax.	6, 7, 8, 9, 10, 11, 12
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	13, 14, 15, 16
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the Village's financial activities take place.	17, 18, 19, 20, 21, 22
Water and Wastewater Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the water and wastewater services the Village provides.	23, 24, 25, 26, 27, 28, 29, 30

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

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Net investment in capital assets	\$17,751,646	\$14,115,078	\$15,390,005	\$13,468,385
Restricted	1,432,829	8,765,594	6,278,068	5,392,128
Unrestricted	5,155,772	1,037,751	3,475,017	5,455,613
Total Governmental Activities Net Position	<u>\$24,340,247</u>	<u>\$23,918,423</u>	<u>\$25,143,090</u>	<u>\$24,316,126</u>
Business-type Activities				
Net investment in capital assets	\$20,726,712	\$24,058,607	\$25,297,847	\$25,328,156
Restricted	818,772	939,334	968,736	1,202,401
Unrestricted	4,257,949	2,645,946	3,658,025	3,969,611
Total Business-Type Activities Net Position	<u>\$25,803,433</u>	<u>\$27,643,887</u>	<u>\$29,924,608</u>	<u>\$30,500,168</u>
Primary Government				
Net investment in capital assets	\$38,478,358	\$38,173,685	\$40,687,852	\$38,796,541
Restricted	2,251,601	9,704,928	7,246,804	6,594,529
Unrestricted	9,413,721	3,683,697	7,133,042	9,425,224
Total Primary Government Net Position	<u>\$50,143,680</u>	<u>\$51,562,310</u>	<u>\$55,067,698</u>	<u>\$54,816,294</u>

Data Source:
 Village of Grafton Annual Financial Reports

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$15,429,261	\$20,742,649	\$21,828,625	\$22,945,260	\$23,046,407	\$25,406,680
2,007,639	1,765,487	1,590,269	848,447	2,209,985	1,811,405
8,697,902	5,159,161	4,500,444	4,432,759	5,612,462	5,645,086
<u>\$26,134,802</u>	<u>\$27,667,297</u>	<u>\$27,919,338</u>	<u>\$28,226,466</u>	<u>\$30,868,854</u>	<u>\$32,863,171</u>
\$27,045,649	\$27,754,384	\$27,677,745	\$28,162,963	\$28,162,812	\$29,495,218
1,291,412	907,585	1,150,616	1,251,824	1,210,735	658,601
3,170,894	3,095,526	4,039,689	3,940,640	4,484,959	3,876,766
<u>\$31,507,955</u>	<u>\$31,757,495</u>	<u>\$32,868,050</u>	<u>\$33,355,427</u>	<u>\$33,858,506</u>	<u>\$34,030,585</u>
\$42,474,910	\$48,497,033	\$49,506,370	\$51,108,223	\$51,209,219	\$54,901,898
3,299,051	2,673,072	2,740,885	2,100,271	3,420,720	2,470,006
11,868,796	8,254,687	8,540,133	8,373,399	10,097,421	9,521,852
<u>\$57,642,757</u>	<u>\$59,424,792</u>	<u>\$60,787,388</u>	<u>\$61,581,893</u>	<u>\$64,727,360</u>	<u>\$66,893,756</u>

VILLAGE OF GRAFTON, WISCONSIN

CHANGE IN NET POSITION

Table 2

LAST TEN FISCAL YEARS

	2005	2006	2007
Expenses			
Governmental Activities			
General Government	\$849,959	\$832,485	\$870,316
Public Safety	3,545,072	3,434,909	3,761,114
Public Works	2,990,123	4,941,488	6,077,640
Community Enrichment Services	1,491,828	1,331,925	1,469,851
Conservation and Development	2,730,714	1,253,725	1,656,348
Interest and Fiscal Charges	797,016	1,297,907	1,592,848
Loss on Retirement of Capital Assets	-	421,400	97,751
Total Governmental Activities	\$12,404,712	\$13,513,839	\$15,525,868
Business Type Activities			
Water	\$1,178,433	\$1,185,261	\$1,442,713
Wastewater	1,415,798	1,554,477	1,673,389
Total Business Type Activities	\$2,594,231	\$2,739,738	\$3,116,102
Total Primary Government Expenses	\$14,998,943	\$16,253,577	\$18,641,970
Program Revenues			
Governmental Activities			
General Government	\$175,375	\$143,734	\$144,191
Public Safety	642,847	596,713	789,001
Public Works	713,138	2,494,846	5,976,546
Community Enrichment Services	343,898	422,744	603,133
Conservation and Development	80,390	155,591	173,404
Total Governmental Activities Program Revenues	\$1,955,648	\$3,813,628	\$7,686,275
Business Type Activities			
Water	\$1,342,803	\$2,127,542	\$2,516,785
Wastewater	1,476,549	2,367,231	2,796,150
Total Business Type Activities Program Revenues	\$2,819,352	\$4,494,773	\$5,312,935
Total Primary Government Revenues	\$4,775,000	\$8,308,401	\$12,999,210
Net (Expense) Revenue			
Governmental Activities	(\$10,449,064)	(\$9,700,211)	(\$7,754,593)
Business Type Activities	225,121	1,755,035	2,196,833
Total Primary Government Net Expense	(\$10,223,943)	(\$7,945,176)	(\$5,642,760)
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes	\$ 6,481,156	\$ 6,824,960	\$ 7,267,342
Grants an Contributions not restricted to specific programs	655,435	749,523	775,844
Investment Income	400,206	1,168,128	1,015,814
Miscellaneous	297,869	89,452	219,814
Gain on disposal/sale of capital asset	-	-	-
Impact Fees	114,332	-	-
Special Item - Contribution of fire department assets	-	-	-
Transfers	-	-	-
Total Governmental Activities General Revenues	7,948,998	8,832,063	9,278,814
Business Type Activities			
Investment Income	45,004	87,969	147,261
Gains on disposal/sale of capital assets	-	-	756
Miscellaneous	-	-	-
Transfers	-	-	-
Total Business Type Activities General Revenues	45,004	87,969	148,017
Total Primary Government General Revenues	\$ 7,994,002	\$ 8,920,032	\$ 9,426,831
Change in Net Position			
Governmental Activities	\$ (2,500,066)	\$ (868,148)	\$ 1,503,350
Business Type Activities	270,125	1,843,004	2,280,721
Total Primary Government	\$ (2,229,941)	\$ 974,856	\$ 3,784,071

Data Source: Village of Grafton Annual Financial Reports

VILLAGE OF GRAFTON, WISCONSIN

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

Table 2

2008	2009	2010	2011	2012	2013	2014
\$975,718	\$1,047,936	\$1,287,202	\$1,060,715	\$1,206,024	\$1,106,731	\$1,113,773
3,799,337	3,933,738	4,028,675	4,145,259	4,069,235	4,682,409	4,840,222
3,866,639	4,175,123	3,905,416	4,052,703	4,143,976	6,027,858	4,205,192
1,489,936	1,476,475	1,526,436	1,593,125	1,557,193	1,505,768	1,441,183
5,109,841	393,441	492,458	701,307	452,034	196,761	365,718
1,694,032	1,873,040	1,816,320	1,688,388	1,647,863	2,057,640	1,356,035
-	-	-	-	-	-	-
\$16,935,503	\$12,899,753	\$13,056,507	\$13,241,497	\$13,076,325	\$15,577,167	\$13,322,123
\$1,326,489	\$1,268,301	\$1,402,617	\$1,191,427	\$1,248,987	\$1,339,615	\$1,460,774
1,618,759	1,717,067	1,841,661	1,856,418	1,864,949	1,919,537	2,088,792
\$2,945,248	\$2,985,368	\$3,244,278	\$3,047,845	\$3,113,936	\$3,259,152	\$3,549,566
\$19,880,751	\$15,885,121	\$16,300,785	\$16,289,342	\$16,190,261	\$18,836,319	\$16,871,689
\$2,206,868	\$347,399	\$374,557	\$404,276	\$457,109	\$460,136	\$490,324
1,399,826	834,532	480,325	472,908	443,517	857,013	1,195,854
1,282,137	1,040,115	2,589,404	1,499,981	1,356,082	2,857,680	1,263,993
833,956	377,387	387,463	371,564	375,098	372,235	422,101
157,837	2,170,643	495,835	474,393	372,047	409,810	726,048
\$5,880,624	\$4,770,076	\$4,327,584	\$3,223,122	\$3,003,853	\$4,956,874	\$4,098,320
\$1,468,698	\$2,143,321	\$1,664,582	\$1,954,540	\$1,831,098	\$1,859,023	\$1,738,987
1,670,120	2,050,932	2,025,332	2,426,190	2,000,670	2,168,701	2,238,715
\$3,138,818	\$4,194,253	\$3,689,914	\$4,380,730	\$3,831,768	\$4,027,724	\$3,977,702
\$9,019,442	\$8,964,329	\$8,017,498	\$7,603,852	\$6,835,621	\$8,984,598	\$8,076,022
(\$10,804,879)	(\$8,129,677)	(\$8,728,923)	(\$10,018,375)	(\$10,072,472)	(\$10,620,293)	(\$9,223,803)
193,570	1,208,885	445,636	1,332,885	717,832	768,572	428,136
(\$10,861,309)	(\$6,920,792)	(\$8,283,287)	(\$8,685,490)	(\$9,354,640)	(\$9,851,721)	(\$8,795,667)
\$ 7,743,849	\$ 8,386,808	\$ 8,997,860	\$ 9,107,069	\$ 9,302,767	\$ 9,482,991	\$ 9,558,926
744,923	808,688	634,850	673,909	650,295	934,392	1,299,482
579,175	206,895	157,353	160,025	116,622	32,240	41,250
399,755	46,417	186,969	35,584	25,755	21,641	48,221
-	223,032	14,173	23,626	13,958	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,521,209	-
-	276,513	270,213	270,203	270,203	270,213	270,241
9,467,702	9,948,353	10,261,418	10,270,416	10,379,600	13,262,686	11,218,120
162,196	41,454	47,808	31,627	19,624	720	14,184
970	22,500	17,037	-	20,124	-	-
-	11,461	9,272	16,246	-	-	-
-	(276,513)	(270,213)	(270,203)	(270,203)	(270,213)	(270,241)
163,166	(201,098)	(196,096)	(222,330)	(230,455)	(269,493)	(256,057)
\$ 9,630,868	\$ 9,747,255	\$ 10,065,322	\$ 10,048,086	\$ 10,149,145	\$ 12,993,193	\$ 10,962,063
\$ (1,526,964)	\$ 1,818,676	\$ 1,532,495	\$ 252,041	\$ 307,128	\$ 2,642,388	\$ 1,994,317
575,560	1,007,787	249,540	1,110,555	487,377	503,079	172,079
\$ (951,404)	\$ 2,826,463	\$ 1,782,035	\$ 1,362,596	\$ 794,505	\$ 3,145,467	\$ 2,166,396

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Reserved	\$76,596	\$67,325	\$122,014	\$75,991
Unreserved	1,496,946	1,698,772	2,014,242	2,773,149
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$1,573,542</u>	<u>\$1,766,097</u>	<u>\$2,136,256</u>	<u>\$2,849,140</u>
Other Governmental Funds				
Reserved	\$9,937,452	\$9,145,997	\$6,683,471	\$5,822,531
Unreserved:				
Special Revenue Funds	1,390,296	361,196	389,766	391,086
Capital Project Funds	1,648,507	4,101,981	2,323,863	3,017,024
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Other Funds	<u>\$12,976,255</u>	<u>\$13,609,174</u>	<u>\$9,397,100</u>	<u>\$9,230,641</u>
Total Governmental Funds				
Reserved	\$10,014,048	\$9,213,322	\$6,805,485	\$5,898,522
Unreserved	4,535,749	6,161,949	4,727,871	6,181,259
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Governmental Funds	<u>\$14,549,797</u>	<u>\$15,375,271</u>	<u>\$11,533,356</u>	<u>\$12,079,781</u>

Data Source:

Village of Grafton Annual Financial Reports

Note: In 2011 the Village implemented GASB Statement No. 54, which changed the classifications of fund balances. Prior periods have not been reclassified to this new standard.

VILLAGE OF GRAFTON

Table 3

FUND BALANCES, LAST TEN FISCAL YEARS

LAST TEN FISCAL YEARS

2009	2010	2011	2012	2013	2014
\$84,298	\$88,717	\$ -	\$ -	\$ -	\$ -
2,893,787	2,822,248	-	-	-	-
-	-	91,726	90,824	85,069	91,984
-	-	-	-	-	-
-	-	-	-	-	-
-	-	226,924	412,748	631,549	644,734
-	-	2,373,908	2,537,741	2,370,908	2,613,552
<u>\$2,978,085</u>	<u>\$2,910,965</u>	<u>\$2,692,558</u>	<u>\$3,041,313</u>	<u>\$3,087,526</u>	<u>\$3,350,270</u>
\$3,608,095	\$2,150,117	\$ -	\$ -	\$ -	\$ -
337,351	657,950	-	-	-	-
5,287,776	1,824,312	-	-	-	-
-	-	10,799	8,760	1,471,408	1,653,365
-	-	1,801,489	971,520	2,320,216	1,913,777
-	-	570,681	503,469	790,475	1,195,169
-	-	1,753,864	1,305,064	1,369,897	1,031,643
-	-	(400,145)	(400,150)	(912,696)	(1,221,637)
<u>\$9,233,222</u>	<u>\$4,632,379</u>	<u>\$3,736,688</u>	<u>\$2,388,663</u>	<u>\$5,039,300</u>	<u>\$4,572,317</u>
\$3,692,393	\$2,238,834	\$ -	\$ -	\$ -	\$ -
8,518,914	5,304,510	-	-	-	-
-	-	668,392	316,207	1,556,477	1,745,349
-	-	1,801,489	971,520	2,320,216	1,913,777
-	-	570,681	503,469	790,475	1,195,169
-	-	1,414,471	1,501,189	2,001,446	1,676,377
-	-	1,973,763	2,137,591	1,458,212	1,391,915
<u>\$12,211,307</u>	<u>\$7,543,344</u>	<u>\$ 6,428,796</u>	<u>\$ 5,429,976</u>	<u>\$ 8,126,826</u>	<u>\$ 7,922,587</u>

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2005	2006	2007	2008
Revenues				
Taxes	\$6,550,849	\$6,885,401	\$7,329,910	\$7,811,887
Intergovernmental	1,528,927	1,586,761	1,602,176	1,994,694
Licenses and Permits	346,166	378,364	537,137	837,933
Fines, Forfeitures and Penalties	123,888	126,065	126,490	132,084
Public Charges for Services	436,988	662,589	455,702	605,924
Intergovernmental Charges for Services	186,852	43,076	52,214	53,412
Special Assessments	114,332	216,164	34,303	125,988
Investment Income	400,206	1,168,128	1,015,814	579,175
Miscellaneous Revenues	216,438	431,482	673,517	3,300,103
Total Revenues	<u>\$9,904,646</u>	<u>\$11,498,030</u>	<u>\$11,827,263</u>	<u>\$15,441,200</u>
Expenditures by Function				
General Government	\$823,032	\$819,649	\$845,376	\$932,041
Public Safety	3,261,589	3,286,619	3,562,378	3,568,300
Public Works	1,906,633	4,172,379	5,190,572	2,827,722
Community Enrichment Services	1,046,545	1,178,477	1,303,740	1,288,536
Conservation and Development	2,462,302	1,361,693	1,485,639	5,165,763
Capital Outlays	2,003,905	8,956,734	4,006,478	2,465,738
Debt Service				
Principal Retirement	1,309,479	1,168,162	1,665,865	1,880,896
Interest	685,221	1,099,423	1,681,307	1,719,210
Fiscal Charges	84,781	190,528	92,429	42,369
Total Expenditures by Function	<u>\$13,583,487</u>	<u>\$22,233,664</u>	<u>\$19,833,784</u>	<u>\$19,890,575</u>
Excess of Revenues Over (under) Expenditures	(3,678,841)	(10,735,634)	(8,006,521)	(4,449,375)
Other Financing Sources (Uses)				
Bond proceeds and Debt Premiums	9,671,575	11,593,128	4,052,480	4,855,000
Payment to Refund Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	47,997	80,588
Transfers in	1,347,917	1,901,814	2,668,869	2,889,852
Transfers out	(1,347,917)	(1,901,814)	(2,604,740)	(2,829,639)
Total Other Financing Sources	<u>\$9,671,575</u>	<u>\$11,593,128</u>	<u>\$4,164,606</u>	<u>\$4,995,801</u>
Special Item - Contribution of Fire Department Assets	-	-	-	-
Net Change in Fund Balances	<u>\$5,992,734</u>	<u>\$857,494</u>	<u>(\$3,841,915)</u>	<u>\$546,426</u>
Debt Service as a percentage of non-capital outlay expenditures	35.28%	23.52%	21.89%	22.72%

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

2009	2010	2011	2012	2013	2014
\$10,374,018	\$9,116,020	\$9,255,400	\$9,498,246	\$9,683,361	\$9,760,244
1,850,392	1,817,076	1,849,051	1,738,932	2,068,890	2,216,493
560,550	349,367	420,851	418,053	415,286	581,886
128,043	128,648	108,201	123,709	107,511	115,783
435,799	436,416	428,847	704,078	1,029,055	1,022,269
52,388	53,513	70,851	114,883	250,341	373,238
114,176	151,664	145,251	37,236	1,394,717	161,517
207,009	153,383	156,055	116,625	31,311	41,249
562,525	618,819	543,734	212,657	678,460	864,917
<u>\$14,284,900</u>	<u>\$12,824,906</u>	<u>\$12,978,241</u>	<u>\$12,964,419</u>	<u>\$15,658,932</u>	<u>\$15,137,596</u>
\$999,338	\$991,421	\$1,003,024	\$1,123,036	\$1,031,254	\$1,069,549
3,742,891	3,804,990	3,932,886	3,836,716	4,179,267	4,276,223
2,428,848	2,484,252	2,680,755	2,674,337	2,693,155	2,720,333
1,271,073	1,331,802	1,393,687	1,361,473	1,320,027	1,306,988
409,349	501,198	701,976	506,971	291,538	374,598
6,818,501	4,776,479	854,960	1,071,184	3,747,885	2,161,164
2,629,287	2,807,678	2,266,498	2,072,758	2,280,753	2,576,547
1,827,165	1,896,685	1,624,166	1,895,802	1,415,956	1,252,309
137,968	17,750	50,000	-	-	-
<u>\$20,264,420</u>	<u>\$18,612,255</u>	<u>\$14,507,952</u>	<u>\$14,542,277</u>	<u>\$16,959,835</u>	<u>\$15,737,711</u>
(5,979,520)	(5,787,349)	(1,529,711)	(1,577,858)	(1,300,903)	(600,115)
10,739,126	835,000	6,359,977	3,284,606	7,834,552	-
(6,190,000)	-	(6,260,000)	(2,989,729)	(5,350,680)	-
1,285,408	14,173	45,163	13,958	25,750	125,635
3,980,176	5,142,685	3,790,792	4,624,392	4,474,150	4,403,998
(3,703,664)	(4,872,472)	(3,520,769)	(4,354,189)	(4,203,937)	(4,133,757)
<u>\$6,111,046</u>	<u>\$1,119,386</u>	<u>\$415,163</u>	<u>\$579,038</u>	<u>\$2,779,835</u>	<u>\$395,876</u>
-	-	-	-	1,217,918	-
<u>\$131,526</u>	<u>(\$4,667,963)</u>	<u>(\$1,114,548)</u>	<u>(\$998,820)</u>	<u>\$2,696,850</u>	<u>(\$204,239)</u>
20.90%	34.17%	28.50%	29.46%	27.98%	28.20%

VILLAGE OF GRAFTON, WISCONSIN
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Public Safety		Public Works		Community Enrichment Services	
2005	\$ 823,032	6.1%	\$ 3,261,589	24.0%	\$ 1,906,633	14.0%	\$ 1,046,545	7.7%
2006	819,649	3.7%	3,286,619	14.8%	4,172,379	18.8%	1,178,477	5.3%
2007	845,376	4.3%	3,562,378	18.0%	5,190,572	26.2%	1,303,740	6.6%
2008	932,041	4.7%	3,568,300	17.9%	2,827,722	14.2%	1,288,536	6.5%
2009	999,338	4.9%	3,742,891	18.5%	2,428,848	12.0%	1,271,073	6.3%
2010	991,421	5.3%	3,804,990	20.4%	2,484,252	13.3%	1,331,802	7.2%
2011	1,003,024	4.8%	3,932,886	18.9%	2,680,755	12.9%	1,393,687	6.7%
2012	1,123,036	6.4%	3,836,716	21.9%	2,674,337	15.3%	1,361,473	7.8%
2013	1,031,254	6.1%	4,179,267	24.6%	2,693,155	15.9%	1,320,027	7.8%
2014	1,069,549	6.8%	4,276,223	27.2%	2,720,333	17.3%	1,306,988	8.3%

Fiscal Year	Conservation and Development		Capital Outlays		Debt Service		Total Expenditures	
2005	\$ 2,462,302	18.1%	\$ 2,003,905	14.8%	\$ 2,079,481	15.3%	\$ 13,583,487	
2006	1,361,693	6.1%	8,956,734	40.3%	2,458,113	11.1%	22,233,664	
2007	1,485,639	7.5%	4,006,478	20.2%	3,439,601	17.3%	19,833,784	
2008	5,165,763	26.0%	2,465,738	12.4%	3,642,475	18.3%	19,890,575	
2009	409,349	2.0%	6,818,501	33.6%	4,594,420	22.7%	20,264,420	
2010	501,198	2.7%	4,776,479	25.7%	4,722,113	25.4%	18,612,255	
2011	701,976	3.4%	854,960	4.1%	10,200,664	49.1%	20,767,952	
2012	506,971	2.9%	1,071,184	6.1%	6,958,289	39.7%	17,532,006	
2013	291,538	1.7%	3,747,885	22.1%	3,696,709	21.8%	16,959,835	
2014	374,598	2.4%	2,161,164	13.7%	3,828,856	24.3%	15,737,711	

Source: Village of Grafton Annual Financial Reports

VILLAGE OF GRAFTON, WISCONSIN
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Taxes		Inter-Governmental		Licenses and Permits		Fines, Forfeitures and Penalties		Public Charges for Services	
2005	\$ 6,550,849	66.1%	\$ 1,528,927	15.4%	\$ 346,166	3.5%	\$ 123,888	1.3%	\$ 436,988	4.4%
2006	6,885,401	59.9%	1,586,761	13.8%	378,364	3.3%	126,065	1.1%	662,589	5.8%
2007	7,329,910	62.0%	1,602,176	13.5%	537,137	4.5%	126,490	1.1%	455,702	3.9%
2008	7,811,887	50.6%	1,994,694	12.9%	837,933	5.4%	132,084	0.9%	605,924	3.9%
2009	10,374,018	72.6%	1,850,392	13.0%	560,550	3.9%	128,043	0.9%	435,799	3.1%
2010	9,116,020	71.1%	1,817,076	14.2%	349,367	2.7%	128,648	1.0%	436,416	3.4%
2011	9,255,400	71.3%	1,849,051	14.2%	420,851	3.2%	108,201	0.8%	428,847	3.3%
2012	9,498,246	73.3%	1,738,932	13.4%	418,053	3.2%	123,709	1.0%	704,078	5.4%
2013	9,683,361	61.8%	2,068,890	13.2%	415,286	2.7%	107,511	0.7%	1,029,055	6.6%
2014	9,760,244	64.5%	2,216,493	14.6%	581,886	3.8%	115,783	0.8%	1,022,269	6.8%

Fiscal Year	Inter-Governmental Charges for Services		Special Assessments		Investment Income		Miscellaneous Revenues		Total Revenues	
2005	\$ 186,852	1.9%	\$ 114,332	1.2%	\$ 400,206	4.0%	\$ 216,438	2.2%	\$ 9,904,646	
2006	43,076	0.4%	216,164	1.9%	1,168,128	10.2%	431,482	3.8%	\$ 11,498,030	
2007	52,214	0.4%	34,303	0.3%	1,015,814	8.6%	673,517	5.7%	\$ 11,827,263	
2008	53,412	0.3%	125,988	0.8%	579,175	3.8%	3,300,103	21.4%	\$ 15,441,200	
2009	52,388	0.4%	114,175	0.8%	206,894	1.4%	562,525	3.9%	\$ 14,284,784	
2010	53,513	0.4%	151,664	1.2%	153,383	1.2%	618,819	4.8%	\$ 12,824,906	
2011	70,851	0.5%	145,251	1.1%	156,055	1.2%	543,734	4.2%	\$ 12,978,241	
2012	114,883	0.9%	37,236	0.3%	116,625	0.9%	212,660	1.6%	\$ 12,964,422	
2013	250,341	1.6%	1,394,717	8.9%	31,310	0.2%	678,460	4.3%	\$ 15,658,931	
2014	373,238	2.5%	161,517	1.1%	41,249	0.3%	864,917	5.7%	\$ 15,137,596	

Source: Village of Grafton Annual Financial Reports

VILLAGE OF GRAFTON, WISCONSIN
COMPARATIVE TAX LEVIES FOR ALL DIRECT
AND OVERLAPPING GOVERNMENTS AND TOTAL COLLECTIONS

LAST TEN FISCAL YEARS

Levy Year	Collection Year	State of Wisconsin	Ozaukee County	Village of Grafton	Grafton Schools	Cedarburg Schools
2005	2006	\$ 186,468	\$ 1,715,926	\$ 6,046,590	\$ 7,996,329	\$ 1,132,754
2006	2007	190,015	1,760,675	6,259,191	8,491,999	1,145,638
2007	2008	190,277	1,723,895	6,451,304	9,021,156	1,185,346
2008	2009	203,830	1,819,182	6,689,113	9,016,171	1,264,674
2009	2010	205,575	1,872,661	6,849,282	10,215,840	1,347,715
2010	2011	198,841	1,878,211	6,941,344	10,186,049	1,360,195
2011	2012	202,699	1,947,112	7,128,335	10,196,550	1,237,426
2012	2013	189,803	1,912,175	7,378,783	10,140,502	1,161,989
2013	2014	185,903	1,970,586	7,443,000	10,800,627	1,197,869
2014	2015	194,898	1,990,499	7,499,567	10,749,940	1,210,796

Levy Year	Collection Year	MATC	Tax Incremental Districts	Gross Tax Levy	Total Collections	Percent Collected
2005	2006	\$ 1,817,212	\$ 555,518	\$ 19,450,797	\$ 19,447,680	99.98%
2006	2007	1,844,288	756,344	20,448,150	20,438,056	99.95%
2007	2008	1,894,692	991,231	21,457,901	21,455,087	99.99%
2008	2009	2,047,377	1,597,508	22,637,855	22,632,584	99.98%
2009	2010	2,130,200	1,946,065	24,567,338	24,564,864	99.99%
2010	2011	2,068,717	1,952,126	24,585,483	24,579,083	99.97%
2011	2012	2,140,920	1,949,643	24,802,685	24,796,237	99.97%
2012	2013	2,192,240	1,852,879	24,828,371	24,825,728	99.99%
2013	2014	2,161,298	1,861,907	25,621,190	25,618,384	99.99%
2014	2015	1,347,466	1,899,548	24,892,714	*	*

* Collections to date are in process

Source: Statement of taxes and Tax District Treasurer's Settlements

VILLAGE OF GRAFTON, WISCONSIN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2005	\$ 6,046,590	\$ 3,422,591	56.60%	\$ 2,623,999	\$ 6,046,590	100.00%
2006	6,259,191	3,549,412	56.71%	2,709,779	6,259,191	100.00%
2007	6,451,304	3,115,486	48.29%	3,335,818	6,451,304	100.00%
2008	6,689,113	3,095,297	46.27%	3,593,129	6,688,426	99.99%
2009	6,849,282	3,824,303	55.84%	3,024,121	6,848,424	99.99%
2010	6,941,344	3,602,806	51.90%	3,334,439	6,937,245	99.94%
2011	7,128,335	3,916,860	54.95%	3,205,028	7,121,888	99.91%
2012	7,378,783	4,051,826	54.91%	3,324,314	7,376,140	99.96%
2013	7,443,000	4,266,797	57.33%	3,176,203	7,442,001	99.99%
2014	7,499,567	4,300,533	57.34%	*	*	*

*Collections to date or in process

Source: Statement of Taxes and Tax District Treasurer's Settlements

VILLAGE OF GRAFTON, WISCONSIN

PROPERTY VALUATIONS

ASSESSED VALUATIONS

LAST TEN FISCAL YEARS

Year	Residential	Commercial	Manufacturing	Agricultural, Swamp & Forest
2005	\$ 640,209,100	\$ 178,151,000	\$ 56,317,900	\$ 719,100
2006	788,428,500	207,142,900	62,778,600	790,300
2007	803,383,400	225,505,800	50,867,900	510,400
2008	804,214,300	268,867,500	51,184,400	775,300
2009	827,619,300	268,418,900	43,445,100	1,177,600
2010	795,444,700	302,841,000	42,519,900	1,404,700
2011	833,475,600	294,333,400	42,637,900	987,000
2012	836,284,800	288,739,600	44,854,200	988,800
2013	837,346,700	291,530,400	46,906,600	988,800
2014	773,122,300	293,306,300	46,898,000	1,158,700

Year	Other	Total Real Estate	Personal Property	Total Assessed
2005	\$ 132,300	\$ 1,059,272,600	\$ 15,954,800	\$ 1,075,227,400
2006	175,000	1,080,442,500	18,842,100	1,099,284,600
2007	175,000	1,125,216,500	19,561,800	1,144,778,300
2008	303,800	1,140,964,700	22,644,100	1,163,608,800
2009	175,000	1,142,385,300	26,461,600	1,168,846,900
2010	168,600	1,171,602,500	28,846,200	1,200,448,700
2011	126,100	1,170,993,500	29,842,200	1,200,835,700
2012	126,100	1,170,993,500	27,458,800	1,198,452,300
2013	126,100	1,176,898,600	29,173,400	1,206,072,000
2014	112,500	1,114,597,800	28,530,100	1,143,127,900

Source: "Statistical Report of Property Valuations"
Published by Bureau of Property Tax, Wisconsin Department of Revenue

VILLAGE OF GRAFTON, WISCONSIN
ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Levy Year	Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY	
		Assessed Value	Equalized Value	Assessed Value	Equalized Value
2005	2006	\$ 875,529,400	\$ 976,310,800	\$ 15,954,800	\$ 17,759,600
2006	2007	1,059,315,308	1,063,150,700	18,842,100	18,869,200
2007	2008	1,080,442,500	1,100,767,800	19,561,800	20,448,300
2008	2009	1,125,345,300	1,177,385,800	22,644,100	23,691,300
2009	2010	1,140,835,900	1,183,809,800	26,461,600	27,549,900
2010	2011	1,142,378,900	1,142,819,500	28,846,200	28,857,300
2011	2012	1,171,560,000	1,164,576,600	29,842,200	29,834,400
2012	2013	1,170,993,500	1,092,794,500	27,458,800	25,629,000
2013	2014	1,176,898,600	1,069,370,600	29,173,400	26,073,800
2014	2015	1,114,597,800	1,119,971,400	28,530,100	28,473,600
TOTAL					
Levy Year	Fiscal Year	Assessed Value	Equalized Value	Ratio of Assessed to Equalized Value	Computer Exemption Equalized Value
2005	2006	\$ 1,078,157,408	\$ 1,082,019,900	0.8968	\$ 4,753,200
2006	2007	1,100,004,300	1,121,216,100	0.9964	5,998,400
2007	2008	1,147,989,400	1,201,077,100	0.9811	5,614,400
2008	2009	1,167,297,500	1,211,359,700	0.9558	9,353,300
2009	2010	1,171,225,100	1,171,676,800	0.9636	10,825,500
2010	2011	1,171,225,100	1,171,676,800	0.9996	11,063,800
2011	2012	1,198,452,300	1,118,423,500	1.0059	15,998,400
2012	2013	1,198,452,300	1,118,423,500	1.0713	13,319,700
2013	2014	1,206,072,000	1,095,444,400	1.1010	6,232,400
2014	2015	1,143,127,900	1,148,445,000	0.9951	6,232,400

Effective January 1, 1999, business computers are exempt from property taxes.

Source: "Statistical Report of Property Valuations"

Published by Bureau of Property Tax, Wisconsin Department of Revenue

**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUE**

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE GRAFTON SCHOOL DISTRICT

<u>Levy Year</u>	<u>Collection Year</u>	<u>State of Wisconsin</u>	<u>Ozaukee County</u>	<u>Village of Grafton</u>	<u>Grafton Schools</u>
2005	2006	\$ 0.2092	\$ 1.9819	\$ 6.9839	\$ 10.5586
2006	2007	0.1762	1.6962	6.0298	9.3501
2007	2008	0.1730	1.6434	6.1501	9.8234
2008	2009	0.1776	1.7061	6.2734	9.6366
2009	2010	0.1761	1.7431	6.3754	10.8310
2010	2011	0.1698	1.7429	6.4413	10.7546
2011	2012	0.1687	1.7595	6.4414	10.4436
2012	2013	0.1584	1.7242	6.6535	10.3609
2013	2014	0.1541	1.7617	6.6541	10.9274
2014	2015	0.1705	1.8852	7.1028	11.5027

**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUE**

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE CEDARBURG SCHOOL DISTRICT

<u>Levy Year</u>	<u>Collection Year</u>	<u>State of Wisconsin</u>	<u>Ozaukee County</u>	<u>Village of Grafton</u>	<u>Cedarburg Schools</u>
2005	2006	\$ 0.2092	\$ 1.9819	\$ 6.9839	\$ 10.4439
2006	2007	0.1762	1.6962	6.0298	8.8256
2007	2008	0.1730	1.6434	6.1501	9.0736
2008	2009	0.1776	1.7061	6.2734	9.6796
2009	2010	0.1761	1.7431	6.3754	10.2781
2010	2011	0.1698	1.7429	6.4413	10.4225
2011	2012	0.1687	1.7595	6.4414	9.4974
2012	2013	0.1584	1.7242	6.6535	8.9191
2013	2014	0.1541	1.7617	6.6541	9.2032
2014	2015	0.1705	1.8852	7.1028	9.9815

Source: Tax Levy from Direct and Overlapping Governments; Tax Increment Calculation Worksheet; and Tax Rate Calculations certified to tax roll

**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUE**

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE GRAFTON SCHOOL DISTRICT

<u>MATC</u>	<u>Total</u>	<u>School State Credit</u>	<u>Net Tax Rate</u>	<u>Assessed Valuation</u>
\$ 2.0989	\$ 21.8325	\$ 1.4752	\$ 20.3573	\$ 783,023,100
1.7767	19.0290	1.4786	17.5504	948,348,400
1.8062	19.5961	1.5809	18.0152	969,367,000
1.9201	19.7138	1.6423	18.0715	1,017,388,200
1.9828	21.1084	1.5851	19.5234	1,036,173,100
1.9197	21.0283	1.5832	19.4451	1,040,720,000
1.9346	20.7478	1.5337	19.2141	1,071,086,100
1.9768	20.8738	1.5486	19.3252	1,068,171,100
1.9322	21.4295	1.5143	19.9152	1,075,914,600
1.2762	21.9374	1.6188	20.3186	1,021,824,000

**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUE**

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE CEDARBURG SCHOOL DISTRICT

<u>MATC</u>	<u>Total</u>	<u>School State Credit</u>	<u>Net Tax Rate</u>	<u>Assessed Valuation</u>
\$ 2.0989	\$ 21.7178	\$ 1.4752	\$ 20.2426	\$ 108,461,100
1.7767	18.5045	1.4786	17.0259	129,809,000
1.8062	18.8463	1.5809	17.2654	130,637,300
1.9201	19.7568	1.6423	18.1145	130,654,100
1.9828	20.5556	1.5851	18.9705	131,124,400
1.9197	20.6962	1.5832	19.1130	130,505,100
1.9346	19.8016	1.5337	18.2679	130,291,600
1.9768	19.4320	1.5486	17.8834	130,281,200
1.9322	19.7053	1.5413	18.1640	130,157,400
1.2762	20.4162	1.6188	18.7974	121,303,900

**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF EQUALIZED VALUE**

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE GRAFTON SCHOOL DISTRICT

<u>Levy Year</u>	<u>Collection Year</u>	<u>State of Wisconsin</u>	<u>Ozaukee County</u>	<u>Village of Grafton</u>	<u>Grafton Schools</u>
2005	2006	\$ 0.1876	\$ 1.7774	\$ 6.2632	\$ 9.4689
2006	2007	0.1756	1.6901	6.0083	9.3167
2007	2008	0.1697	1.6124	6.0338	9.6376
2008	2009	0.1697	1.6308	5.9964	9.2111
2009	2010	0.1697	1.6797	6.1435	10.4370
2010	2011	0.1697	1.7422	6.4388	10.7505
2011	2012	0.1697	1.7698	6.4790	10.5044
2012	2013	0.1697	1.8472	7.1281	11.1000
2013	2014	0.1697	1.9396	7.3261	12.0311
2014	2015	0.1697	1.8765	7.0700	11.4490

**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF EQUALIZED VALUE**

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE CEDARBURG SCHOOL DISTRICT

<u>Levy Year</u>	<u>Collection Year</u>	<u>State of Wisconsin</u>	<u>Ozaukee County</u>	<u>Village of Grafton</u>	<u>Cedarburg Schools</u>
2005	2006	\$ 0.1876	\$ 1.7774	\$ 6.2632	\$ 9.3660
2006	2007	0.1756	1.6901	6.0083	8.7941
2007	2008	0.1697	1.6124	6.0338	8.9019
2008	2009	0.1697	1.6308	5.9964	9.2521
2009	2010	0.1697	1.6797	6.1435	9.9043
2010	2011	0.1697	1.7422	6.4388	10.4185
2011	2012	0.1697	1.7698	6.4790	9.5531
2012	2013	0.1697	1.8472	7.1281	9.5553
2013	2014	0.1697	1.9396	7.3261	10.1313
2014	2015	0.1697	1.8765	7.0700	9.9380

Source: Tax Levy from Direct and Overlapping Governments; Tax Increment Calculation Worksheet; and Tax Rate Calculations certified to tax roll

**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF EQUALIZED VALUE**

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE GRAFTON SCHOOL DISTRICT

<u>MATC</u>	<u>Total</u>	<u>School State Credit</u>	<u>Net Tax Rate</u>	<u>Equalized Valuation</u>
\$ 1.8823	\$ 19.5794	\$ 1.3229	\$ 18.2565	\$ 815,833,523
1.7704	18.9611	1.4734	17.4877	951,745,783
1.7721	19.2256	1.5510	17.6746	988,059,669
1.8353	18.8433	1.5699	17.2734	1,064,387,255
1.9107	20.3407	1.5274	18.8132	1,075,285,660
1.9189	21.0201	1.5826	19.4375	1,041,121,268
1.9459	20.8688	1.5426	19.3262	1,064,880,115
2.1178	22.3628	1.6591	20.7037	997,053,500
2.1274	23.5939	1.6672	21.9267	977,210,254
1.2700	21.8352	1.6110	20.2242	1,026,615,514

**COMPARATIVE TAX RATES FOR ALL DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF EQUALIZED VALUE**

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE CEDARBURG SCHOOL DISTRICT

<u>MATC</u>	<u>Total</u>	<u>School State Credit</u>	<u>Net Tax Rate</u>	<u>Equalized Valuation</u>
\$ 1.8823	\$ 19.4765	\$ 1.3229	\$ 18.1536	\$ 120,942,677
1.7704	18.4385	1.4734	16.9651	130,274,117
1.7721	18.4899	1.5510	16.9389	133,156,431
1.8353	18.8843	1.5699	17.3144	136,689,845
1.9107	19.8079	1.5274	18.2805	136,074,040
1.9189	20.6881	1.5826	19.1055	130,555,432
1.9459	19.9175	1.5426	18.3749	129,530,885
2.1178	20.8181	1.6591	19.1590	121,607,200
2.1274	21.6941	1.6672	20.0269	118,234,146
1.2700	20.3242	1.6113	18.7129	121,829,486

RATIO OF NET GENERAL OBLIGATION DEBT TO EQUALIZED VALUE

LAST TEN FISCAL YEARS

As of December 31	Total G.O. Debt Outstanding	Less: Funds Available for Debt Service	Net Debt Outstanding	Equalized Value	Statutory Debt Capacity (5% of Equalized Value)
2005	\$ 27,340,421	\$ 397,080	\$ 26,943,341	\$ 994,070,400	\$ 49,703,520
2006	37,051,300	1,168,198	35,883,102	1,082,019,900	54,100,995
2007	39,142,612	755,543	38,387,069	1,121,216,100	56,060,805
2008	42,930,903	451,144	42,479,759	1,201,077,100	60,053,855
2009	44,429,599	274,202	44,155,397	1,211,359,700	60,567,985
2010	42,125,011	179,045	41,945,966	1,171,676,800	58,583,840
2011	40,242,735	311,598	39,931,137	1,253,337,400	62,666,870
2012	38,147,460	129,424	38,018,036	1,118,660,700	55,933,035
2013	40,697,293	216,797	40,480,496	1,095,444,400	54,772,220
2014	37,815,841	177,646	37,638,195	1,148,445,000	57,422,250

As of December 31	Ratio of Net Debt to Debt Capacity	Population	Net Debt Per Capita	Net Debt Per \$1,000 of Equalized Value
2005	54.21%	11,310	\$ 2,382	\$ 27.10
2006	66.33%	11,380	3,153	33.16
2007	68.47%	11,420	3,361	34.24
2008	70.74%	11,450	3,710	35.37
2009	72.90%	11,470	3,850	36.45
2010	71.60%	11,480	3,654	35.80
2011	63.72%	11,465	3,483	31.86
2012	67.97%	11,464	3,316	33.99
2013	73.91%	11,467	3,530	36.95
2014	65.55%	11,467	3,282	32.77

Source: Village of Grafton Annual Financial Reports; State of Wisconsin Department of Administration, Demographic Services Center; and State of Wisconsin Department of Revenue, Bureau of Property Tax.

Note: Equalized value is used instead of assessed value due to the fact that the statutory debt capacity in Wisconsin is based on equalized value.

Note: Personal income information is not available.

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities		
	General Obligation Debt	Revenue Bonds	General Obligation Debt	Total Business-Type Activities	
2005	\$ 24,559,058	\$ -	\$ 2,781,363	\$ 2,781,363	
2006	34,925,895	-	2,125,405	2,125,405	
2007	37,310,030	1,550,000	1,832,582	3,382,582	
2008	40,284,134	1,550,000	2,646,769	4,196,769	
2009	43,594,848	1,495,000	2,329,752	3,824,752	
2010	40,127,169	1,435,000	1,997,842	3,432,842	
2011	37,940,671	1,370,000	2,302,064	3,672,064	
2012	36,158,184	1,305,000	1,989,276	3,294,276	
2013	36,714,603	1,235,000	3,982,680	5,217,680	
2014	34,138,056	1,160,000	3,677,785	4,837,785	

Fiscal Year	Total General Obligation Debt	Total Revenue Bond Debt	Total	Population	Net Debt Per Capita
2005	\$ 27,340,421	\$ -	\$ 27,340,421	11,310	\$2,417
2006	37,051,300	-	37,051,300	11,380	3,256
2007	39,142,612	1,550,000	40,692,612	11,420	3,428
2008	42,930,903	1,550,000	44,480,903	11,450	3,749
2009	44,429,600	1,495,000	45,924,600	11,470	3,874
2010	42,125,011	1,435,000	43,560,011	11,480	3,669
2011	40,242,735	1,370,000	41,612,735	11,465	3,510
2012	38,147,460	1,305,000	39,452,460	11,464	3,328
2013	40,697,293	1,235,000	41,932,293	11,467	3,549
2014	37,815,841	1,160,000	38,975,841	11,467	3,298

Source: Village of Grafton Annual Financial Reports; State of Wisconsin Department of Administration, Demographic Services Center; and State of Wisconsin Department of Revenue, Bureau of Property Tax.

COMPUTATION OF OVERLAPPING DEBT

LAST TEN FISCAL YEARS

Direct: Village of Grafton				Overlapping: Ozaukee County		
End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2014	\$ 37,815,841	100.00%	\$37,815,841	\$ 33,910,000	10.19%	\$3,455,429
2013	40,697,293	100.00%	40,697,293	20,369,530	10.09%	2,055,286
2012	38,147,460	100.00%	38,147,460	19,820,458	10.81%	2,142,592
2011	40,242,735	100.00%	40,242,735	21,220,000	10.45%	2,217,490
2010	42,125,011	100.00%	42,125,011	17,635,000	10.15%	1,789,953
2009	44,429,599	100.00%	44,429,599	17,509,129	10.12%	1,771,924
2008	42,930,903	100.00%	42,930,903	19,761,586	9.95%	1,966,278
2007	39,142,612	100.00%	39,142,612	8,538,833	9.60%	819,728
2006	37,051,300	100.00%	37,051,300	9,697,000	9.95%	964,852
2005	28,730,930	100.00%	28,730,930	6,187,000	9.95%	615,607

Overlapping: Grafton School District				Overlapping: Cedarburg School District		
End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2014	\$ 14,040,000	63.37%	\$ 8,897,148	\$ 13,505,000	5.64%	\$ 761,682
2013	15,085,000	62.52%	9,431,142	15,210,000	5.64%	857,844
2012	14,310,000	65.03%	9,305,793	17,010,000	5.82%	989,982
2011	11,385,000	63.35%	7,212,398	17,250,000	6.11%	1,053,975
2010	12,300,000	62.79%	7,723,170	19,755,000	6.21%	1,226,786
2009	13,220,000	63.57%	8,403,954	22,165,000	6.14%	1,360,931
2008	18,620,000	61.71%	11,490,402	22,165,000	6.08%	1,347,632
2007	20,075,000	62.10%	12,466,575	26,707,000	5.94%	1,586,396
2006	14,745,000	62.25%	9,178,763	28,887,000	6.05%	1,747,664
2005	15,630,000	62.77%	9,810,951	30,962,000	6.08%	1,882,490

Overlapping: Milwaukee Area Technical College				Total Overlapping Debt		
End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2014	\$133,620,000	1.54%	\$2,057,748	\$232,890,841	22.75%	\$52,987,848
2013	137,170,000	1.51%	2,071,267	228,531,823	24.12%	55,112,832
2012	100,835,000	1.53%	1,542,776	190,122,918	27.42%	52,128,602
2011	98,340,000	1.45%	1,425,930	187,627,918	27.72%	52,011,757
2010	128,075,000	1.43%	1,831,473	218,172,735	24.09%	52,558,070
2009	94,630,000	1.40%	1,324,820	186,445,011	29.06%	54,189,739
2008	101,815,000	1.36%	1,384,684	199,138,728	28.80%	57,351,092
2007	74,850,000	1.39%	1,040,415	178,327,489	32.96%	58,775,630
2006	78,405,000	1.39%	1,089,830	172,868,445	31.88%	55,105,141
2005	75,165,000	1.43%	1,074,860	165,545,300	30.21%	50,017,439

**VILLAGE OF GRAFTON, WISCONSIN
REVENUE BOND COVERAGE
WATER AND WASTEWATER UTILITY**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2014	\$ 3,876,382	\$ 2,145,577	\$ 1,730,805	\$ 75,000	\$ 47,471	\$ 122,471	14.13
2013	3,753,462	1,903,987	1,849,475	70,000	53,971	123,971	14.92
2012	3,703,764	1,873,431	1,830,333	65,000	57,221	122,221	14.98
2011	3,791,410	1,839,773	1,951,637	65,000	60,471	125,471	15.55
2010	3,616,399	1,875,412	1,740,987	60,000	63,471	123,471	14.10
2009	3,265,933	1,883,535	1,382,398	55,000	66,221	121,221	11.40
2008	3,301,014	1,906,675	1,394,339	-	99,332	99,332	14.04

- Notes:**
- (1) Total operating revenues plus interest on investments
 - (2) Total operating expenses less depreciation
 - (3) Includes interest and principal on revenue bonds issued for water and sewer main replacement
Does not include general obligation debt

VILLAGE OF GRAFTON, WISCONSIN

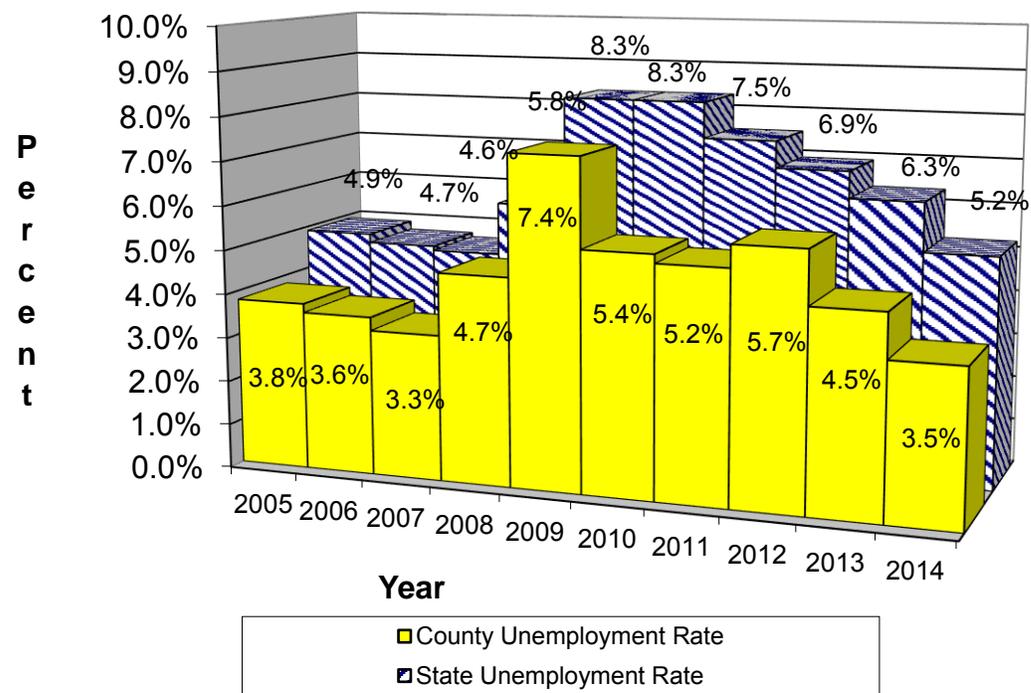
DEMOGRAPHIC INFORMATION

**Employment Information
(Ozaukee County)**

<u>Year</u>	<u>Labor Force</u>	<u>Average Employed</u>	<u>Average Unemployed</u>
2005	47,761	46,019	1,742
2006	48,212	46,467	1,745
2007	48,667	47,050	1,617
2008	48,407	46,117	2,290
2009	47,334	43,817	3,517
2010	46,700	43,703	2,997
2011	46,863	44,426	2,437
2012	46,917	44,249	2,668
2013	46,858	44,726	2,132
2014	47,712	46,028	1,684

Source: Wisconsin Department of Workforce Development

Unemployment Rates



Source: Wisconsin Department of Workforce Development

VILLAGE OF GRAFTON, WISCONSIN

PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

TEN LARGEST TAXPAYERS - 2014

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Inland Amercian Grafton Port Washington LLC	Retail	\$ 16,182,200	\$ 328,576	1.32%
Costco	Retail	13,579,700	275,846	1.11%
Grafton LLC	Retail	10,951,600	222,447	0.89%
Tillmann Corporation	Residential Developer	9,809,100	199,425	0.80%
AMC Holdings LLC	Retail	9,125,200	185,337	0.74%
Arrowhead Apartments LLC	Apartment Buildings	8,761,800	177,730	0.71%
Home Depot	Retail	8,370,100	169,994	0.68%
Arrowhead Associates LLC	Apartment Buildings	7,980,700	161,933	0.65%
Dayton Hudson Corp (Target)	Retail	7,946,600	161,389	0.65%
Meijer Stores Limited Partnership	Retail	7,445,000	151,272	0.61%
Total for Ten Largest Taxpayers		\$83,969,800	\$1,705,373	6.85%

TEN LARGEST TAXPAYERS - 2005

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Cary Rentals	Apartment Building Owner	\$12,859,000	\$234,669	1.29%
Tillmann Corporation	Residential Developer	9,656,600	176,274	0.97%
Arrowhead Apartments LLC	Apartment Building Owner	9,337,700	170,467	0.94%
Home Depot U.S.A. Inc.	Retail	9,076,110	165,698	0.91%
Arrowhead Association LLC	Apartment Building Owner	8,485,300	154,910	0.85%
Oak Street (Manchester Plaza)	Commercial Property Owner	8,436,700	154,025	0.85%
Dayton Hudson (Target)	Retail	7,548,690	137,812	0.76%
Leeson Electric	Mfg. Electric Motors	5,885,700	107,452	0.59%
Leggett Partners LP	Mfg. Aluminum Die Casts	5,730,160	104,610	0.58%
Tecumseh Products Co	Mfg. Internal Combustion Engines	5,085,400	92,841	0.51%
Total for Ten Largest Taxpayers		\$82,101,360	\$1,498,758	8.25%

VILLAGE OF GRAFTON, WISCONSIN

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

TEN LARGEST EMPLOYERS - 2014

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Aurora Medical Center	Medical Facility	1067
Pace Industries	Mfg. - Aluminum Die Castings	500
Grafton School District	Education	338
Kapco	Mfg. - Stamping	300
Rexnord Corporation - Plastics Div.	Mfg. - Plastic Injection Molding	258
Calibre	Mfg - Springs	250
Costco	Retail	175
Target	Retail	170
Sendiks	Grocer	155
Kohls	Retail	150

TEN LARGEST EMPLOYERS - 2005

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
EST Company (Leggett & Platt)	Mfg. - Aluminum Die Castings	798
Grafton School District	Education	320
Rexnord Corporation - Plastics Div.	Mfg. - Plastic Injection Molding	240
Calibre	Mfg. - Specialty Paint Design	165
Kapco	Mfg. - Metal Stampings	165
Exacto Spring Corporation	Mfg. - Springs	160
Target	Retail	150
Home Depot	Retail	141
Gold's Pick 'n Save	Grocer	140
Kohl's Department Store	Retail	135

*Information regarding total employment for the Village is not available. The State of Wisconsin only reports by County and does not allow us to calculate the percentage of employees for the largest employers in the Village.



DEMOGRAPHICS

Area - Square Miles

2014	5.12
2013	5.12
2012	5.11
2011	5.11
2010	5.11
2009	5.11
2008	5.04
2007	4.47
2006	4.47

Population

2014	11,490
2013	11,467
2012	11,464
2011	11,465
2010	11,459
2009	11,470
2008	11,450
2007	11,420
2006	11,380

Age (2010)

Under 5 years	5.60%
5 to 19 years	19.30%
20 to 29 years	11.70%
30 to 39 years	12.40%
40 to 49 years	15.00%
50 to 59 years	15.10%
60 to 69 years	10.60%
70 to 79 years	6.20%
80 years and over	4.20%

Education Attainment (2010)

(Population 25 years and over)	
Less than 9th grade	1.7%
9th to 12 grade, no diploma	2.4%
High school graduate (includes equivalency)	26.4%
Some college, no degree	22.5%
Associate's degree	11.9%
Bachelor's degree	25.8%
Graduate or professional degree	9.3%

Race (2010)

White*	95.50%
Asian	1.80%
Two or More Races	1.00%
Black or African American	0.80%
Some Other Race	0.60%
American Indian and Alaska Native	0.30%
*Including Hispanic	2.30%

Housing Units (2010)

Total Dwelling Units	5,232
Single Family	53.0%
Duplex	10.1%
Multi-Family (Apartments)	23.9%
Multi-Family (Condominiums)	13.0%

Major Employers (2015)

Aurora Medical Center	1067
Pace Industries	500
Grafton School District	338
Kapco	300
Rexnord Corporation - Plastics Div.	258
Calibre	250
Costco	175
Target	170
Sendiks	155
Kohls	150

Equalized Value of Largest Property Taxpayers (2014)

Inland American Grafton Port Washington LLC	\$16,182,200
Costco	13,579,700
Grafton LLC	10,951,600
Tillmann Corporation	9,809,100
AMC Holdings LLC	9,125,200
Arrowhead Apartments LLC	8,761,800
Home Depot	8,370,100
Arrowhead Associates LLC	7,980,700
Dayton Hudson Corp (Target)	7,946,600
Meijer Stores Limited Partnership	7,445,000

Source: U.S. Census, Village of Grafton
 Note: Personal income data not available.



DEMOGRAPHICS

Building Permits

Year	Number	Value (millions)
2014	932	32.6
2013	880	19.2
2012	836	11.6
2011	767	28.1
2010	801	14.1
2009	747	227.7
2008	1,024	53.8
2007	1,016	45.0
2006	937	20.1
2005	730	16.5

Employment Trends (Ozaukee County)

	Employment	Unemployment Rate
2014		3.90%
2013	44,726	4.5%
2012	44,249	5.7%
2011	44,425	5.2%
2010	43,703	5.4%
2009	43,817	7.4%
2008	46,117	4.7%
2007	47,050	3.3%
2006	46,467	3.5%

Parks

	Developed Parks	Acres Maintained
2014	17	120
2013	17	120
2012	17	120
2011	17	120
2010	17	120
2009	17	120
2008	17	120
2007	17	120
2006	17	120

Public Safety

Number of Police Stations	1
Number of Fire Stations	1
ISO Rating	3

Occupational Composition (2010)

Managerial and Professional	48.30%
Technical, Sales and Administrative	18.90%
Production and Transportation	10.50%
Service Occupations	7.70%

Water / Wastewater

Active Accounts Served	4,899
Water Treated and Distributed (millions of gallons)	364
Sanitary Sewers (miles)	54.66
Water Main (miles)	69.78

Elections (2015)

	Registered Voters	Turn-out	Percent
Spring General	7,901	1,874	23.7%

Infrastructure

Miles of State Highway System	2.54
Miles of County Highway System	3.28
Miles of Local Roads and Streets	53.02
Miles of Sidewalks	82.64
Number of Street Lights	1,659

School Registration (2013-2014)

Elementary Schools (Grades K-5)	947
John Long Middle School (Grades 6-8)	489
Grafton High School (Grades 9-12)	746

Number of Sworn Police Officers

2014	22
2013	22
2012	22
2011	22
2010	22
2009	22
2008	22
2007	21
2006	21

Source: Wisconsin Department of Revenue, Wisconsin Department of Administration, Village of Grafton Annual Financial Reports, and Village of Grafton Comprehensive (Master) Plan

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VILLAGE OF GRAFTON WISCONSIN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	2005	2006	2007
Police			
Citations Issued	3,471	4,148	3,155
Calls for Service	22,364	26,937	30,829
Inspection			
Total Permits Issued	1,024	1,059	1,149
Public Works			
Asphalt Placed by Village Staff	218	351	339
Tons of Salt Used	1,382	578	1,867
Community Activities			
Average Daily Attendance at Senior Center	56	58	60
Family Aquatic Center Total Attendance	27,702	25,391	25,213
Recreation Program Participants	2,322	2,470	2,451
Library			
Annual Circulation	192,293	196,380	205,599
Water and Wastewater			
Water and Wastewater Bills Processed	18,294	18,343	18,795

VILLAGE OF GRAFTON WISCONSIN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

2008	2009	2010	2011	2012	2013	2014
2,922	3,807	4,005	4,015	3,908	3,596	3,415
29,613	31,533	31,509	26,705	21,158	21,726	21,208
1,179	739	924	880	836	880	929
644	517	245	406	339	353	451
1,945	1,386	983	1,155	1,059	2,127	1,827
55	57	53	57	59	56	57
29,885	25,117	30,157	22,836	28,127	19,069	17,759
2,148	2,050	2,127	2,215	2,390	1,983	2,569
223,593	247,746	254,486	246,278	234,253	215,767	215,767
18,910	19,025	18,900	18,948	19,630	19,846	19,846

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2005-2014**

Table 22

GENERAL FUND

General Government	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Office of the Village Administrator										
Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant I	0.67	0.67	0.67	0.67	0.67	0.75	0.75	0.75	0.75	0.75
Total Village Administrator's Office	1.67	1.67	1.67	1.67	1.67	1.75	1.75	1.75	1.75	1.75
Department of Administrative Services										
Finance										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accountant	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.63	0.63	0.63
Administrative Assistant I	0.33	0.33	0.33	0.33	0.33	0.25	0.25	0.25	0.25	0.25
Accounting Clerk II	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Secretary	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Deputy Clerk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Utility Clerk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Office Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.35	0.35
Office of the Village Clerk										
Village Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Village Clerk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Dept. of Administrative Services	3.83	3.83	3.83	4.08	4.08	4.00	4.00	5.63	5.48	5.48
Assessing Division										
Assessment Clerk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Office Assistant	0.25	0.25	0.25	0.50	0.50	0.00	0.00	0.00	0.00	0.00
Total Assessing Division	0.75	0.75	0.75	1.00	1.00	0.50	0.50	0.50	0.50	0.50
Public Safety										
Police Department										
Administration										
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Captain	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Court Clerk/Telecommunicator	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.00
Operations										
Sergeant	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Sergeant-School Liaison	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Officer	13.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Communications										
Telecommunicators	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	6.50
Court Clerk/Telecommunicator	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.00
Total Police Department	28.50	28.50	28.50	28.50	28.50	29.50	29.50	29.50	29.50	30.50
Inspection Department										
Building Inspector	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Electrical Inspector	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Assessment Clerk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Office Assistant	0.25	0.25	0.25	0.50	0.50	0.25	0.00	0.00	0.00	0.00
Total Inspection Department	2.00	2.00	2.00	2.25	2.25	2.00	1.75	1.75	1.75	1.75

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2005-2014**

Table 22

Public Works	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Works Department										
Administration/Engineering										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering Technician II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Operations										
Foreman	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crewperson	10.00	11.00	11.00	11.00	9.00	9.00	9.00	9.00	9.00	10.00
Total Public Works Department	15.00	16.00	16.00	16.00	14.00	14.00	14.00	14.00	14.00	15.00

Community Enrichment Services

Parks and Recreation Department										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretary II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Coordinator/Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crewperson	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.00
Office Assistant	0.00	0.00	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Senior Center Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.29	0.29	0.29
Total Parks and Recreation Department	3.00	3.00	3.46	3.46	5.46	5.46	5.75	5.75	5.75	4.75

Conservation and Development

Planning and Development Department										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planner I	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Administrative Secretary II	1.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Planning and Development Department	2.00	2.00	2.00	2.50	2.50	1.50	1.50	1.50	1.50	1.50
TOTAL GENERAL FUND	56.75	57.75	58.21	59.46	59.46	58.71	58.75	60.38	60.23	61.23

SPECIAL REVENUE FUND

Library										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Head of Youth Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Head of Technical Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Reference Librarian	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.80	0.83	0.83
Library Assistant II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.90
Library Assistant I	4.69	4.69	4.69	4.69	4.73	4.73	4.73	4.73	3.56	3.56
Library Page	0.28	0.28	0.27	0.27	0.32	0.32	0.32	0.32	0.30	0.30
Shelver/Cleaner	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.19	0.19
Total Library	9.20	9.20	9.19	9.19	9.28	9.28	9.28	9.08	8.88	8.78
Fire Protection and Rescue										
Fire Chief	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Office Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50
Total Fire Protection and Rescue	0.00	1.50	1.50							
Cable Television Division										
Programming Coordinator	0.22	0.22	0.22	0.22	0.22	0.22	0.00	0.00	0.00	0.00
Total Cable Television Division	0.22	0.22	0.22	0.22	0.22	0.22	0.00	0.00	0.00	0.00
TOTAL SPECIAL REVENUE FUND	9.42	9.42	9.41	9.41	9.50	9.50	9.28	9.08	10.38	10.28

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2004-2013**

Table 22

ENTERPRISE FUND	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Water and Wastewater Utility										
Administration										
Department of Public Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25
Utility Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60	0.00
Utility Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Program Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Administrative Secretary II	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.00	0.00	0.00
Accounting Clerk II	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utility Clerk I	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.25	0.25	0.25
Office Assistant	0.00	0.00	0.00	0.50	0.50	0.60	0.60	0.25	0.25	0.25
Operations										
Operations Foreman	0.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00	0.00
Lead Field Operator	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Lead Operator - WWTP	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utility Operator	5.00	5.00	5.00	7.00	6.00	6.00	6.00	6.00	5.00	6.00
Total Water and Wastewater Utility	10.50	11.50	11.50	10.75	10.75	10.85	10.85	9.35	9.35	9.75
TOTAL ENTERPRISE FUND	10.50	11.50	11.50	10.75	10.75	10.85	10.85	9.35	9.35	9.75

**TOTAL PERSONAL BY DEPARTMENT
AUTHORIZED PERMANENT POSITIONS 2005-2014**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Office of the Village Administrator	1.67	1.67	1.67	1.67	1.67	1.67	1.75	1.75	1.75	1.75
Department of Administrative Services	2.33	1.84	2.33	2.33	2.58	2.58	4.00	5.63	5.48	5.48
Office of the Village Clerk	1.50	1.50	1.50	1.50	1.50	1.50	4.00	5.63	5.48	5.48
Assessing Division	0.75	0.50	0.75	0.75	1.00	1.00	0.50	0.50	0.50	0.50
Police Department	28.50	28.50	28.50	29.50	29.50	29.50	29.50	29.50	29.50	30.50
Inspection Department	2.00	1.75	2.00	2.00	2.00	2.25	1.75	1.75	1.75	1.75
Public Works Department	15.00	15.00	16.00	16.00	16.00	16.00	14.00	14.00	14.00	15.00
Parks and Recreation Department	3.00	3.00	3.00	3.00	3.40	5.46	5.75	5.75	5.75	4.75
Planning and Development Department	2.00	2.00	2.00	2.00	2.50	2.50	1.50	1.50	1.50	1.50
Library	10.18	10.05	9.20	9.20	9.20	9.28	9.28	9.08	8.88	8.78
Fire Protection and Rescue Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	2.50
Cable Television Division	0.25	0.35	0.22	0.22	0.22	0.22	0.00	0.00	0.00	0.00
Water and Wastewater Utility	12.00	10.50	11.50	11.50	11.75	10.85	10.85	9.35	9.35	9.75
TOTAL VILLAGE PERSONNEL	79.18	76.66	78.67	79.67	81.32	82.81	82.88	84.43	85.44	87.74

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VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**UTILITY PLANT
LAST TEN FISCAL YEARS**

Combined Water & Wastewater			
Year	Gross Utility Plant	Accumulated Depreciation	Net Utility Plant
2005	\$ 33,396,330	\$ 9,954,037	\$ 23,442,293
2006	36,786,186	10,669,552	26,116,634
2007	40,104,733	11,424,304	28,680,429
2008	40,260,304	12,057,889	28,205,081
2009	43,275,851	12,917,219	30,358,632
2010	44,429,750	13,392,646	31,037,104
2011	45,606,666	14,405,134	31,201,532
2012	46,702,549	15,391,744	31,310,805
2013	49,765,078	16,340,204	33,424,874
2014	51,559,632	17,281,580	34,278,052

Utility plant includes construction in progress.

Source: Municipal Utility Annual Report of the Grafton
Water & Wastewater Utility to the Public Service
Commission of Wisconsin

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**UTILITY PLANT
LAST TEN FISCAL YEARS**

Year	Water Utility			Wastewater Utility		
	Gross Utility Plant	Accumulated Depreciation	Net Utility Plant	Gross Utility Plant	Accumulated Depreciation	Net Utility Plant
2005	\$ 14,092,435	\$ 3,173,522	\$ 10,918,913	\$ 19,303,895	\$ 6,780,515	\$ 12,523,380
2006	15,967,690	3,441,021	12,526,669	20,818,496	7,228,531	13,589,965
2007	17,396,772	3,720,972	13,675,800	22,707,961	7,703,332	15,004,629
2008	17,956,790	3,956,117	14,003,339	22,303,514	8,101,772	14,201,742
2009	19,176,817	4,240,257	14,936,560	24,099,034	8,676,962	15,422,072
2010	19,533,210	4,569,702	14,963,508	24,896,540	8,822,944	16,073,596
2011	20,028,700	4,966,450	15,062,250	25,577,966	9,438,684	16,139,282
2012	20,533,610	5,341,450	15,192,160	26,168,939	10,050,294	16,118,645
2013	21,730,214	5,659,456	16,070,758	28,034,864	10,680,748	17,354,116
2014	22,047,281	6,060,120	15,987,161	29,512,351	11,221,460	18,290,891

VILLAGE OF GRAFTON, WISCONSIN
ENTERPRISE FUNDS
BALANCE SHEET
COMBINED WATER AND WASTEWATER UTILITY
LAST TEN FISCAL YEARS

Year	Net Utility Plant	Other Property and Investments	Current and Accrued Assets	Deferred Debits	Deferred Outflows of Resources	Total Assets and Deferred Outflows of Resources
2005	\$ 23,442,293	\$ 818,772	\$ 4,695,478	\$ 6,011	\$ -	\$ 28,962,555
2006	26,116,634	939,334	3,391,654	5,457	-	30,453,080
2007	28,680,429	1,134,436	4,186,199	47,181	-	34,050,245
2008	29,474,387	1,212,502	4,260,665	44,449	-	34,992,003
2009	30,718,548	1,301,701	3,589,743	41,605	-	35,651,597
2010	31,037,104	912,624	3,527,795	38,929	-	35,516,452
2011	31,201,532	1,155,384	4,461,746	36,140	-	36,854,802
2012	31,310,805	1,256,322	4,464,660	33,352	-	37,065,139
2013	33,424,874	1,214,941	5,445,036	-	100,165	40,135,016
2014	34,278,052	662,557	4,498,163	-	90,231	39,529,003

Source: Annual Financial Reports of the Village of Grafton and the Municipal Utility
Annual Report of the Grafton Water & Wastewater Utility to the Public
Service Commission of Wisconsin

VILLAGE OF GRAFTON, WISCONSIN
ENTERPRISE FUNDS
BALANCE SHEET
COMBINED WATER AND WASTEWATER UTILITY
LAST TEN FISCAL YEARS

Year	Long Term Debt	Current and Accrued Liabilities	Deferred Credits	Total Liabilities and Credits	Total Net Position
2005	\$ 2,362,319	\$ 755,724	\$ 41,079	\$ 3,159,122	\$ 25,803,433
2006	1,832,581	705,986	270,625	2,809,192	27,643,887
2007	2,952,798	723,170	284,969	3,236,767	29,924,608
2008	3,824,752	449,183	217,900	4,491,835	30,500,168
2009	3,432,841	628,689	82,112	4,143,642	31,507,955
2010	3,100,754	637,286	20,917	3,758,957	31,757,495
2011	3,338,509	648,243	-	3,986,752	32,868,050
2012	3,105,602	604,110	-	3,709,712	33,355,427
2013	4,905,455	1,357,792	-	6,263,247	33,858,506
2014	4,480,955	1,017,463	-	5,498,418	34,030,585

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

INCOME AND RETAINED EARNINGS STATEMENT

**COMBINED WATER AND WASTEWATER UTILITY
LAST TEN FISCAL YEARS**

Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Other Income	Interest and Amortization Charges	Income Before Capital Contributions and Transfers
2005	\$ 2,743,564	\$ 2,517,275	\$ 226,289	\$ 45,004	\$ 76,956	\$ 194,337
2006	3,033,516	2,633,440	400,076	87,969	106,298	381,747
2007	3,219,542	2,980,788	238,754	148,017	135,314	251,457
2008	3,138,818	2,782,492	356,326	163,166	162,756	356,731
2009	3,224,479	2,811,600	412,879	64,973	174,787	303,065
2010	3,568,594	2,881,703	686,891	57,080	162,675	581,296
2011	3,759,783	2,904,647	855,136	47,873	143,198	759,811
2012	3,684,140	2,974,499	709,641	39,748	139,437	609,952
2013	3,752,742	3,058,370	694,372	4,720	200,782	498,310
2014	3,862,198	3,378,965	483,233	17,184	170,601	329,816

Source: Annual Financial Reports of the Village of Grafton and the Municipal Utility Annual Report of the Grafton Water & Wastewater Utility to the Public Service Commission of Wisconsin

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

INCOME AND RETAINED EARNINGS STATEMENT

**COMBINED WATER AND WASTEWATER UTILITY
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Capital Contributions</u>	<u>Transfers</u>	<u>Changes in Net Position</u>	<u>Total Net Position</u>
2005	\$ 75,788	\$ -	\$ 270,125	\$ 25,803,433
2006	1,461,257	-	1,831,054	27,634,487
2007	2,093,393	(64,129.00)	2,280,721	29,924,608
2008	279,307	(60,213)	575,560	30,500,168
2009	981,234	(276,512)	1,007,787	31,507,955
2010	138,357	(470,113)	249,540	31,757,495
2011	620,947	(270,203)	1,110,555	32,868,050
2012	147,628	(270,203)	487,377	33,355,427
2013	274,982	(270,213)	503,079	33,858,506
2014	112,504	(270,241)	172,079	34,030,585

VILLAGE OF GRAFTON, WISCONSIN
ENTERPRISE FUNDS
OPERATING REVENUES AND EXPENSES
LAST TEN FISCAL YEARS

Combined Water & Wastewater			
Year	Operating Revenues	Operating Expenses	Operating Income (Loss)
2005	\$ 2,736,717	\$ 2,442,268	\$ 294,449
2006	3,033,516	2,633,440	400,076
2007	3,219,542	2,980,788	238,754
2008	3,138,818	2,782,492	356,326
2009	3,224,479	2,811,600	412,879
2010	3,568,594	2,881,703	686,891
2011	3,759,783	2,904,647	855,136
2012	3,684,140	2,974,499	709,641
2013	3,752,742	3,058,370	694,372
2014	3,862,198	3,378,965	483,233

Source: Annual Financial Reports of the Village of Grafton and the

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**OPERATING REVENUES AND EXPENSES
LAST TEN FISCAL YEARS**

Year	Water Utility			Wastewater Utility		
	Operating Revenues	Operating Expenses	Operating Income (Loss)	Operating Revenues	Operating Expenses	Operating Income (Loss)
2005	\$ 1,314,684	\$ 1,068,431	\$ 246,253	\$ 1,422,033	\$ 1,373,837	\$ 48,196
2006	1,448,817	1,131,371	317,446	1,584,699	1,502,069	82,630
2007	1,573,057	1,378,721	194,336	1,646,485	1,602,067	44,418
2008	1,468,698	1,258,350	210,348	1,670,120	1,524,142	145,978
2009	1,513,428	1,201,856	311,572	1,711,051	1,609,744	101,307
2010	1,617,355	1,218,300	399,055	1,951,239	1,663,403	287,836
2011	1,667,735	1,146,083	521,652	2,092,048	1,758,564	333,484
2012	1,727,198	1,207,668	519,530	1,956,942	1,766,831	190,111
2013	1,663,860	1,272,062	391,798	2,088,882	1,786,308	302,574
2014	1,711,885	1,412,943	298,942	2,150,313	1,966,022	184,291

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**WATER SALES
LAST TEN FISCAL YEARS**

Year	Residential			Commercial**			Industrial		
	Average Number of Customers	Gallons Sold*	Revenue	Average Number of Customers	Gallons Sold*	Revenue	Average Number of Customers	Gallons Sold*	Revenue
2005	4,217	251,925	\$ 700,629	228	67,690	\$ 139,390	69	55,312	\$ 102,374
2006	4,254	239,290	765,286	229	66,985	156,336	69	52,991	110,290
2007	4,283	239,833	757,802	237	69,288	170,591	68	48,403	91,410
2008	4,324	224,873	751,721	253	77,025	171,744	67	39,615	89,810
2009	4,352	234,130	778,993	263	70,640	175,042	66	30,991	68,298
2010	4,364	221,219	843,582	271	52,101	192,864	65	49,420	74,683
2011	4,378	243,120	855,625	275	87,361	230,475	65	27,557	71,400
2012	4,380	240,242	894,529	280	92,978	252,153	66	29,605	75,096
2013	4,393	214,889	835,839	289	101,151	244,835	66	23,622	67,370
2014	4,501	199,794	857,115	305	88,494	256,301	68	27,720	80,027

*000 Omitted

**Category includes multi-family classification

***Does not include unmetered bulk water sales

Source: Municipal Utility Annual Report of the Grafton Water & Wastewater Utility to the Public Service Commission of Wisconsin

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**WATER SALES (cont.)
LAST TEN FISCAL YEARS**

<u>Public Authorities</u>							
<u>Year</u>	<u>Average Number of Customers</u>	<u>Gallons Sold*</u>	<u>Revenue</u>	<u>Private Fire Protection Revenues</u>	<u>Public Fire Protection Revenues</u>	<u>Total Gallons Sold*</u>	<u>Total Revenue From Sale of Water***</u>
2005	25	6,135	\$ 16,658	\$ 27,945	\$ 238,961	381,062	\$ 1,225,957
2006	26	5,652	17,395	28,565	275,642	364,918	1,353,514
2007	28	6,375	19,228	30,335	276,440	363,899	1,345,806
2008	27	5,490	18,161	35,425	278,795	347,003	1,345,656
2009	24	9,396	25,385	34,032	284,036	346,522	1,373,364
2010	25	5,390	20,558	34,866	328,367	328,130	1,494,920
2011	23	4,665	19,999	36,460	328,488	362,703	1,542,447
2012	24	5,986	19,180	37,278	329,681	368,811	1,607,917
2013	24	5,644	18,510	37,354	330,468	345,306	1,534,376
2014	25	5,161	18,064	37,385	331,807	321,169	1,580,699

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**WASTEWATER REVENUES
LAST TEN FISCAL YEARS**

Year	Residential			Commercial			Industrial		
	Average Number of Customers	Gallons Metered*	Revenue	Average Number of Customers	Gallons Metered*	Revenue	Average Number of Customers	Gallons Metered*	Revenue
2005	4,040	208,357	\$ 921,893	219	64,697	\$ 239,286	63	25,835	117,867
2006	4,080	205,749	1,030,228	224	67,076	274,100	63	38,715	126,907
2007	4,107	211,625	1,092,271	223	63,808	291,709	63	28,078	127,012
2008	4,147	220,844	1,110,688	242	73,154	269,666	64	22,229	143,117
2009	4,063	205,869	1,114,150	242	65,634	297,949	59	22,229	136,576
2010	4,094	208,349	1,296,716	248	62,947	350,521	60	24,313	154,532
2011	4,122	200,673	1,300,347	249	66,851	549,657	59	19,444	101,079
2012	4,128	185,342	1,234,705	252	84,931	467,389	59	18,225	107,363
2013	4,153	208,523	1,347,900	256	96,315	462,547	59	13,202	97,802
2014	4,141	195,551	1,369,629	264	82,787	481,588	59	16,759	123,503

*000 Omitted

Source: Municipal Utility Annual Report of the Grafton Water & Wastewater Utility

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**WASTEWATER REVENUES (cont.)
LAST TEN FISCAL YEARS**

<u>Public Authorities</u>						
<u>Year</u>	<u>Average Number of Customers</u>	<u>Gallons Metered*</u>	<u>Revenue</u>	<u>Other Sewerage Revenues</u>	<u>Total Gallons Metered*</u>	<u>Total Sewerage Revenues</u>
2005	20	4,791	\$ 19,507	\$ 123,480	303,680	\$ 1,422,033
2006	21	5,447	21,806	98,434	316,987	1,551,475
2007	21	5,229	26,013	92,954	308,740	1,629,959
2008	22	3,977	20,503	94,171	320,204	1,638,145
2009	17	6,467	20,715	82,540	300,199	1,651,930
2010	17	3,218	23,924	88,358	298,827	1,914,051
2011	17	3,071	24,131	82,632	290,039	2,057,846
2012	18	4,135	25,015	85,910	292,633	1,920,382
2013	19	4,156	25,671	98,872	322,196	2,032,792
2013	17	4,335	28,096	107,932	299,432	2,110,748

VILLAGE OF GRAFTON, WISCONSIN

Table 29

ENTERPRISE FUNDS

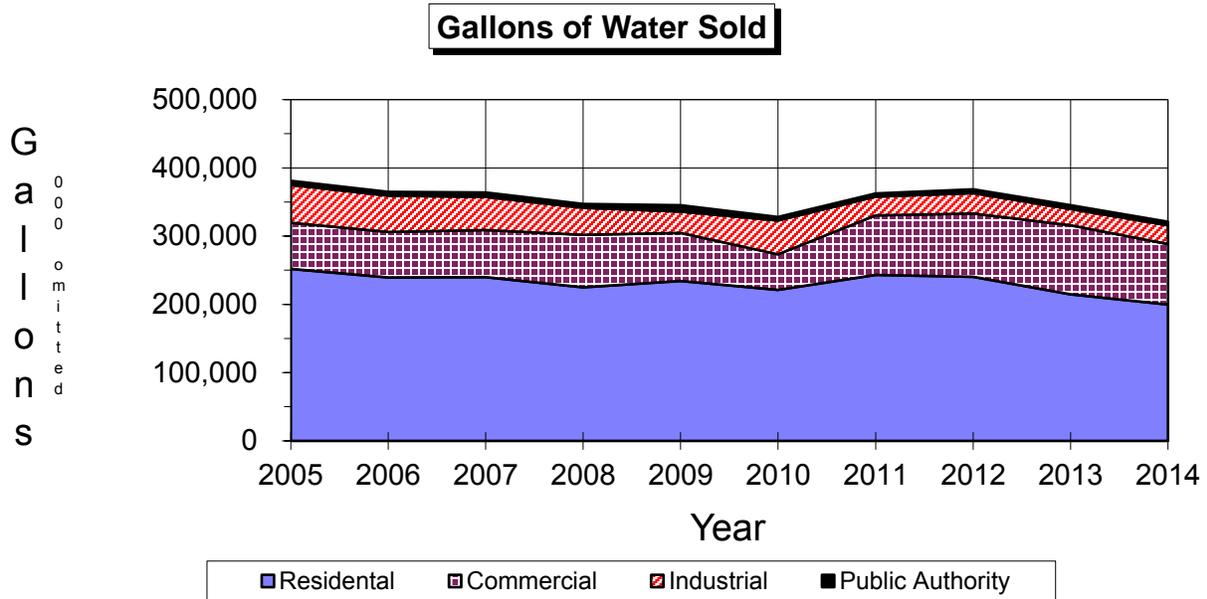


Table 29

WATER SOLD, WATER PUMPED AND ANNUAL INFLOW AT WASTEWATER TREATMENT PLANT

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Total Water Sold* (000 Omitted)</u>	<u>Water Pumped (000 Omitted)</u>	<u>Annual Inflow at Wastewater Treatment Plant (000 Omitted)</u>
2005	383,302	504,060	433,170
2006	366,954	465,848	513,890
2007	366,176	448,274	562,707
2008	347,003	467,280	641,409
2009	346,522	474,611	573,791
2010	329,120	417,700	547,159
2011	363,811	426,221	577,811
2012	372,331	416,212	514,457
2013	376,023	403,051	592,596
2014	321,506	363,834	518,200

* Includes bulk water sales

Source: Municipal Utility Annual Report of the Grafton Water & Wastewater Utility to the Public Service Commission of Wisconsin and Annual Financial Report of the Grafton Water & Wastewater Commission

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VILLAGE OF GRAFTON WISCONSIN
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	2005	2006	2007
Police			
Stations	1	1	1
Public Works			
Streets (Miles)	50.74	50.74	50.74
Sidewalks (Miles)	82.00	82.00	82.00
Number of Streetlights	1,653	1,653	1,653
Community Enrichment Services			
Number of Parks	17	17	17

VILLAGE OF GRAFTON WISCONSIN
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

2008	2009	2010	2011	2012	2013	2014
1	1	1	1	1	1	1
50.74	50.74	50.74	50.74	52.95	53.02	53.02
82.00	82.00	82.00	82.00	82.64	82.64	82.64
1,653	1,653	1,653	1,653	1,659	1,659	1,659
17	17	17	17	17	17	17