

VILLAGE OF GRAFTON, WISCONSIN

QUALITY LIFE. NATURALLY.

2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2013



PREPARED BY THE DEPARTMENT OF
ADMINISTRATIVE SERVICES

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013



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
Water & Wastewater Utility Director	Thomas Krueger
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

Published, May 5, 2014

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Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2013

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GRAFTON
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May 5, 2014

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

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 11,464. 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 2013 unemployment rate decreased to 4.5 percent compared to the 2012 unemployment rate of 5.7 percent. The Ozaukee County rate remains lower than the Wisconsin and Federal unemployment rates of 6.3 and 6.7 percent, respectively.

The Village's tax base decreased in valuation from 2012 to 2013 by approximately \$23 million, or an overall decrease of 2.1 percent. Of the 2.1 percent decrease, approximately 0.9 percent represented an offsetting increase in values due to new construction, with decrease in value due to depreciation of 3.0 percent. In 2013, the Village had \$19.2 million of valuation in building permits, \$1 million more than the building permit valuation in 2012. New residential construction totaled \$4.7 million in 2013 a increase of \$2.6 million in comparison to 2012.

Permits for residential construction including single and multi-family building accounted for 60 percent of 2013 construction valued at \$11.6 million. Retail construction accounted for 23 percent or \$4.5 million of construction valuation. Industrial and tax-exempt construction made up the remaining 17 percent or \$3.1 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 seven industrial or office projects have been constructed within the district. As of January 1, 2013, 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 \$9.8 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 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, 2013, 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 \$25.5 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, 2013, 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 \$8.9 million. The Village approved an amendment to the original plan in 2010 enabling the district to receive donated funds from 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, 2013, 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 \$35.2 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 5,197,680 gallons per day. The 2013 average daily water pumped was 1,030,200 gallons per day or approximately 20 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 to the Milwaukee River. Its discharge permit was renewed in 2008 and will remain effective until December 31, 2013. 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 2013, the average daily flow to the treatment plant was 1,623,553 gallons per day or 65 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 will be completed in 2014.

Administratively, water and sewer rate studies were completed in 2013 and a water rate increase request, approved by the Village Board of Trustees, was submitted to the Public Service Commission in January, 2014 and was approved effective March 19, 2014. The water and sewer rates increased 7.2 and 9.0 percent, respectively. Grafton's rates in 2013 were in the 32nd percentile of 222 municipal/utility districts classified by the Public Service Commission of Wisconsin as AB utilities. The Utility classification changed in 2010 from a C to an AB. An AB classification is for utilities with a customer base in excess of 4,000. Grafton had an average customer base of 4,873 in 2013.

MAJOR INITIATIVES

FOR THE YEAR

The development trend in 2013 was limited growth and development.

Arborview, a 20 unit community based residential facility was approved and construction was started in 2013. This development will open in 2014 and was built on an undeveloped parcel near the South Commercial District.

On the Village's east side Meijer received approval for a "super center" totaling 191,352 square feet located south of Home Depot on Port Washington Road. The approval includes

three outlots for development. It is anticipated that construction will begin in 2014. In conjunction with this development the Village upgraded 1,320 feet of Port Washington Road to a four lane highway at a cost of \$1,581,564.

In the Village's South Commercial District, Pizza Hut and Sherwin Williams opened in previously unoccupied retail space and Cherry Berry opened at Oak Street Commons.

Modest residential development occurred in 2013. Building permits were issued for 13 single family units.

FOR THE FUTURE

The Lumberyard Site Master Plan that was completed in 2010 has provided a blueprint for redevelopment opportunities. The Community Development Authority purchased 3 lots in 2013 and 2 lots in 2014 in anticipation of this redevelopment.

Development projects in the South Commercial District include the review of a \$19 million proposal for the 2015 construction of a residential phase of Highland Ridge, south of the new Pick 'n Save Store.

The owners of land west of Grafton Commons annexed 3 acres in 2014 and have obtained approval for development of 25,000 square feet for construction in 2014.

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, Utility fund 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 2012 Comprehensive Annual Financial Report (CAFR) and the "Distinguished Budget Presentation Award" for the 2013 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



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

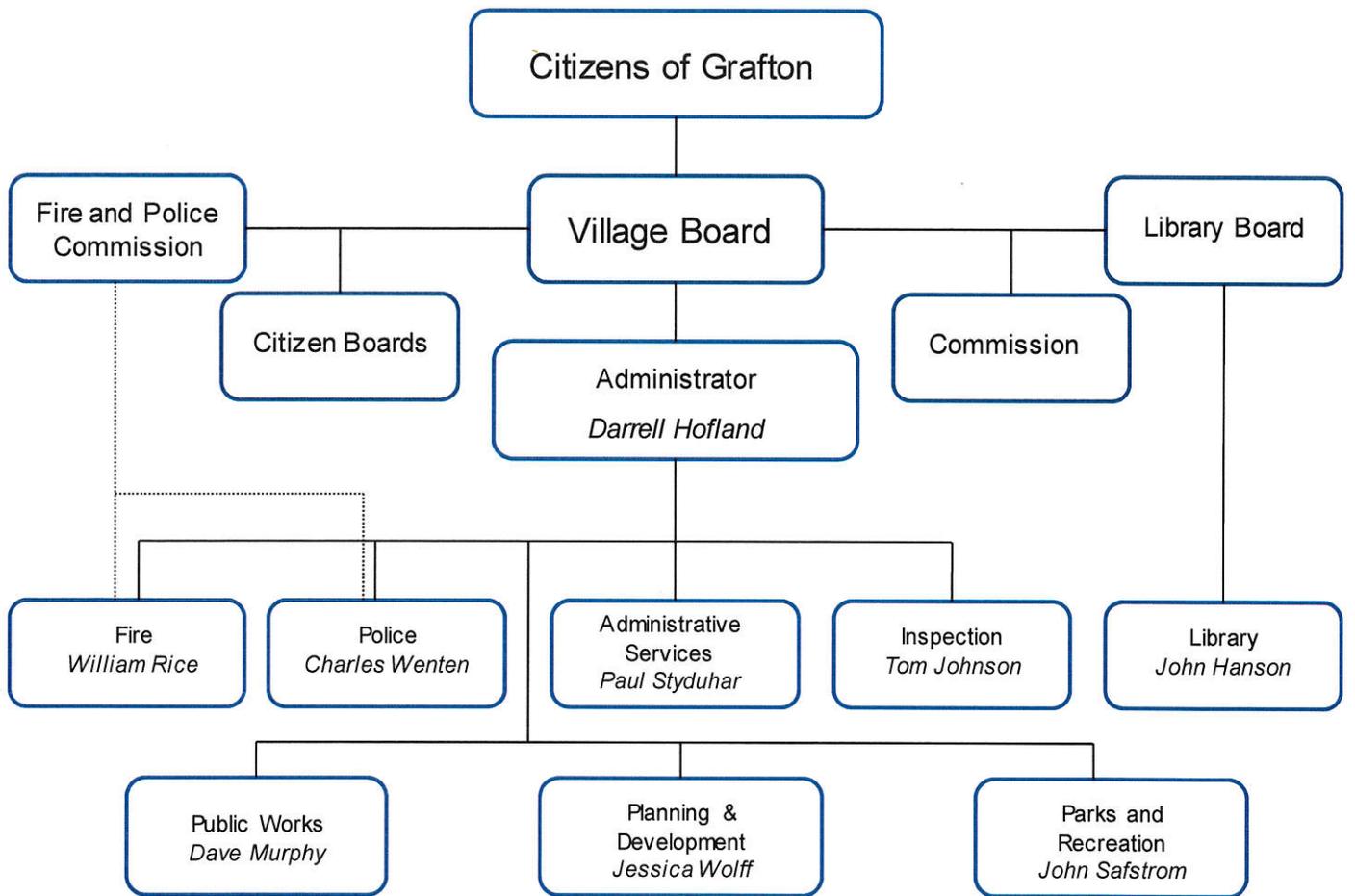
December 31, 2012

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, 2012. 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.



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

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, 2013, 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, 2013 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.

Emphasis of Matter

As discussed in Note I, the Village of Grafton adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

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 revenue, expenditure, and changes in fund balances budget to 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 and schedules 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 schedules 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 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 Virchow Krause, LLP

Milwaukee, Wisconsin
April 14, 2014

MANAGEMENT'S 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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 -7 of this report.

Financial Highlights

- The assets of the Village of Grafton exceeded its liabilities as of December 31, 2013, by \$64,727,360 (*net position*). Of this amount, \$10,097,421 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 \$3,145,467 with a \$1,724,022 increase in unrestricted net position.
- As of December 31, 2013, the Village of Grafton's governmental funds reported combined ending fund balances of \$8,126,826 an increase of \$2,696,850 in comparison with the prior year. Approximately 52 percent of this total, or \$4,250,133, is available for spending at the government's discretion (*committed, assigned and unassigned fund balance*).
- As of December 31, 2013 the assigned and unassigned fund balance for the general fund was \$3,002,457 approximately 35 percent of total anticipated general fund expenditures for 2014.
- The Village of Grafton's total general obligation debt increased by \$2,549,833 (6.7%) during 2013. General Corporate Purpose Bonds dated June 20, 2013 for a total amount of \$9,235,000 were issued for the refunding of Notes issued in 2005 related to capital projects for Tax Increment District No. 3 (Downtown Redevelopment), Tax Increment District No. 4 (South Commercial District) and Water and Sewer Funds. Additional proceeds from the Bonds was \$805,000 used for dam improvements in Tax Increment District No. 3 (Grafton Business Park), \$1,535,000 for the urbanization of Port Washington Road, and \$1,155,000 for construction of a new utility garage. A State Trust Fund Loan for \$1,000,000 dated October 1, 2013 was issued for the construction of a septic receiving station related to the sewer fund.

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 2013.

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 - 37 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 38 - 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 - 85 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 90 – 93 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 \$64,727,360 at the close of 2013.

VILLAGE OF GRAFTON'S NET POSITION

As of December 31

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$18,807,695	\$16,331,974	\$ 6,659,977	\$ 5,754,334	\$25,467,672	\$22,086,308
Capital assets	59,556,371	58,597,579	33,424,874	31,310,805	92,981,245	89,908,384
Total Assets	78,364,066	74,929,553	40,084,851	37,065,139	118,448,917	111,994,692
Deferred outflows of resources	528,214	211,300	100,165	-	628,379	-
Long-term liabilities outstanding	34,989,558	34,356,953	4,968,718	3,105,602	39,958,276	37,462,555
Other liabilities	3,595,186	2,980,837	1,357,792	605,110	4,952,978	3,585,947
Total Liabilities	38,584,744	37,337,790	6,326,510	3,710,712	44,911,254	41,048,502
Deferred Inflow of resources	9,438,682	9,365,297	-	-	9,438,682	-
Net position:						
Net investment in capital assets	23,046,407	22,945,260	28,162,812	28,162,963	51,209,219	51,108,223
Restricted	2,209,985	848,447	1,210,735	1,251,824	3,420,720	2,100,271
Unrestricted	5,612,462	4,432,759	4,484,959	3,940,640	10,097,421	8,373,399
Total net position	\$ 30,868,854	\$ 28,226,466	\$33,858,506	\$33,355,427	\$64,727,360	\$61,581,893

The largest portion of the Village of Grafton's December 31, 2013 net position (approximately 79 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 5 percent) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position (\$10,047,421) may be used to meet the Village's ongoing obligations to citizens, creditors, and employees.

Capital assets increased by \$3,072,861 net of depreciation or 3.4 percent in 2013. In 2013, \$3,116,515 in governmental assets were added. However, additions were offset by net disposals of \$44,292 and depreciation of \$2,113,431. Business type capital assets of \$3,278,453 were added in 2013 but offset by \$1,164,384 in depreciation.

Governmental activities. In 2013, governmental activities increased the Village of Grafton's net position by \$2,642,388. The key element in the increase in the Village's net position was an increase of approximately \$2.5 million related to the contribution of the fire department assets in accordance with the distribution of assets agreement.

VILLAGE OF GRAFTON'S STATEMENT OF ACTIVITIES

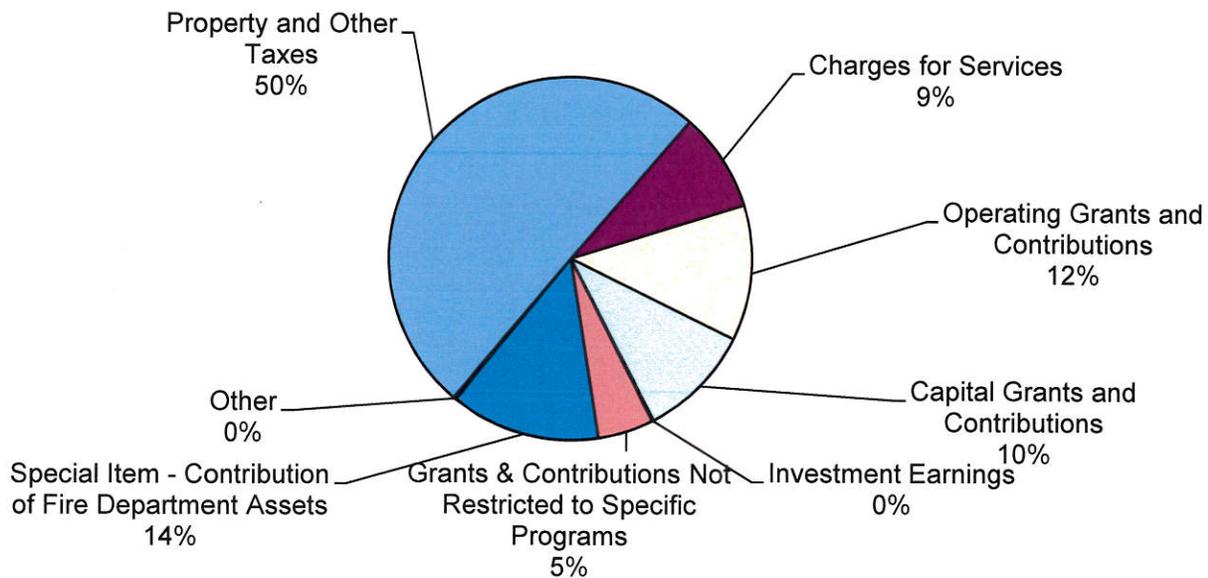
For the year ended December 31

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 1,674,004	\$ 1,419,430	\$ 3,752,742	\$ 3,684,140	\$ 5,426,746	\$ 5,103,570
Operating grants and contributions	1,343,810	1,129,649			1,343,810	1,129,649
Capital grants and contributions	1,913,310	454,774	274,982	147,628	2,188,292	602,402
General Revenues						
Property taxes	9,242,618	9,077,979			9,242,618	9,077,979
Other taxes	240,373	224,788			240,373	224,788
Grants & contributions not restricted to specific programs	934,392	650,295			934,392	650,295
Investment income	32,240	116,622	720	19,624	32,960	136,246
Gain on sale of capital assets	25,750	13,958	4,000	20,124	29,750	34,082
Other	21,641	25,755			21,641	25,755
Total revenues	15,428,138	13,113,250	4,032,444	3,871,516	19,460,582	16,984,766
Expenses						
General government	1,106,731	1,206,024			1,106,731	1,206,024
Public safety	4,682,409	4,069,235			4,682,409	4,069,235
Public works	6,027,858	4,143,976			6,027,858	4,143,976
Community enrichment services	1,505,768	1,557,193			1,505,768	1,557,193
Conservation and development	196,761	452,034			196,761	452,034
Interest and fiscal charges	2,057,640	1,647,863			2,057,640	1,647,863
Water			1,339,615	1,248,987	1,339,615	1,248,987
Wastewater			1,919,537	1,864,949	1,919,537	1,864,949
Total expenses	15,577,167	13,076,325	3,259,152	3,113,936	18,836,319	16,190,261
Change in net position before transfers	(149,029)	36,925	773,292	757,580	624,263	794,505
Special Item - Contribution of fire department assets	2,521,204				2,521,204	-
Transfers	270,213	270,203	(270,213)	(270,203)		
Increase in net position	2,642,388	307,128	503,079	487,377	3,145,467	794,505
Net position - beginning of year	28,226,466	27,919,338	33,355,427	32,868,050	61,581,893	60,787,388
Net position - end of year	\$30,868,854	\$28,226,466	\$33,858,506	\$33,355,427	\$64,727,360	\$61,581,893

Public Works activities accounted for approximately 39 percent of the total 2013 governmental funds expenses within the Village of Grafton. Total Governmental Activity expenses increased by \$2,500,842 or 19 percent from 2012.

As depicted in the chart below, taxes provided 50 percent of total revenue in 2013. Payments in lieu of taxes account for approximately 2.5 percent of the revenue classified as taxes. This payment is mainly associated with the Aurora Medical Center which opened in November, 2010. Property taxes have historically been the largest revenue source for governmental activities.

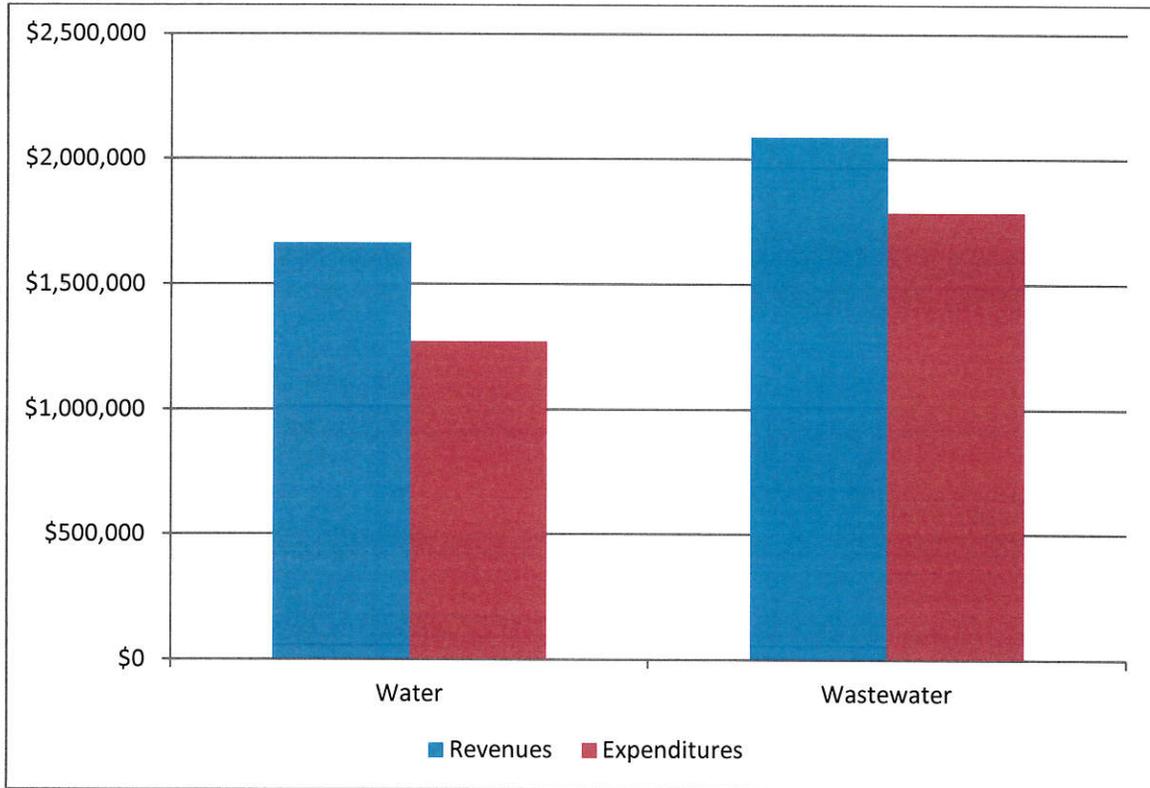
2013 Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the Village of Grafton's business-type activities net position by \$503,079 or 1.5 percent from the previous year. The increase in net position for the Grafton Water and Wastewater Utility is due to improvements to the water and wastewater facility.

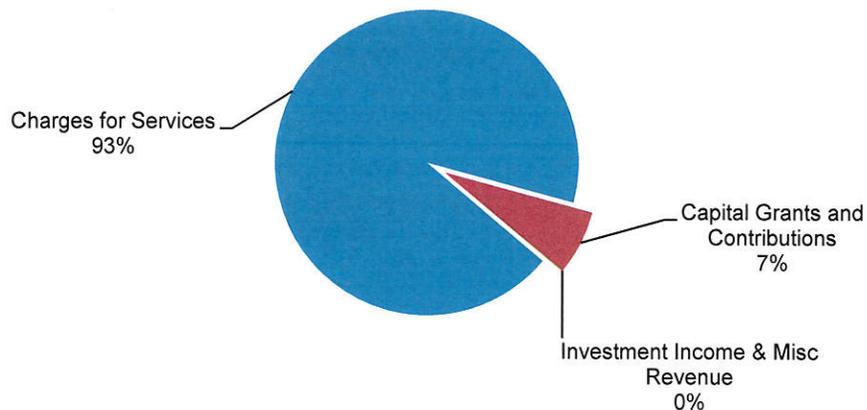
The following graph compares the charges for services to the operating expenses of each utility. The rate of return of the water utility for 2013 was 3.95 percent. The operating income of the water utility was \$391,798 while the wastewater utility produced an operating income of \$302,574, a rate of return of 1.89 percent. Adjusting for depreciation expense, capital grants and contributions, and an increase in wastewater utility capital assets, the water and wastewater utilities had a net cash inflow of \$943,020.

2013 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, 2013, the Village of Grafton's governmental funds reported combined ending fund balances of \$8,126,826, an increase of \$2,696,850 over the prior year. Approximately 52 percent or \$4,250,133 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 (\$216,797), 2) to pay for capital equipment and projects (\$1,309,095), 3) for long term receivables from participants of the Village of Grafton's economic development revolving loan fund (\$705,734), 4) to generate income to pay for the perpetual care of the municipal cemetery (\$88,590), and 5) for prepaid insurance premiums, delinquent taxes, and non-current receivables (\$1,556,477).

Of the \$4,250,133 fund balance available for spending, the use of \$3,002,457 or approximately 53 percent was allocated to the general fund.

The *General Fund* is the chief operating fund of the Village of Grafton. As of December 31, 2013, the total fund balance of the general fund was \$3,087,526 of which \$2,370,908 was unassigned. This unassigned fund balance represents approximately 30 percent of 2013 total general fund expenditures while total general fund balance represents approximately 39 percent of that same amount.

The fund balance of the general fund increased \$46,213 during fiscal year 2013. The 2013 annual program budget for the Village of Grafton's general fund identified the appropriation of \$412,748 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 5 percent or \$419,235 and actual revenues were less than budgeted revenues in the general fund by \$11,011 or approximately 0.1 percent.

The *Debt Service Fund* has a total fund balance of \$216,797 all of which is reserved for the payment of debt service. The fund balance increased by \$87,373.

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

2014 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 Capital Projects Fund advanced the Impact Fee Debt Service Fund \$206,624 in 2013 to meet the debt service requirements of the fund. In total the Capital Projects Fund has advanced the Impact Fee Fund \$327,193.

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, 2013 is \$3,293,905 of which \$1,217,918 is related to capital equipment funds transferred to the Village from the Grafton Volunteer Fire Department to be used for future capital purchases.

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 \$4,484,959, an increase of \$544,319 from December 31, 2012. The total growth in total net position was \$503,079.

The financial statements and a statement of cash flows for the proprietary funds can be found on pages 38 - 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 less than budgeted revenues by \$11,011. Licenses and Permit, Intergovernmental Charges for Services and tax related revenue exceeded budget by \$69,536, \$14,227 and \$3,232 respectively. Investment Income, Fines and forfeitures, Public Charges for Services, and Intergovernmental Revenue collections were less than budgeted by \$49,041, \$30,989, \$16,123, and \$14,478 respectively. Actual expenditures were less than budgeted expenditures by \$419,235. The Public Safety, Conservation and Development, General Government, and Community Enrichment Services program areas had favorable variances of \$176,194, \$161,929, \$169,420, and \$11,864 respectively.

Because expenditures were less than budgetary estimates, the need to draw upon the fund balance of \$412,748 was not required. The favorable variance in expenditures aided in the increase of the General Fund's fund balance by \$46,213.

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, 2013, equals \$92,981,245 net of accumulated depreciation. This investment in capital assets includes land, buildings,

improvements other than buildings, machinery and equipment, infrastructure, and construction in progress.

Village of Grafton's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
	Land, including easements	\$ 14,360,061	\$ 14,242,038	\$ 538,255	\$ 462,955	\$ 14,898,316
Buildings, improvements and equipment	29,064,149	27,494,361	48,416,733	46,136,736	77,480,882	73,631,097
Infrastructure	34,373,775	34,285,140	-	-	34,373,775	34,285,140
Construction in progress	929,416	37,612	810,090	102,858	1,739,506	140,470
Total Capital Assets	78,727,401	76,059,151	49,765,078	46,702,549	128,492,479	122,761,700
Less Accumulated Depreciation	(19,171,030)	(17,461,572)	(16,340,204)	(15,391,744)	(35,511,234)	(32,853,316)
Capital Assets net of Depreciation	\$59,556,371	\$58,597,579	\$33,424,874	\$31,310,805	\$92,981,245	\$89,908,384

The total increase in the Village of Grafton's investment in capital assets for the current fiscal year totaled \$3,072,861 net of depreciation, or a 3.4 percent increase.

Buildings, improvements and equipment for Governmental Activities had a \$1,668,610 increase related to the Village receiving donated assets from the Grafton Volunteer Fire Department as part of an approved referendum in November, 2012 authorizing the Village to have Fire and Rescue Services under the control of Village management and Village Board. Business-type activities capital assets increased due to \$1,335,027 of water utility asset additions and \$1,943,426 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 3(E) of the Notes to Financial Statements.

Long-term debt. At the end of the current fiscal year, the Village of Grafton has total General Obligation debt outstanding of \$40,697,293 entirely backed by the full faith and credit of the government. The Water and Wastewater Utility has \$1,235,000 of outstanding revenue bonds to be paid through the collection of user fees.

General Corporate Purpose Bonds dated June 20, 2013 for a total of \$9,235,000 were issued for the refunding of notes issued in 2005 related to capital projects for Tax Increment District No. 3 (Downtown Redevelopment), Tax Increment District No. 4 (South Commercial District) and Water and Sewer Funds. Proceeds from the Bonds was used as follows: \$805,000 for dam improvements in Tax Increment District No. 3 (Grafton Business Park), \$1,535,000 for the urbanization of Port Washington Road, and \$1,155,000 for construction of a new utility garage. A State Trust Fund Loan in the amount of \$1,000,000 dated October 1, 2013 was issued for the construction of a septic receiving station related to the sewer fund.

Village of Grafton's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds and notes	\$36,714,603	\$36,158,184	\$3,982,690	\$1,989,276	\$40,697,293	\$38,147,460
Revenue bonds	-	-	1,235,000	1,305,000	\$1,235,000	\$1,305,000
Total	\$36,714,603	\$36,158,184	\$5,217,690	\$3,294,276	\$41,932,293	\$39,452,460

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

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 \$54,772,220, 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, 2013, the Village of Grafton’s outstanding debt equaled 74.3 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 3(F) on pages 68 - 72 and also in the statistical section on pages 144 – 147.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate as of December 31, 2013, for Ozaukee County, which includes the Village of Grafton, was 4.5 percent. This compares with an unemployment rate of 6.3 percent for the State of Wisconsin and a national unemployment rate of 6.7 percent.
- The rate of inflation for the Milwaukee, Wisconsin metro area was 1.8 percent for 2013, while the 2012 equalized tax rate for taxes collected for 2013 operations increased 10.06 percent from 2012. However, the tax levy increased by \$250,448 or 3.51 percent.
- Of the fund balance in the general fund \$631,549 is assigned and is available for spending in the 2014 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 unreserved 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, 2013

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and investments	\$ 11,289,969	\$ 4,608,891	\$ 15,898,860
Receivables			
Taxes	3,972,916	79,315	4,052,231
Delinquent personal property taxes	2,643	-	2,643
Accounts	287,218	719,398	1,006,616
Loans	130,998	-	130,998
Special assessments	1,799,419	7,022	1,806,441
Due from other governments	15,000	-	15,000
Inventories	-	18,152	18,152
Prepaid items	91,614	12,258	103,872
Restricted assets - cash and investments	1,217,918	1,214,941	2,432,859
Capital Assets			
Land and construction in progress	14,882,406	1,258,562	16,140,968
Intangible assets	407,071	89,783	496,854
Other capital assets, net of depreciation	44,266,894	32,076,529	76,343,423
Total Assets	<u>78,364,066</u>	<u>40,084,851</u>	<u>118,448,917</u>
Deferred Outflows of Resources			
Deferred loss on refunding	<u>528,214</u>	<u>100,165</u>	<u>628,379</u>
Liabilities			
Accounts payable and accrued expenses	794,429	933,400	1,727,829
Deposits	62,756	7,400	70,156
Due from other governments	46,940	-	46,940
Unearned revenues	-	63,263	63,263
Liabilities payable from restricted assets			
Accrued interest	-	4,206	4,206
Current portion of revenue bonds	-	75,000	75,000
Compensated absences - due within one year	71,030	13,101	84,131
Non-current liabilities - due within one year	2,620,031	261,422	2,881,453
Non-current liabilities - due in more than one year	34,712,803	4,968,718	39,681,521
Landfill post-closure liability	276,755	-	276,755
Total Liabilities	<u>38,584,744</u>	<u>6,326,510</u>	<u>44,911,254</u>
Deferred Inflows of Resources			
Unearned revenue	<u>9,438,682</u>	<u>-</u>	<u>9,438,682</u>
Net Position			
Net investment in capital assets	23,046,407	28,162,812	51,209,219
Restricted for:			
Debt service	106,566	127,071	233,637
Fire and rescue equipment	1,217,918	-	1,217,918
Revolving loans	705,734	-	705,734
Cemetery	88,590	-	88,590
Park and recreational facilities	91,177	-	91,177
Equipment replacement	-	837,133	837,133
Operations and maintenance	-	246,531	246,531
Unrestricted	<u>5,612,462</u>	<u>4,484,959</u>	<u>10,097,421</u>
Total Net Position	<u>\$ 30,868,854</u>	<u>\$ 33,858,506</u>	<u>\$ 64,727,360</u>

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Activities
For the Year Ended December 31, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 1,106,731	\$ 228,136	\$ 31,631	\$ 200,369
Public Safety	4,682,409	692,016	133,972	5,275
Public Works	6,027,858	228,246	1,044,727	1,584,707
Community Enrichment Services	1,505,768	232,198	133,480	6,557
Conservation and Development	196,761	293,408	-	116,402
Interest and fiscal charges	2,057,640	-	-	-
Total Governmental Activities	15,577,167	1,674,004	1,343,810	1,913,310
Business-type Activities				
Water Utility	1,339,615	1,663,860	-	195,163
Wastewater Utility	1,919,537	2,088,882	-	79,819
Total Business-type Activities	3,259,152	3,752,742	-	274,982
Total	\$ 18,836,319	\$ 5,426,746	\$ 1,343,810	\$ 2,188,292

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 programs

Investment income

Gain on sale of capital assets

Miscellaneous

Total General Revenues

Change in Net Position Before Special Item and Transfers

Special Item - contribution of fire department assets

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, 2013

Net Revenues (Expenses) and Changes in Net Position		
Governmental Activities	Business- type Activities	Total
\$ (646,595)	-	\$ (646,595)
(3,851,146)	-	(3,851,146)
(3,170,178)	-	(3,170,178)
(1,133,533)	-	(1,133,533)
213,049	-	213,049
(2,057,640)	-	(2,057,640)
(10,646,043)	-	(10,646,043)
-	519,408	519,408
-	249,164	249,164
-	768,572	768,572
(10,646,043)	768,572	(9,877,471)
6,815,802	-	6,815,802
573,884	-	573,884
1,852,932	-	1,852,932
240,373	-	240,373
934,392	-	934,392
32,240	720	32,960
25,750	4,000	29,750
21,641	-	21,641
10,497,014	4,720	10,501,734
(149,029)	773,292	624,263
2,521,204	-	2,521,204
270,213	(270,213)	-
2,642,388	503,079	3,145,467
28,226,466	\$ 33,355,427	\$ 61,581,893
\$ 30,868,854	\$ 33,858,506	\$ 64,727,360

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Balance Sheet - Governmental Funds
As of December 31, 2013

	General	Debt Service
Assets		
Cash and investments	\$ 6,321,454	\$ 524,504
Restricted cash and investments	-	-
Receivables		
Taxes	2,193,159	216,051
Delinquent personal property taxes	2,643	-
Accounts	128,124	-
Special assessments	-	-
Loans	-	-
Due from other governments	-	-
Due from other funds	-	-
Advances to other governmental funds	-	-
Prepaid items	82,426	-
Total Assets	\$ 8,727,806	\$ 740,555
 Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable and accrued liabilities	\$ 455,585	\$ -
Deposits	60,561	-
Due to other governments	-	-
Due to other funds	-	-
Advances from other governmental funds	-	-
Total Liabilities	516,146	-
 Deferred Inflows of Resources		
Unearned revenue	5,124,134	523,758
Unavailable revenue	-	-
Total Deferred Inflows of Resources	5,124,134	523,758
 Fund Balances (Deficit)		
Nonspendable	85,069	-
Restricted	-	216,797
Committed	-	-
Assigned	631,549	-
Unassigned (deficit)	2,370,908	-
Total Fund Balances (Deficit)	3,087,526	216,797
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 8,727,806	\$ 740,555

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Balance Sheet - Governmental Funds
As of December 31, 2013

<u>Capital Projects</u>	<u>Capital Projects TID No. 3</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 374,186	\$ 523,761	\$ 3,546,064	\$ 11,289,969
-	-	1,217,918	1,217,918
266,773	246,329	1,050,604	3,972,916
-	-	-	2,643
23,096	-	135,998	287,218
1,622,900	-	176,519	1,799,419
38	-	130,960	130,998
15,000	-	-	15,000
1,038,973	-	-	1,038,973
423,247	-	-	423,247
-	-	9,188	91,614
<u>\$ 3,764,213</u>	<u>\$ 770,090</u>	<u>\$ 6,267,251</u>	<u>\$ 20,269,915</u>
\$ 80,644	\$ 45,161	\$ 102,807	\$ 684,197
850	1,345	-	62,756
-	-	46,940	46,940
-	1,038,973	-	1,038,973
-	-	423,247	423,247
<u>81,494</u>	<u>1,085,479</u>	<u>572,994</u>	<u>2,256,113</u>
646,720	597,160	2,546,910	9,438,682
271,776	-	176,518	448,294
<u>918,496</u>	<u>597,160</u>	<u>2,723,428</u>	<u>9,886,976</u>
1,462,220	-	9,188	1,556,477
-	-	2,103,419	2,320,216
-	-	790,475	790,475
1,302,003	-	67,894	2,001,446
-	(912,549)	(147)	1,458,212
<u>2,764,223</u>	<u>(912,549)</u>	<u>2,970,829</u>	<u>8,126,826</u>
<u>\$ 3,764,213</u>	<u>\$ 770,090</u>	<u>\$ 6,267,251</u>	<u>\$ 20,269,915</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, 2013

Total fund balance of governmental funds \$ 8,126,826

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

Assets 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	14,882,406
Intangible assets	407,071
Other capital assets net of accumulated depreciation	44,266,894

Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.

Special assessments receivable	434,319
Other receivables	13,975

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	(323,575)
Unamortized debt refunding losses	528,214

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	(36,714,603)
Landfill post-closure liability	(276,755)
Compensated absences	(365,686)
Accrued interest payable	(110,232)
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Net Position of Governmental Funds	\$ <u>30,868,854</u>
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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, 2013

	General	Debt Service
Revenues		
Property taxes	\$ 4,960,375	\$ 573,884
Payments in lieu of taxes	200,369	-
Other taxes	18,885	-
Charges for Services:		
Licenses and permits	415,286	-
Fines and forfeitures	107,511	-
Public charges for services	486,227	-
Intergovernmental charges for services	103,392	-
Operating Grants and Contributions:		
Intergovernmental	1,410,259	-
Impact fees	-	-
Donations	200	-
Capital Grants and Contributions:		
Special assessments and interest	-	-
Investment income	5,959	1,441
Miscellaneous	75,915	-
Total Revenues	7,784,378	575,325
Expenditures		
Current:		
General Government	938,859	-
Public Safety	3,747,157	-
Public Works	2,688,138	-
Community Enrichment Services	483,441	-
Conservation and Development	90,434	-
Capital outlay	-	-
Debt Service:		
Principal	-	2,280,753
Interest and fiscal charges	-	1,393,568
Total Expenditures	7,948,029	3,674,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	(163,651)	(3,098,996)
Other Financing Sources (Uses)		
Proceeds from sale of capital assets	131	-
Transfers in	270,401	3,092,169
Transfers out	(60,668)	-
Payment to refunded bond escrow agent	-	(5,350,680)
Debt issued	-	5,331,701
Premiums on debt issued	-	113,179
Total Other Financing Sources (Uses)	209,864	3,186,369
Special Item		
Contribution of fire department assets	-	-
Net Change in Fund Balance	46,213	87,373
FUND BALANCE (DEFICIT) - Beginning of year	3,041,313	129,424
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 3,087,526	\$ 216,797

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, 2013

<u>Capital Projects</u>	<u>Capital Projects TID No. 3</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 633,042	\$ 595,040	\$ 2,701,766	\$ 9,464,107
-	-	-	200,369
-	-	-	18,885
-	-	-	415,286
-	-	-	107,511
10,925	-	531,903	1,029,055
-	-	146,949	250,341
273,764	2,868	381,999	2,068,890
-	-	34,483	34,483
-	21,339	17,773	39,312
1,372,652	-	22,065	1,394,717
1,078	11,595	11,238	31,311
-	411,738	117,012	604,665
<u>2,291,461</u>	<u>1,042,580</u>	<u>3,965,188</u>	<u>15,658,932</u>
-	41,912	50,483	1,031,254
-	-	432,110	4,179,267
266	-	4,751	2,693,155
-	-	836,586	1,320,027
-	53,177	147,927	291,538
2,014,474	1,288,520	444,891	3,747,885
-	-	-	2,280,753
14,686	7,702	-	1,415,956
<u>2,029,426</u>	<u>1,391,311</u>	<u>1,916,748</u>	<u>16,959,835</u>
<u>262,035</u>	<u>(348,731)</u>	<u>2,048,440</u>	<u>(1,300,903)</u>
1,000	-	24,619	25,750
124,981	201,878	784,721	4,474,150
(491,362)	(1,187,784)	(2,464,123)	(4,203,937)
-	-	-	(5,350,680)
1,535,000	805,000	-	7,671,701
32,584	17,088	-	162,851
<u>1,202,203</u>	<u>(163,818)</u>	<u>(1,654,783)</u>	<u>2,779,835</u>
-	-	1,217,918	1,217,918
1,464,238	(512,549)	1,611,575	2,696,850
1,299,985	(400,000)	1,359,254	5,429,976
<u>\$ 2,764,223</u>	<u>\$ (912,549)</u>	<u>\$ 2,970,829</u>	<u>\$ 8,126,826</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, 2013**

Net change in fund balances - total governmental funds \$ 2,696,850

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 positions 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	3,747,885
Some items reported as capital outlay expenditures in the fund financial statements are operating expenses in the government-wide statements	(2,305,973)
Some items reported as operating expenditures in the fund financial statements are capitalized in the government-wide financial statements	5,995
Depreciation is reported in the government-wide statements	(1,748,107)
Net book value of capital assets retired	(44,292)
Net book value of capital assets contributed	1,303,286

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

Debt issued	(7,671,701)
Principal retired	7,115,282

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.

Premiums on new debt	(162,852)
Refunding loss on new debt	515,923
Amortization of issuance costs	(344,360)
Amortization of discounts	(143,461)
Amortization of premiums	32,532
Amortization of refunding losses	(199,009)

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.

Pledges receivable	(19,597)
Special assessments	216,665
Loan receivable	(400,000)
Due from other governments	(13,816)

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	(47,223)
Landfill post-closure liability	95,520
Accrued interest on debt	12,841

Change in Net Position of Governmental Activities \$ 2,642,388

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Net Position - Proprietary Funds
As of December 31, 2013

	Water Utility	Wastewater Utility	Total
Assets			
Current Assets			
Cash and investments	\$ 3,799,491	\$ 809,400	\$ 4,608,891
Receivables			
Taxes	32,288	47,027	79,315
Special assessments	-	7,022	7,022
Utility customers	277,319	400,970	678,289
Other	12,072	29,037	41,109
Inventory	18,152	-	18,152
Prepaid items	4,385	7,873	12,258
Total Current Assets	4,143,707	1,301,329	5,445,036
Noncurrent Assets			
Restricted cash and investments	143,567	1,071,374	1,214,941
Capital Assets			
Land	42,533	405,939	448,472
Intangible assets	70,000	19,783	89,783
Construction in progress	-	810,090	810,090
Plant in service	21,617,681	26,799,052	48,416,733
Accumulated depreciation	(5,659,456)	(10,680,748)	(16,340,204)
Total Noncurrent Assets	16,214,325	18,425,490	34,639,815
Total Assets	20,358,032	19,726,819	40,084,851
Deferred Outflows of Resources			
Deferred loss on refunding	73,629	26,536	100,165
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	373,772	463,937	837,709
Accrued payroll and related liabilities	18,175	25,473	43,648
Accrued interest	2,375	49,668	52,043
Compensated absences	3,360	9,741	13,101
Deposits	7,400	-	7,400
Unearned revenue	63,263	-	63,263
Current portion of notes	54,026	207,396	261,422
Total Current Liabilities	522,371	756,215	1,278,586
Liabilities payable from restricted assets			
Accrued interest on revenue bonds	1,598	2,608	4,206
Principal on revenue bonds	28,500	46,500	75,000
Total liabilities payable from restricted assets	30,098	49,108	79,206
Noncurrent Liabilities			
Compensated absences	15,158	27,920	43,078
General obligation notes	1,254,620	2,511,020	3,765,640
Revenue bonds	440,800	719,200	1,160,000
Total Noncurrent Liabilities	1,710,578	3,258,140	4,968,718
Total Liabilities	2,263,047	4,063,463	6,326,510
Net Position			
Net investment in capital assets	14,292,812	13,870,000	28,162,812
Restricted			
Debt Service	48,287	78,784	127,071
Equipment replacement	-	837,133	837,133
Operations and maintenance	93,682	152,849	246,531
Unrestricted	3,733,833	751,126	4,484,959
Total Net Position	\$ 18,168,614	\$ 15,689,892	\$ 33,858,506

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2013

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Operating Revenues	\$ 1,663,860	\$ 2,088,882	\$ 3,752,742
Operating Expenses			
Operation and maintenance	825,226	1,025,554	1,850,780
Depreciation expense	430,526	733,857	1,164,383
Taxes	16,310	26,897	43,207
Total Operating Expenses	<u>1,272,062</u>	<u>1,786,308</u>	<u>3,058,370</u>
Operating Income	<u>391,798</u>	<u>302,574</u>	<u>694,372</u>
Nonoperating Revenues (Expenses)			
Investment income	-	720	720
Gain on sale of capital assets	2,000	2,000	4,000
Interest on long-term debt	(41,564)	(108,741)	(150,305)
Amortization of loss on refunding	(3,651)	(1,316)	(4,967)
Amortization of debt issuance costs and premiums	(22,338)	(23,172)	(45,510)
Total Nonoperating Expenses	<u>(65,553)</u>	<u>(130,509)</u>	<u>(196,062)</u>
Income before capital contributions and transfers	326,245	172,065	498,310
Capital Contributions	195,163	79,819	274,982
Transfers Out	<u>(199,835)</u>	<u>(70,378)</u>	<u>(270,213)</u>
Change in Net Position	321,573	181,506	503,079
NET POSITION - Beginning of year	<u>17,847,041</u>	<u>\$ 15,508,386</u>	<u>\$ 33,355,427</u>
NET POSITION - END OF YEAR	<u>\$ 18,168,614</u>	<u>\$ 15,689,892</u>	<u>\$ 33,858,506</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2013

	Water Utility	Wastewater Utility	Total
Cash Flows From Operating Activities:			
Receipts from customers	\$ 1,731,385	\$ 2,012,900	\$ 3,744,285
Payments to suppliers	(305,147)	(421,869)	(727,016)
Payments to and on behalf of employees	(213,355)	(295,064)	(508,419)
Net Cash From Operating Activities	1,212,883	1,295,967	2,508,850
Cash Flows From Noncapital Financing Activities:			
Tax equivalent paid to municipality	(199,835)	(10,165)	(210,000)
Transfer to governmental funds	-	(60,213)	(60,213)
Net Cash From Noncapital Financing Activities	(199,835)	(70,378)	(270,213)
Cash Flows From Capital and Related Financing Activities:			
Additions to property and plant	(1,139,864)	(1,863,605)	(3,003,469)
Proceeds from debt issued	905,077	1,287,980	2,193,057
Special assessments received	-	17,053	17,053
Proceeds from sale of capital assets	2,000	2,000	4,000
Principal payments on debt	(107,284)	(249,265)	(356,549)
Interest on debt	(40,788)	(109,641)	(150,429)
Net Cash From Capital and Related Financing Activities	(380,859)	(915,478)	(1,296,337)
Cash Flows From Investing Activities:			
Marketable securities purchased	(1,965,305)	(655,102)	(2,620,407)
Marketable securities sold	1,965,305	655,102	2,620,407
Interest income	-	720	720
Net Cash From Investing Activities	-	720	720
Net Increase in Cash and Equivalents	632,189	310,831	943,020
Cash and Investments, Beginning of year	3,310,869	1,569,943	4,880,812
Cash and Investments, End of Year	\$ 3,943,058	\$ 1,880,774	\$ 5,823,832

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2013
(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	\$ 391,798	\$ 302,574	\$ 694,372
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	430,526	733,857	1,164,383
Depreciation charged to other funds	25,903	(25,903)	-
Changes in Assets and Liabilities Related to Operations:			
Customer accounts receivable	32,801	(46,735)	(13,934)
Other accounts receivable	6,164	(3,060)	3,104
Prepaid expenses	(3,299)	310	(2,989)
Due from other funds	1,075	(286)	789
Accounts payable and accrued liabilities	320,269	320,166	640,435
Other current liabilities	6,064	15,044	21,108
Deferred credits	1,582	-	1,582
Net Cash Provided by Operating Activities	<u>\$ 1,212,883</u>	<u>\$ 1,295,967</u>	<u>\$ 2,508,850</u>
Reconciliation of Cash and Investments to the Statement of Net Position - Proprietary Fund			
Cash and investments - statement of net position	\$ 3,799,491	\$ 809,400	\$ 4,608,891
Restricted cash and investments - statement of net position	143,567	1,071,374	1,214,941
	<u>\$ 3,943,058</u>	<u>\$ 1,880,774</u>	<u>\$ 5,823,832</u>
Noncash Investing, Capital and Related Financing Activities			
Capital contributions	\$ 195,163	\$ 79,819	\$ 274,982
General obligation debt issued for advance refunding	<u>\$ 251,766</u>	<u>\$ 118,478</u>	<u>\$ 370,244</u>
Premium on debt issued	<u>\$ 24,394</u>	<u>\$ 8,792</u>	<u>\$ 33,186</u>
Issuance costs on debt issued	<u>\$ (10,997)</u>	<u>\$ (3,964)</u>	<u>\$ (14,961)</u>
Refunding loss on debt issued	<u>\$ (77,280)</u>	<u>\$ (27,852)</u>	<u>\$ (105,132)</u>
Debt proceeds deposited with refunding bond escrow agent	<u>\$ (251,766)</u>	<u>\$ (118,478)</u>	<u>\$ (370,244)</u>

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, 2013

Assets

Cash and equivalents	\$	9,370,565
Taxes receivable		<u>16,465,575</u>
Total Assets	\$	<u><u>25,836,140</u></u>

Liabilities:

Due to other taxing units	\$	<u><u>25,836,140</u></u>
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See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

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AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2013

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VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies

The Village of Grafton (Village) was incorporated in 1896. The Village operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, public works, development services, public health and welfare, culture, recreation, water and wastewater.

The accounting policies of the Village of Grafton, Wisconsin conform to accepted 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 of Grafton. 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

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

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 non-exchange 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 reporting entity 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 equity, revenues, and expenditures/expenses.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

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 and 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 expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Tax incremental District No. 3 (TID No. 3) Capital Project 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 – The Water Utility accounts for the operations of the Village’s water distribution system.
- Wastewater Utility – The Wastewater Utility accounts for the operations of the Village’s sewage treatment plant and related collection systems.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The Village reports the following non-major 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 – 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. The Village uses this fund to account for its Tax Collection Fund.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

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 unearned revenue. 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 utility 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 unearned revenues. 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 to 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) 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 unearned revenues. It is the practice of the Village to utilize special assessment collections to finance future capital project expenditures.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, interdepartmental charges for services, cable television fees, library nonresident fees and interest. Other general revenues such as fines and forfeitures, licenses and permits, public charges for services and commercial revenues (except investment earnings) are recognized when received in cash or when measurable and available under the criteria described above.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Fund Financial Statements (Continued)

Proprietary and fiduciary fund financial statements (other than agency funds) 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 sewer 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

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.
- 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.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Deposits and Investments (Continued)

The Village has adopted an investment policy. That policy follows the state statute for allowable investments. 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.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3. A. for further information.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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 other local governmental units billed in the current year for the succeeding year are reflected as receivables and as due to other taxing units on the Statement of Assets and Liabilities—Agency Fund. Taxes are levied in December on the assessed value as of the prior January 1.

Property Tax Calendar - 2013 Tax Roll:

Levy Date	December 2013
Lien Date	September 1, 2013
Tax Bills Mailed	December 2013
Payment in full, or	January 31, 2014
First Installment due	January 31, 2014
Second Installment due	March 31, 2014
Third Installment due	May 31, 2014
Personal property taxes due in full	January 31, 2014

Tax Settlements with other Governmental Units:

First Settlement	January 15, 2014
Second Settlement	February 20, 2014
Third Settlement	April 15, 2014
Fourth Settlement	June 17, 2014
Final Settlement	August 20, 2014
Tax Sale by County - 2013 Delinquent Estate Taxes	October 2016

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 Utility because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not 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.

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.

Loans receivable are recorded when the loans are disbursed.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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.

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.

Restricted assets include investments of the proprietary fund that are legally restricted as to their use. These restrictions are the result of grant agreements with the Wisconsin Department of Natural Resources as a condition of the receipt of construction grants, as well as debt covenants related to outstanding mortgage revenue bonds.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Capital Assets

Government-wide Statements

The accounting treatment related to capital assets depends on whether the assets are used in governmental operations or proprietary fund operations and whether they are reported in the government-wide or fund financial 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.

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 of depreciation. 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

Fund Financial Statements

In the fund financial statements, capital assets acquired 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 in the same manner as in the government-wide statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Deferred Outflows of Resources

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

A deferred loss on refunding arises from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of 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 statements.

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, 2013 was \$213,090, \$10,080 and \$29,223 in the governmental activities, water utility and wastewater utility, respectively.

Medical Leave Bank and Medical Leave Separation Bank

The Village policies regarding sick leave was changed as of January 1, 2012. For employees who had accumulated sick leave banks that need 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 issues after separation of employment.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Medical Leave Bank and Medical Leave Separation Bank (Continued)

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, 2013 was \$152,596, \$8,438 and \$8,438 in the governmental activities, water utility and wastewater utility, respectively.

Long-term Obligations and 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 effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

The Village of Grafton 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. At year end, the aggregate principal amount for the four series outstanding totaled \$9,304,139.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position 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
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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 – 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 – All other net position 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 equity is classified as fund balance and 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. 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 that originally created the commitment.
- 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.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Equity Classifications (Continued)

- 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 exceeds amounts restricted, committed or assigned for those purposes.

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

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 balance at year end was \$2,331,112 and is included in unassigned general fund balance.

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.

See Note 3.G. for further information.

Water and Wastewater Rates

Water rates for the utility were approved by the Public Service Commission of Wisconsin on December 22, 2010. Wastewater rates were approved by the Village Board on December 22, 2010.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

2. Stewardship, Compliance, and Accountability

A. Excess Expenditures Over Appropriations

Fund	Actual Expenditures	Final Budgeted Expenditures	Excess Expenditures Over Budget
General Fund			
Public Works	\$ 2,688,138	\$ 2,687,966	\$ 172
Debt Service Fund			
Principal	2,280,753	2,280,526	227
Interest and Fiscal Charges	1,393,568	1,371,418	22,150
Other Financing Uses	5,350,680	-	5,350,680
TID #2			
General Government	4,616	4,350	266
Public Works	4,752	4,500	252
Other Financing Uses	279,107	241,302	37,805
TID #3			
Capital Outlay	1,288,520	1,272,600	15,920
TID #5			
General Government	8,955	8,850	105
Conservation and Development	3,781	3,500	281
Other Financing Uses	823,061	796,782	26,279
Revolving Loan Fund			
Conservation and Development	30,036	5,500	24,536
Room Tax Fund			
Conservation and Development	30,712	26,429	4,283
Park & Open Space Fund			
Other Financing Uses	17,518	-	17,518
Library Fund			
Other Financing Uses	8,293	4,542	3,751
Capital Improvement Fund			
Public Works	266	-	266
Capital Outlay	2,014,474	1,865,100	149,374
Other Financing Uses	491,361	44,952	446,409
Woodlawn Cemetery Capital			
Capital Outlay	162	-	162
Fire Department Fund - Special Revenue			
Capital Outlay	209,670	137,746	71,924
Other Financing Uses	263,555	260,153	3,402

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

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

2. Stewardship, Compliance, and Accountability (Continued)

B. 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 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

C. Deficit Balances

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

As of December 31, 2013, the Capital Projects - TID No. 3 had a deficit fund balance of \$912,549. This deficit balance is related to a property purchased by the Village that is anticipated to be sold in 2014 and a DNR grant anticipated to be received in 2014 related to dam repairs.

3. Detail Notes on Transaction Classes and Accounts

A. Deposits and Investments

The Village's deposits and investments at December 31, 2013 were comprised of the following:

	Statement Balance	Carrying Value	Associated Risks
Demand Deposits	\$ 20,832,672	\$ 20,273,447	Custodial Credit Risk
State and Wisconsin Local Government Investment Pool (LGIP)	1,955,764	1,955,764	Credit risk
Petty Cash	-	1,120	N/A
			Interest rate, custodial and concentration of
Investments	5,471,953	5,471,953	credit risk
Total Deposits and Investments	\$ 28,260,389	\$ 27,702,284	

Reconciliation of Financial Statements:

Per Statement of Net Position		
Unrestricted Cash and Investments		\$ 15,898,860
Restricted Cash and Investments		2,432,859
Per Statement of Assets and Liabilities - Agency Fund		9,370,565
		\$ 27,702,284

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

A. Deposits and Investments (Continued)

As of December 31, 2013 the Village's investments including the following at fair market value:

Investment	Maturities	Fair Value
Federal Home Loan Mortgage Corporation	2014-2017	\$ 2,250,377
Federal National Mortgage Association	2014-2017	805,902
United States Treasury Securities	2013-2015	2,044,068
Corporate Collateralized Passthroughs	2013-2017	371,606
Total		<u>\$ 5,471,953</u>

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.

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, 2013, \$18,192,695 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,451,404
Uninsured and collateral held by the pledging financial institution's trust department or agent not in the village's name	<u>15,741,291</u>
Total	<u>\$18,192,695</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, 2013, \$5,221,953 of the Village's investments were exposed to custodial credit risk as follows:

Neither insured nor registered and held by counterparty	<u>\$ 5,221,953</u>
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VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

A. Deposits and Investments (Continued)

Credit Risk

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

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, 2013, the Village's investments in Federal Home Loan Mortgage Corporation, Federal National Mortgage Association were rated AAA by Standard & Poor's and 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.

The Village placed no limit on the amount the Village may invest in any one issuer. More than 5 percent of the Village's investments are in Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, US Treasuries, and corporate collateralized pass-through. These investments are 41%, 15%, 37%, and 7%, respectively, of the Village's total investments.

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 \$ 14,976

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:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 9,438,682	\$ -
Special assessments not yet due	-	434,319
Other receivables not yet due	-	13,975
Unearned/Unavailable Revenues for Governmental Funds	\$ 9,438,682	\$ 448,294

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 \$63,263 in unearned revenues related to water tower lease payments.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

C. Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Capital Projects Fund	TID No. 3	\$ 1,038,973	1,038,973
Less: Fund eliminations		<u>(1,038,973)</u>	
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ -</u>	

The principal purpose of these interfunds is the allocation of commingled cash and investment balances. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

Advances

The capital projects fund is advancing funds to the park and recreation fund and impact fees fund. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources in each fund. Each funds 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.

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Capital Projects Fund	Park & Recreation Facilities Fund	\$ 96,054	96,054
Capital Projects Fund	Impact Fee Fund	<u>327,193</u>	327,193
Total - Fund Financial Statements		423,247	
Less: Fund eliminations		<u>(423,247)</u>	
Total Advances - Government-Wide Statement of Net Position		<u>\$ -</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

C. Interfund Receivables/Payables and Transfers (Continued)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
General Fund	Cemetery Perpetual Care Fund	\$ 188
General Fund	Wastewater Utility Fund	70,378
General Fund	Water Utility Fund	199,835
Debt Service Fund	Impact Fee Fund	226,119
Debt Service Fund	Capital Projects Fund	58,682
Debt Service Fund	TID No. 2 Fund	39,863
Debt Service Fund	TID No. 3 Fund	1,187,784
Debt Service Fund	TID No. 4 Fund	567,419
Debt Service Fund	TID No. 5 Fund	725,146
Debt Service Fund	Room Tax Fund	125,000
Debt Service Fund	Park & Recreational Facilities Fund	78,863
Debt Service Fund	Library Fund	8,293
Debt Service Fund	Environmental Fund	75,000
Capital Project Fund	Park & Open Space Fund	17,518
TID No. 3 Fund	TID No. 5 Fund	51,878
TID No. 3 Fund	Capital Projects Fund	150,000
Park & Recreational Facilities Fund	Capital Projects Fund	76,056
Aquatics Fund	General Fund	60,668
Impact Fees Fund	Capital Projects Fund	206,624
Fire and Rescue Equipment Fund	Fire Department Fund	156,092
Capital Project Fund	Fire Department Fund	107,463
TID No. 4 Fund	TID No. 2 Fund	239,245
TID No. 4 Fund	TID No. 5 Fund	46,036
Total - Fund Financial Statements		4,474,150
Less: Fund eliminations		(4,203,937)
Total Transfers - Government-Wide Statement of Activities		<u>\$ 270,213</u>

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.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

Transfers (Continued)

These transfers were made for the following purposes:

- Transfers to the General Fund from other governmental funds were made to transfer investment income from the Woodlawn Cemetery Perpetual Care Fund.
- Transfers to the General Fund from the Wastewater Utility were made in relation to administrative charges to the Wastewater Utility.
- Transfers to the Debt Service Fund from the Capital Projects Fund, TID No. 3, TID No. 4, TID No. 5, and other governmental funds were made to fund the debt service requirements for each fund.
- Transfer to Capital Projects Fund from Park & Open Space fund was made based on donor request.
- Transfers to the Aquatics Fund from the General Fund were made as an annual operating transfer that subsidizes the funding in this fund.
- Transfer to Fire and Rescue Equipment Fund from the Fire Department fund were made for the 2013 allocation for future capital purchases.
- Transfers to TID No. 3, Park & Recreation Facilities Fund and Impact Fees Funds from Capital Projects Fund were to cover fund shortfalls in the current year.
- Transfer to Capital Project Fund from the Fire Department Fund was related to capital purchases.
- Transfer to TID No. 4 from TID No. 2 and TID No. 5 were donations to offset negative fund balances.

D. Restricted Assets

The Utility has established an equipment replacement account to be used for significant wastewater treatment mechanical equipment replacement as required by the Wisconsin Department of Natural resources as a condition to receiving construction grants. The balance in this account as of December 31, 2013 was \$837,133. Additionally, the Village has established reserve accounts as required by debt covenants associated with outstanding mortgage revenue bonds. The balance of restricted assets related to these debt covenants was \$373,602 as of December 31, 2013.

The Village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Following is a list of restricted assets as of December 31, 2013:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Assets
Equipment replacement account	\$ 837,133	\$ -	\$ 837,133
Future fire capital purchases	1,217,918	-	1,217,918
Operations and maintenance	250,737	4,206	246,531
Debt service	127,071	-	127,071
Total Restricted Assets	<u>\$ 2,432,859</u>	<u>\$ 4,206</u>	<u>\$ 2,428,653</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

E. Capital Assets

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

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated/amortized				
Land	\$13,834,967	\$ 118,023	\$ -	\$13,952,990
Intangible assets - easements	407,071	-	-	407,071
Construction in progress	37,612	891,804	-	929,416
Total Capital Assets Not Being Depreciated/Amortized	<u>14,279,650</u>	<u>1,009,827</u>	<u>-</u>	<u>15,289,477</u>
Capital assets being depreciated				
Buildings and improvements	23,268,521	187,972	(180,844)	23,275,649
Equipment and furnishings	4,225,840	1,830,081	(267,421)	5,788,500
Infrastructure	34,285,140	88,635	-	34,373,775
Total Capital Assets Being Depreciated	<u>61,779,501</u>	<u>2,106,688</u>	<u>(448,265)</u>	<u>63,437,924</u>
Less: Accumulated depreciation for				
Building and improvements	(5,579,524)	(564,959)	163,114	(5,981,369)
Equipment and furnishings	(2,778,630)	(843,556)	240,859	(3,381,327)
Infrastructure	(9,103,418)	(704,916)	-	(9,808,334)
Total Accumulated Depreciation	<u>(17,461,572)</u>	<u>(2,113,431)</u>	<u>403,973</u>	<u>(19,171,030)</u>
Net Capital Assets Being Depreciated	<u>44,317,929</u>	<u>(6,743)</u>	<u>(44,292)</u>	<u>44,266,894</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$58,597,579</u>	<u>\$ 1,003,084</u>	<u>\$ (44,292)</u>	<u>\$59,556,371</u>

General Government	\$ 67,062
Public Safety	283,938
Public Work	1,215,603
Community Enrichment	180,761
Conservation and Development	743
Total Governmental Activities Depreciation Expense	\$ 1,748,107
Accumulated depreciation associated with contributed fire department equipment	365,324
Total additions to accumulated depreciation	<u>\$2,113,431</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

E. Capital Assets (Continued)

Business-type Activities:

<u>Water Utility</u>	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Capital assets not being depreciated/amortized				
Land	\$ 42,533	\$ -	\$ -	\$ 42,533
Intangible assets - easements	-	70,000	-	70,000
Construction in progress	<u>34,731</u>	<u>1,207,114</u>	<u>(1,241,845)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>77,264</u>	<u>1,277,114</u>	<u>(1,241,845)</u>	<u>112,533</u>
Capital assets being depreciated				
Property and equipment	<u>20,456,346</u>	<u>1,299,758</u>	<u>(138,423)</u>	<u>21,617,681</u>
Total Capital Assets being Depreciated	<u>20,456,346</u>	<u>1,299,758</u>	<u>(138,423)</u>	<u>21,617,681</u>
Total Capital Assets	<u>20,533,610</u>	<u>2,576,872</u>	<u>(1,380,268)</u>	<u>21,730,214</u>
Less accumulated depreciation for:				
Property and equipment	<u>(5,341,450)</u>	<u>(456,429)</u>	<u>138,423</u>	<u>(5,659,456)</u>
Total Accumulated Depreciation	<u>(5,341,450)</u>	<u>(456,429)</u>	<u>138,423</u>	<u>(5,659,456)</u>
Net Capital Assets Being Depreciated	<u>15,114,896</u>	<u>843,329</u>	<u>-</u>	<u>15,958,225</u>
Net Water Utility Assets	<u>\$ 15,192,160</u>	<u>\$ 2,120,443</u>	<u>\$ (1,241,845)</u>	<u>\$ 16,070,758</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

E. Capital Assets (Continued)

Business-type Activities:

<u>Wastewater Utility</u>	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Capital assets not being depreciated/amortized	<u>Balance</u>			<u>Balance</u>
Land	\$ 405,939		\$ -	\$ 405,939
Intangible assets - easements	14,483	5,300	-	19,783
Construction in progress	<u>68,127</u>	<u>1,434,004</u>	<u>(692,041)</u>	<u>810,090</u>
 Total Capital Assets Not Being Depreciated/Amortized	 <u>488,549</u>	 <u>1,439,304</u>	 <u>(692,041)</u>	 <u>1,235,812</u>
 Capital assets being depreciated Property and equipment	 <u>25,680,390</u>	 <u>1,196,163</u>	 <u>(77,501)</u>	 <u>26,799,052</u>
 Total Capital Assets	 <u>26,168,939</u>	 <u>2,635,467</u>	 <u>(769,542)</u>	 <u>28,034,864</u>
 Less accumulated depreciation for: Property and equipment	 <u>(10,050,294)</u>	 <u>(707,955)</u>	 <u>77,501</u>	 <u>(10,680,748)</u>
 Net Capital Assets Being Depreciated	 <u>15,630,096</u>	 <u>488,208</u>	 <u>-</u>	 <u>16,118,304</u>
 Net Wastewater Utility Assets	 <u>\$ 16,118,645</u>	 <u>\$ 1,927,512</u>	 <u>\$ (692,041)</u>	 <u>\$ 17,354,116</u>

Business-type Activities

Water Utility	\$ 430,526
Wastewater Utility	<u>733,858</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,164,384</u>

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

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and Notes Payable:					
General obligation debt	\$ 36,158,184	\$ 7,671,701	\$ 7,115,282	\$ 36,714,603	\$ 2,620,031
Unamortized discount	(151,670)	-	143,461	(8,209)	-
Unamortized premium	201,464	162,852	32,532	331,784	-
Subtotal	<u>35,996,679</u>	<u>7,834,553</u>	<u>7,291,275</u>	<u>37,038,178</u>	<u>2,620,031</u>
Other Liabilities:					
Compensated absences	318,463	365,686	318,463	365,686	71,030
Landfill post-closure liability	<u>372,275</u>	-	<u>95,520</u>	<u>276,755</u>	-
Total Other Liabilities	<u>690,738</u>	<u>365,686</u>	<u>413,983</u>	<u>642,441</u>	<u>71,030</u>
 Total Governmental Activities Long-Term Obligations	 <u>\$ 36,687,417</u>	 <u>\$ 8,200,239</u>	 <u>\$ 7,705,258</u>	 <u>\$ 37,680,619</u>	 <u>\$ 2,691,061</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:					
Bonds and Notes Payable					
General obligation debt	\$ 1,989,276	\$ 2,563,299	\$ 569,885	\$ 3,982,690	\$ 261,422
Revenue bonds	1,305,000	-	70,000	1,235,000	75,000
Unamortized premium	<u>13,989</u>	<u>33,185</u>	<u>2,803</u>	<u>44,371</u>	-
Sub-totals	<u>3,308,265</u>	<u>2,596,484</u>	<u>642,688</u>	<u>5,262,061</u>	<u>336,422</u>
Other Liabilities:					
Compensated absences	<u>81,894</u>	<u>56,180</u>	<u>81,894</u>	<u>56,180</u>	<u>13,101</u>
 Total Business-type Activities Long-Term Liabilities	 <u>\$ 3,390,159</u>	 <u>\$ 2,652,664</u>	 <u>\$ 724,582</u>	 <u>\$ 5,318,241</u>	 <u>\$ 349,523</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

F. Long-Term Obligations (Continued)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of total equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2013, was \$54,772,220. Total general obligation debt outstanding at year end was \$40,697,293.

General Obligation Debt

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

	Date of Issue	Maturity Date	Interest Rate	Original Indebtedness	Balance 12/31/2013
Bonds:	6/1/2004	12/1/2024	5.90%	\$ 2,525,000	\$ 125,000
	12/15/2004	12/1/2014	3.25%	3,550,000	230,000
	9/1/2005	12/1/2024	4.01%	8,435,000	2,560,000
	6/15/2006	12/1/2025	4.00%	7,995,000	4,585,000
	6/1/2007	12/1/2017	3.80%	1,240,000	1,240,000
	9/8/2009	6/1/2027	5.25%	8,010,000	7,575,000
	9/8/2009	6/1/2027	3.95%	2,625,000	2,625,000
	8/3/2011	6/1/2028	2.5-4.6%	4,955,000	4,955,000
	9/7/2011	12/1/2017	2.00%	1,385,000	1,075,000
	5/17/2012	12/1/2022	1.49%	1,225,000	1,180,000
	5/17/2012	6/1/2024	2.39%	2,055,000	2,010,000
	6/20/2013	6/1/2026	1.80%	7,671,701	7,671,701
	6/20/2013	6/1/2026	1.80%	1,563,299	1,563,299
Notes:	9/1/2005	12/1/2014	3.63%	785,000	120,000
	6/1/2007	12/1/2016	3.90%	670,000	280,000
	12/7/2010	3/1/2020	3.40%	835,000	665,000
State Trust Fund Loans:	9/5/2008	3/15/2018	4.25%	1,117,900	686,625
	10/19/2011	3/15/2021	3.75%	600,000	550,668
	10/1/2013	3/15/2026	3.75%	1,000,000	1,000,000
Total General Obligation Debt					<u>\$ 40,697,293</u>
Governmental debt					\$ 36,714,603
Business-type activity debt - Water					1,280,668
Business-type activity debt - Wastewater					<u>2,702,022</u>
Total General Obligation Debt					<u>\$ 40,697,293</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

F. Long-Term Obligations (Continued)

Revenue Bonds

Water and Wastewater Utility revenue bonds are payable solely from revenues generated by the utility. A statutory mortgage lien upon the water and sewerage system and any additions, improvements, and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the resolutions authorizing the mortgage revenue bond issues. The earnings of the Water and Wastewater Utility remain subject to the lien until payment in full of the principal and interest on the bonds.

The Water and Wastewater Utility has pledged future revenues, net of specified operating expenses, to repay \$1.55 million in revenue bonds issued in 2007. Proceeds from the bonds provided financing for the Water and Wastewater Utilities. The bonds are payable through 2026. Annual principal and interest payments on the bonds are expected to require 7% of net revenues. The total principal and interest remaining to be paid on the bonds is approximately \$1.62 million. Principal and interest paid for the current year and total customer net revenues were \$123,971 and \$1.86 million, respectively.

Details of revenue bonds outstanding are presented below:

	Date of Issue	Maturity Date	Interest Rate	Original Indebtedness	Balance 12/31/2013
Revenue Bonds - Wastewater	6/1/2007	12/1/2026	4.33%	\$ 961,000	\$ 765,700
Revenue Bonds - Water	6/1/2007	12/1/2026	4.33%	589,000	469,300
Total Business-Type Activities					<u>\$ 1,235,000</u>

Debt service requirements to maturity for long-term debt are as follows:

Governmental Activities

Year	General Obligation Debt		Total
	Principal	Interest	
2014	\$ 2,620,031	\$ 1,239,106	\$ 3,859,137
2015	2,711,033	1,150,834	3,861,867
2016	2,798,429	1,069,321	3,867,750
2017	2,617,604	979,179	3,596,783
2018	2,238,577	896,170	3,134,747
2019-2023	14,123,005	3,176,497	17,299,502
2024-2028	9,605,924	854,132	10,460,056
	<u>\$36,714,603</u>	<u>\$ 9,365,239</u>	<u>\$46,079,842</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

F. Long-Term Obligations (Continued)

Business-type Activities

Year	General Obligation Debt		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2014	\$ 261,422	\$ 88,425	\$ 75,000	\$ 50,471	\$ 475,318
2015	325,335	133,288	75,000	47,471	581,094
2016	359,597	104,445	80,000	44,471	588,513
2017	376,537	90,858	85,000	41,271	593,666
2018	396,934	76,799	85,000	37,871	596,604
2019-2023	1,701,180	205,038	490,000	134,181	2,530,399
2024-2028	561,685	28,022	345,000	29,400	964,107
	<u>\$ 3,982,690</u>	<u>\$ 726,875</u>	<u>\$ 1,235,000</u>	<u>\$ 385,136</u>	<u>\$ 6,329,701</u>

Total Primary Government

Year	General Obligation Debt		Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2014	\$ 2,881,453	\$ 1,327,531	\$ 75,000	\$ 50,471	\$ 4,334,455
2015	3,036,368	1,284,122	75,000	47,471	4,442,961
2016	3,158,026	1,173,766	80,000	44,471	4,456,263
2017	2,994,141	1,070,037	85,000	41,271	4,190,449
2018	2,635,511	972,969	85,000	37,871	3,731,351
2019-2023	15,824,185	3,381,535	490,000	134,181	19,829,901
2024-2028	10,167,609	882,154	345,000	29,400	11,424,163
	<u>\$ 40,697,293</u>	<u>\$ 10,092,114</u>	<u>\$ 1,235,000</u>	<u>\$ 385,136</u>	<u>\$ 52,409,543</u>

Advance Refunding

On June 20, 2013, the Village issued \$9,235,000 in general obligation corporate purpose bonds with an average interest rate of 1.80% to partially refund \$5,205,000 of outstanding general obligation community development bonds with an average interest rate of 4.01%. The net proceeds of \$5,941,881 (after payment of \$88,358 in underwriting fees, insurance and other issuance costs, a premium of \$196,037 and proceeds used for other purposes of \$4,008,724) along with \$32,800 of Village monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded bonds prior to the advance refunding was \$10,509,230 from 2013 through 2024. The cash flow requirements on the 2013 corporate bonds are \$9,970,805 from 2013 through 2024. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$313,744.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

F. Long-Term Obligations (Continued)

Advance Refunding (Continued)

Defeasance of Debt

The Village defeased certain general obligation 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 liability for the defeased bonds are not included in the Village's financial statements. At December 31, 2013, \$6,965,000 of bonds outstanding is considered defeased. The bonds are callable on the following date.

Call Date	Amount
6/1/2014	\$ 1,760,000
12/1/2016	5,205,000

G. Net Position and Fund Balances

Government-wide Financial Statement of Net Position

Governmental Activities

Net position reported on the government wide statement of net position at December 31, 2013, includes the following:

Net Investment in Capital Assets

Land and construction in progress	\$ 14,882,406
Intangible Assets	407,071
Other capital assets net of accumulated depreciation	44,266,894
Less related long-term debt outstanding, net of unspent proceeds and other debt adjustments	<u>(36,509,964)</u>

Total Net Investment in Capital Assets \$ 23,046,407

Restricted for:

Debt Service	106,566
Fire and Rescue Equipment	1,217,918
Revolving Loans	705,734
Cemetary	88,590
Park and Recreational Facilities	91,177

Unrestricted 5,612,462

Total Governmental Net Position \$ 30,868,854

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

G. Net Position and Fund Balances (Continued)

Government-wide Financial Statement Net Position (Continued)

Business-type Activities

Net position reported on the government wide statement of net position for business-type activities at December 31, 2013, includes the following:

Net Investment in Capital Assets:

Land and construction in progress	\$ 1,258,562
Intangible Assets	89,783
Other capital assets net of accumulated depreciation	32,076,529
Less related long-term debt outstanding, net of unspent proceeds and other debt adjustments	<u>(5,262,062)</u>

Total Net Investment in Capital Assets \$ 28,162,812

Restricted for:

Equipment Replacement	837,133
Debt Service	127,071
Operations and Maintenance	246,531

Unrestricted 4,484,959

Total Business-Type Net Position \$ 33,858,506

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

G. Net Position and Fund Balances (Continued)

Fund Financial Statements

Governmental fund balances reported on the fund financial statements at December 31, 2013, include the following:

Nonspendable

Major Funds

General Fund

Prepaid items	\$ 82,426
Delinquent personal property taxes	2,643
Total	\$ 85,069

Capital Projects Fund

Non-current receivables from other funds	\$ 1,462,220
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Nonmajor Funds

Special Revenue Funds

Recreation - prepaid items	\$ 47
Library - prepaid items	8,994
Aquatics - prepaid items	147

Total	\$ 9,188
-------	----------

Restricted

Major Funds

Debt Service Fund

Debt service	\$ 216,797
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Nonmajor Funds

Special Revenue Funds

Revolving Loan	\$ 705,734
Park and Recreation Facilities	91,177

Capital Projects Funds

Fire and Rescue Equipment	1,217,918
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Permanent Fund

Cemetery Perpetual Care	88,590
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Total	\$ 2,103,419
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VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

3. Detail Notes on Transaction Classes and Accounts (Continued)

G. Net Position and Fund Balances (Continued)

Fund Financial Statements (Continued)

Committed

Nonmajor Funds	
Special Revenue Funds	
Park and Open Space	\$ 50,746
Woodlawn Cemetery Cap	8,143
Recreation	20,048
Library	33,122
Enviromental	235,616
Fire Department	197,076
Room Tax	89,305
Capital Projects Fund	
Fire and Rescue Equipment	156,419
Total	\$ 790,475

Assigned

Major Funds	
General Fund	
Fund balance applied to subsequent year's budget	\$ 631,549
Capital Projects Fund	
Capital improvements	\$ 1,302,003
Nonmajor Funds	
Capital Projects Fund	
Equipment	\$ 67,894

Unassigned (Deficit)

Major Funds	
General Fund	
	\$ 2,370,908
TID No. 3	
	\$ (912,549)
Nonmajor Funds	
Special Revenue Funds	
Aquatics	\$ (147)

H. Special Item

Effective January 1, 2013 the Village of Grafton took control of Grafton Volunteer Fire Department, Inc. to provide the Village of Grafton and Town of Grafton firefighting and paramedic services. As part of the distribution of asset agreement, the Village received capital assets (e.g. firefighting equipment and vehicles) with a net book value of \$1,303,286 and cash in the amount of \$1,217,918. In accordance with the distribution of assets agreement, the funds are to be exclusively used to purchase capital equipment and vehicles for the Fire Department.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes

A. Employee Pension Plan

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, and 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 General category employees, 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, 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Protective with Social Security	6.65%	9.75%

The payroll for village employees covered by the WRS for the year ended December 31, 2013 was \$4,550,808; the employer's total payroll was \$4,778,803. The total required contribution for the year ended December 31, 2013 was \$698,489 or 15.35% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2012 and 2011 were \$629,138 and \$607,250, 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. 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 System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes.

The System 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, 2013 there was no pension related debt for the Village.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

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

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 is 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. There were no significant claims or judgments at year end.

Environmental Matters

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 \$276,755 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 in long-term obligation. No current portion of this obligation has been reported as of December 31, 2013 as there is no agreed upon repayment structure.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

C. Commitments and Contingencies

Other Matters

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's 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 disallowance, if any, would be immaterial to the financial statements.

D. Tax Incremental Districts

The Village of Grafton has four Tax Incremental Districts (TIDs). Tax incremental financing, as authorized by Section 66.1105 of the Wisconsin Statutes is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called a tax increment.

The TIDs were formed to install public utilities and infrastructure on unimproved property together with such other development incentives that will allow development to take place.

The Statutes specify the period of time after creation date for a TID to incur project costs eligible for financing from tax increments. The Statutes further specify the period of time the TID may collect tax increments to repay project costs including principal and interest on long-term debt issued by the Village to finance such improvements. Project costs uncollected after the final dissolution date are absorbed by the municipality.

The following is a schedule of the creation date, last date to incur project costs, and final dissolution date for the TID's:

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
TID No. 2	6/3/1996	6/3/2014	6/3/2019
TID No. 3	5/3/1999	5/3/2021	5/3/2026
TID No. 4	9/21/2004	9/21/2026	6/21/2031
TID No. 5	4/18/2006	4/18/2028	4/18/2033

The Village has financed development and public improvement costs in its TIDs through the issuance of general obligation long-term debt. Project costs are reported primarily as capital projects funds' expenditures. Tax increments are reported as capital projects funds' revenues and will be used to meet maturing debt obligations incurred to provide financing for development and public improvement costs within the tax incremental district. The debt service costs attributable to the TIDs are transferred to the Debt Service Fund. The following schedules are summaries of each TIDs planned and actual project activity to date.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

TID No. 2:

Projected Revenues:	Cumulative Activity	Project Plan Estimate
Tax increment	\$ 3,404,191	\$ 3,154,141
Intergovernmental aids	64,244	40,000
Investment earnings	273,766	-
Other revenues	100,240	-
Total Project Revenues	<u>3,842,441</u>	<u>3,194,141</u>
Projected Expenditures:		
Cheyenne Avenue	294,599	446,000
East Side Interceptor Sanitary Sewer - Phase 3	269,708	178,000
East Side Interceptor Sanitary Sewer - Phase 4	109,773	82,000
Badger Circle	706,060	655,000
Enviromental remediation	11,502	250,000
Development incentives	356,000	75,000
Economic development	133,306	-
Administration	62,088	60,000
Organization costs	9,962	20,000
Interest and fiscal charges	1,095,059	1,016,982
Debt issuance costs	40,691	411,159
Total Project Expenditures	<u>3,088,748</u>	<u>3,194,141</u>
Excess of Revenues Over Expenditures	<u>753,693</u>	<u>-</u>
Other Financing Sources (Uses):		
Debt issuances	2,530,180	1,910,000
Repayment of debt	(2,180,180)	(1,910,000)
Transfers from other funds	423,353	-
Transfers to other funds	(1,527,046)	-
Fund Balance	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

TID No. 3:

	Cumulative Activity	Project Plan Estimate
Projected Revenues:		
Tax increment	\$ 4,644,945	\$ 9,389,000
Intergovernmental aids	67,122	-
Investment earnings	763,921	-
Other revenues	<u>1,449,780</u>	<u>2,262,000</u>
Total Project Revenues	<u>6,925,768</u>	<u>11,651,000</u>
 Projected Expenditures:		
Street reconstruction	176,668	1,507,000
Parking improvements	677,834	915,000
Streetscape improvements	3,922,471	1,976,000
Redevelopment projects	429,066	1,307,000
Planned capital improvement	3,931,447	250,000
Property acquisition	4,275,848	-
Developer incentives	3,412,541	-
Administration	1,305,716	3,050,000
Interest and fiscal charges	6,017,017	5,309,000
Loss on debt refinancing	33,140	-
Debt issuance costs	<u>261,811</u>	<u>-</u>
Total Project Expenditures	<u>24,443,559</u>	<u>14,314,000</u>
Excess of Expenditures over Revenues	<u>(17,517,791)</u>	<u>(2,663,000)</u>
 Other Financing Sources (Uses):		
Debt issuances	18,591,000	6,959,000
Repayment of debt	(3,192,000)	(6,959,000)
Premiums on debt issuances	79,966	-
Transfers to other funds	(628,784)	-
Transfers from other funds	<u>1,755,060</u>	<u>-</u>
Fund Balance	<u>\$ (912,549)</u>	<u>\$ (2,663,000)</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

TID No. 4:

	Cumulative Activity	Project Plan Estimate
Projected Revenues:		
Tax increment	\$ 1,810,285	\$ 13,807,370
Intergovernmental aids	95,520	-
Developer contributions	39,189	-
Investment earnings	257,103	-
Other revenues	468,679	-
Total Project Revenues	<u>2,670,776</u>	<u>13,807,370</u>
Projected Expenditures:		
Redevelopment projects	4,583,978	8,799,000
Developer incentives	4,757,521	-
Administration	479,588	-
Interest and fiscal charges	1,171,029	4,832,390
Debt issuance costs	79,837	175,980
Total Project Expenditures	<u>11,071,953</u>	<u>13,807,370</u>
Excess of Expenditures over Revenues	<u>(8,401,177)</u>	<u>-</u>
Other Financing Sources (Uses):		
Debt issuances	10,105,000	8,799,000
Repayment of debt	(2,240,898)	(8,799,000)
Premiums on debt issuances	30,278	-
Transfers from other funds	506,797	-
Fund Balance	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

D. Tax Incremental Districts (Continued)

TID No. 5:

	Cumulative Activity	Project Plan Estimate
Projected Revenues:		
Tax increment	\$ 3,844,744	\$ 9,389,000
Intergovernmental aids	238,221	-
Developer contributions	111,876	-
Investment earnings	194,373	-
Total Project Revenues	4,389,214	9,389,000
Projected Expenditures:		
Redevelopment projects	3,837,723	1,507,000
Developer incentives	528,035	915,000
Administration	128,109	1,976,000
Interest and fiscal charges	724,216	1,307,000
Debt issuance costs	57,247	250,000
Total Project Expenditures	5,275,330	5,955,000
Excess of Expenditures over Revenues & Excess of Revenues over Expenditures	(886,116)	3,434,000
Other Financing Sources (Uses):		
Debt issuances	4,600,000	6,959,000
Repayment of debt	(3,200,438)	(6,959,000)
Premiums on debt issuances	13,168	-
Transfers to other funds	(526,614)	-
Fund Balance	\$ -	\$ 3,434,000

E. 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.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

E. Agreements with the Town of Grafton (Continued)

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 but excludes the fixtures and interior improvements of the library, which are under the control and custody of the joint library board. 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.

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>Municipalities</u>	<u>Percentage</u>
Village of Grafton	6.87%
City of West Bend	21.36%
Village of Germantown	13.18%
City of Hartford	12.72%
Village of Kewaskum	3.09%
Village of Slinger	6.20%
Village of Jackson	4.23%
City of Port Washington	4.88%
Village of Saukville	4.83%
City of Cedarburg	3.91%
Town of Hartford	0.26%
Town of Trenton	1.62%
Village of Newburg	0.19%
Village of Fredonia	0.58%
City of Mequon	13.38%
Village of Thiensville	2.71%

The Village received \$84,778 in fine revenues from the Mid-Moraine Municipal Court during 2013.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

F. Joint Ventures (Continued)

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, 2013 is available directly from the Court.

G. Impact Fees

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 2013 were \$14,988. The balance in the fund as of December 31, 2013 is \$91,177.

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 2013 were \$19,495. The fund balance as of December 31, 2013 is \$0.

H. Leases as Lessor

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water and Wastewater Utility property for the purpose of telecommunication relays. Revenue from this activity totaled \$97,517 for the year ended December 31, 2013. Future minimum lease payments receivable in conjunction with these leases are as follows:

2014	\$	100,053
2015		102,609
2016		105,268
2017		108,033
2018		110,909
	\$	<u>526,873</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Financial Statements
As of and For the Year Ended December 31, 2013

4. Other Notes (Continued)

I. Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 67, *Financial Reporting for Pension Plans* - an amendment of GASB Statement No. 25
- Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

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

J. Subsequent Events

The Public Service Commission approved a 7.2% water rate increase effective March 19, 2014.

The Village Board approved a 9% wastewater rate increase effective April 1, 2014.

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 4,953,041	\$ 4,953,041	\$ 4,960,375	\$ 7,334
Payments in lieu of taxes	198,356	198,356	200,369	2,013
Other taxes	25,000	25,000	18,885	(6,115)
Intergovernmental	1,424,737	1,424,737	1,410,259	(14,478)
Licenses and permits	345,750	345,750	415,286	69,536
Fines and forfeitures	138,500	138,500	107,511	(30,989)
Public charges for services	502,440	502,440	486,227	(16,213)
Intergovernmental charges for services	89,165	89,165	103,392	14,227
Donations	3,000	3,000	200	(2,800)
Investment income	55,000	55,000	5,959	(49,041)
Miscellaneous	60,400	60,400	75,915	15,515
Total Revenues	<u>7,795,389</u>	<u>7,795,389</u>	<u>7,784,378</u>	<u>(11,011)</u>
Expenditures:				
General Government	1,100,955	1,108,279	938,859	169,420
Public Safety	3,921,559	3,923,351	3,747,157	176,194
Public Works	2,686,264	2,687,966	2,688,138	(172)
Community Enrichment Services	495,305	495,305	483,441	11,864
Conservation and Development	152,363	152,363	90,434	61,929
Total Expenditures	<u>8,356,446</u>	<u>8,367,264</u>	<u>7,948,029</u>	<u>419,235</u>
Excess of Revenues Over (Under) Expenditures	<u>(561,057)</u>	<u>(571,875)</u>	<u>(163,651)</u>	<u>408,224</u>
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	8,000	8,000	131	(7,869)
Transfers in	270,487	270,487	270,401	(86)
Transfers out	(130,178)	(119,360)	(60,668)	58,692
Total Other Financing Sources (Uses)	<u>148,309</u>	<u>159,127</u>	<u>209,864</u>	<u>50,737</u>
Net Change in Fund Balance	<u>\$ (412,748)</u>	<u>\$ (412,748)</u>	46,213	<u>\$ 458,961</u>
FUND BALANCE - BEGINNING OF YEAR			<u>3,041,313</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,087,526</u>	

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, 2013

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 1. 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.

SUPPLEMENTARY INFORMATION

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Combining Balance Sheet - Nonmajor Governmental Funds
As of December 31, 2013

	Special Revenue Funds							
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics
Assets								
Cash and investments	\$ 69,337	\$ 570,225	\$ 7,105	\$ 187,231	\$ 20,805	\$ 345,802	\$ 244,667	\$ 585
Restricted cash and investments	-	-	-	-	-	-	-	-
Receivables								
Taxes	12,375	-	-	-	-	195,587	-	-
Accounts	-	4,549	1,200	-	-	233	-	-
Special assessments	-	-	-	-	-	-	-	-
Loans	-	130,960	-	-	-	-	-	-
Prepaid items	-	-	-	-	47	8,994	-	147
Total Assets	\$ 81,712	\$ 705,734	\$ 8,305	\$ 187,231	\$ 20,852	\$ 550,616	\$ 244,667	\$ 732
Liabilities, Deferred Inflows of Resources and Fund Balance								
Liabilities								
Accounts payable and accrued liabilities	\$ 966	\$ -	\$ 162	\$ -	\$ 757	\$ 34,352	\$ 9,051	\$ 732
Due to other governments	-	-	-	-	-	-	-	-
Advances from other governmental funds	-	-	-	96,054	-	-	-	-
Total Liabilities	966	-	162	96,054	757	34,352	9,051	732
Deferred Inflows of Resources								
Unearned revenue	30,000	-	-	-	-	474,148	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	30,000	-	-	-	-	474,148	-	-
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	47	8,994	-	147
Restricted	-	705,734	-	91,177	-	-	-	-
Committed	50,746	-	8,143	-	20,048	33,122	235,616	-
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	(147)
Total Fund Balances	50,746	705,734	8,143	91,177	20,095	42,116	235,616	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 81,712	\$ 705,734	\$ 8,305	\$ 187,231	\$ 20,852	\$ 550,616	\$ 244,667	\$ 732

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	
\$ 402,567	\$ 38,235	\$ 327,193	\$ 135,584	\$ 132,057	\$ 484,777	\$ 243,181	\$ 248,123	\$ 88,590	\$ 3,546,064
-	-	-	-	-	-	-	1,217,918	-	1,217,918
137,921	-	-	95,103	86,230	340,378	118,622	64,388	-	1,050,604
78,946	51,070	-	-	-	-	-	-	-	135,998
-	-	-	176,519	-	-	-	-	-	176,519
-	-	-	-	-	-	-	-	-	130,960
-	-	-	-	-	-	-	-	-	9,188
<u>\$ 619,434</u>	<u>\$ 89,305</u>	<u>\$ 327,193</u>	<u>\$ 407,206</u>	<u>\$ 218,287</u>	<u>\$ 825,155</u>	<u>\$ 361,803</u>	<u>\$ 1,530,429</u>	<u>\$ 88,590</u>	<u>\$ 6,267,251</u>
\$ 41,065	\$ -	\$ -	\$ 135	\$ 9,245	\$ -	\$ 6,342	\$ -	\$ -	\$ 102,807
46,940	-	-	-	-	-	-	-	-	46,940
-	-	327,193	-	-	-	-	-	-	423,247
<u>88,005</u>	<u>-</u>	<u>327,193</u>	<u>135</u>	<u>9,245</u>	<u>-</u>	<u>6,342</u>	<u>-</u>	<u>-</u>	<u>572,994</u>
334,353	-	-	230,553	209,042	825,155	287,567	156,092	-	2,546,910
-	-	-	176,518	-	-	-	-	-	176,518
<u>334,353</u>	<u>-</u>	<u>-</u>	<u>407,071</u>	<u>209,042</u>	<u>825,155</u>	<u>287,567</u>	<u>156,092</u>	<u>-</u>	<u>2,723,428</u>
-	-	-	-	-	-	-	-	-	9,188
-	-	-	-	-	-	-	1,217,918	88,590	2,103,419
197,076	89,305	-	-	-	-	-	156,419	-	790,475
-	-	-	-	-	-	67,894	-	-	67,894
-	-	-	-	-	-	-	-	-	(147)
<u>197,076</u>	<u>89,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,894</u>	<u>1,374,337</u>	<u>88,590</u>	<u>2,970,829</u>
<u>\$ 619,434</u>	<u>\$ 89,305</u>	<u>\$ 327,193</u>	<u>\$ 407,206</u>	<u>\$ 218,287</u>	<u>\$ 825,155</u>	<u>\$ 361,803</u>	<u>\$ 1,530,429</u>	<u>\$ 88,590</u>	<u>\$ 6,267,251</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, 2013

	Special Revenue Funds							
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics
Revenues								
Taxes	\$ 30,044	\$ -	\$ -	\$ -	\$ -	\$ 458,507	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	75,000	-	185,754	-	-
Donations	17,518	-	-	-	180	75	-	-
Public charges for services	-	-	5,400	-	48,711	18,939	-	77,708
Intergovernmental charges for services	-	-	-	-	-	-	-	-
Impact fees	-	-	-	14,988	-	-	-	-
Investment income	164	4,236	8	-	-	-	-	-
Miscellaneous	-	-	-	-	-	837	-	-
Total Revenues	<u>47,726</u>	<u>4,236</u>	<u>5,408</u>	<u>89,988</u>	<u>48,891</u>	<u>664,112</u>	<u>-</u>	<u>77,708</u>
Expenditures								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Community Enrichment Services	-	-	162	250	39,779	658,019	-	138,376
Conservation and Development	-	30,036	-	-	-	-	49,813	-
Capital outlay	19,137	-	-	-	-	4,500	-	-
Total Expenditures	<u>19,137</u>	<u>30,036</u>	<u>162</u>	<u>250</u>	<u>39,779</u>	<u>662,519</u>	<u>49,813</u>	<u>138,376</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>28,589</u>	<u>(25,800)</u>	<u>5,246</u>	<u>89,738</u>	<u>9,112</u>	<u>1,593</u>	<u>(49,813)</u>	<u>(60,668)</u>
Other Financing Sources (Uses)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	76,056	-	-	-	60,668
Transfers out	(17,518)	-	-	(78,863)	-	(8,293)	(75,000)	-
Total Other Financing Sources (Uses)	<u>(17,518)</u>	<u>-</u>	<u>-</u>	<u>(2,807)</u>	<u>-</u>	<u>(8,293)</u>	<u>(75,000)</u>	<u>60,668</u>
Special Item								
Contribution of fire department assets	-	-	-	-	-	-	-	-
Net Change in Fund Balance	<u>11,071</u>	<u>(25,800)</u>	<u>5,246</u>	<u>86,931</u>	<u>9,112</u>	<u>(6,700)</u>	<u>(124,813)</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR	39,675	731,534	2,897	4,246	10,983	48,816	360,429	-
FUND BALANCE - END OF YEAR	<u>\$ 50,746</u>	<u>\$ 705,734</u>	<u>\$ 8,143</u>	<u>\$ 91,177</u>	<u>\$ 20,095</u>	<u>\$ 42,116</u>	<u>\$ 235,616</u>	<u>\$ -</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	
\$ 491,157	\$ 221,488	\$ -	\$ 224,099	\$ 220,055	\$ 813,739	\$ 242,677	\$ -	\$ -	\$ 2,701,766
-	-	-	22,065	-	-	-	-	-	22,065
83,160	-	-	6,331	10,293	21,461	-	-	-	381,999
-	-	-	-	-	-	-	-	-	17,773
381,145	-	-	-	-	-	-	-	-	531,903
146,949	-	-	-	-	-	-	-	-	146,949
-	-	19,495	-	-	-	-	-	-	34,483
-	-	-	5,311	85	597	322	327	188	11,238
-	-	-	9,403	102,572	-	-	-	4,200	117,012
<u>1,102,411</u>	<u>221,488</u>	<u>19,495</u>	<u>267,209</u>	<u>333,005</u>	<u>835,797</u>	<u>242,999</u>	<u>327</u>	<u>4,388</u>	<u>3,965,188</u>
-	25,750	-	4,616	11,162	8,955	-	-	-	50,483
432,110	-	-	-	-	-	-	-	-	432,110
-	-	-	4,751	-	-	-	-	-	4,751
-	-	-	-	-	-	-	-	-	836,586
-	30,712	-	661	32,924	3,781	-	-	-	147,927
209,670	-	-	-	6,781	-	204,803	-	-	444,891
<u>641,780</u>	<u>56,462</u>	<u>-</u>	<u>10,028</u>	<u>50,867</u>	<u>12,736</u>	<u>204,803</u>	<u>-</u>	<u>-</u>	<u>1,916,748</u>
460,631	165,026	19,495	257,181	282,138	823,061	38,196	327	4,388	2,048,440
-	-	-	-	-	-	24,619	-	-	24,619
-	-	206,624	-	285,281	-	-	156,092	-	784,721
(263,555)	(125,000)	(226,119)	(279,107)	(567,419)	(823,061)	-	-	(188)	(2,464,123)
<u>(263,555)</u>	<u>(125,000)</u>	<u>(19,495)</u>	<u>(279,107)</u>	<u>(282,138)</u>	<u>(823,061)</u>	<u>24,619</u>	<u>156,092</u>	<u>(188)</u>	<u>(1,654,783)</u>
-	-	-	-	-	-	-	1,217,918	-	1,217,918
197,076	40,026	-	(21,926)	-	-	62,815	1,374,337	4,200	1,611,575
-	49,279	-	21,926	-	-	5,079	-	84,390	1,359,254
<u>\$ 197,076</u>	<u>\$ 89,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,894</u>	<u>\$ 1,374,337</u>	<u>\$ 88,590</u>	<u>\$ 2,970,829</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
General property taxes	\$ 4,953,041	\$ 4,953,041	\$ 4,960,375	\$ 7,334
Payments in lieu of taxes	198,356	198,356	200,369	2,013
Interest and penalties on delinquent taxes	25,000	25,000	18,885	(6,115)
Total Taxes	<u>5,176,397</u>	<u>5,176,397</u>	<u>5,179,629</u>	<u>3,232</u>
Intergovernmental Revenues:				
Shared revenues	431,750	431,750	436,314	4,564
Law enforcement	62,000	62,000	50,812	(11,188)
General highway aids	763,662	763,662	763,662	-
Computer aid	89,537	89,537	81,811	(7,726)
Police training	3,520	3,520	3,360	(160)
Connecting streets	50,125	50,125	50,125	-
Recycling	24,143	24,143	24,175	32
Total Intergovernmental Revenues	<u>1,424,737</u>	<u>1,424,737</u>	<u>1,410,259</u>	<u>(14,478)</u>
Licenses and Permits:				
Trainings				
Liquor and malt beverage	15,350	15,350	14,822	(528)
Operators	5,950	5,950	5,236	(714)
Cigarette	900	900	1,015	115
Bicycle	100	100	30	(70)
Dog and cat	2,100	2,100	2,019	(81)
Amusement device	1,750	1,750	1,550	(200)
Business and occupational	-	-	430	430
Permits:				
Building	110,000	110,000	147,954	37,954
Electrical	15,000	15,000	26,510	11,510
Plumbing	15,000	15,000	28,895	13,895
Other	600	600	1,460	860
Land use fees	5,500	5,500	5,436	(64)
Cable television	165,000	165,000	172,329	7,329
Street opening	3,000	3,000	3,400	400
Signs	5,500	5,500	4,200	(1,300)
Total Licenses and Permits	<u>\$ 345,750</u>	<u>\$ 345,750</u>	<u>\$ 415,286</u>	<u>\$ 69,536</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013
(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	\$ 84,778	\$ (20,222)
Other municipal court	2,500	2,500	188	(2,312)
Parking violations	30,000	30,000	21,215	(8,785)
Miscellaneous forfeitures	1,000	1,000	1,330	330
Total Fines and Forfeitures	<u>138,500</u>	<u>138,500</u>	<u>107,511</u>	<u>(30,989)</u>
Public Charges for Services:				
Recycling fees	133,530	133,530	134,601	1,071
Property inquiry fees	1,900	1,900	2,596	696
Weights and measures	10,000	10,000	11,732	1,732
Assessing records maintenance	15,000	15,000	10,965	(4,035)
License publication fees	60	60	62	2
DPW materials sold	100	100	306	206
Weed cutting	275	275	762	487
Park fees	17,000	17,000	21,395	4,395
Planning charges	85,000	85,000	26,001	(58,999)
Copy fees	1,600	1,600	2,627	1,027
Miscellaneous charges	193,275	193,275	218,401	25,126
Senior recreation fees	7,700	7,700	7,772	72
Engineering/Inspection fees	37,000	37,000	49,007	12,007
Total Public Charges for Services	<u>502,440</u>	<u>502,440</u>	<u>486,227</u>	<u>(16,213)</u>
Intergovernmental Charges for Services:				
School district crossing guard	20,863	20,863	19,903	(960)
Inspection services	19,000	19,000	43,693	24,693
Fire department dispatch services	39,796	39,796	39,796	-
Fire department share of workers' compensation	9,506	9,506	-	(9,506)
Total Intergovernmental Charges for Services	<u>89,165</u>	<u>89,165</u>	<u>103,392</u>	<u>14,227</u>
Donations	<u>3,000</u>	<u>3,000</u>	<u>200</u>	<u>(2,800)</u>
Investment Income	<u>55,000</u>	<u>55,000</u>	<u>5,959</u>	<u>(49,041)</u>
Miscellaneous:				
Miscellaneous general revenue	5,500	5,500	16,604	11,104
Rent	22,200	22,200	24,320	2,120
Recycling	32,700	32,700	34,991	2,291
Total Miscellaneous	<u>60,400</u>	<u>60,400</u>	<u>75,915</u>	<u>15,515</u>
Total Revenues	<u>\$ 7,795,389</u>	<u>\$ 7,795,389</u>	<u>\$ 7,784,378</u>	<u>\$ (11,011)</u>

**Village of Grafton
Ozaukee County, Wisconsin**

**Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Village Board	\$ 39,791	\$ 39,791	\$ 37,396	\$ 2,395
Legal	30,000	30,000	19,793	10,207
Administration	228,372	228,372	216,076	12,296
Clerk	133,529	133,529	125,588	7,941
Elections	12,890	12,890	14,093	(1,203)
Finance	353,498	353,498	341,780	11,718
Assessing	86,495	86,495	84,550	1,945
Village hall expenses	45,088	45,088	52,413	(7,325)
Other General Government	32,547	32,547	27,600	4,947
Total General Government	<u>962,210</u>	<u>962,210</u>	<u>919,289</u>	<u>42,921</u>
Public Safety:				
Police administration	536,538	538,330	516,059	22,271
Police operations	2,523,744	2,523,744	2,393,297	130,447
Trainings	384,709	384,709	381,706	3,003
Police building	74,888	74,888	64,546	10,342
Inspection	191,680	191,680	181,549	10,131
Other Administration	210,000	210,000	210,000	-
Total Public Safety	<u>\$ 3,921,559</u>	<u>\$ 3,923,351</u>	<u>\$ 3,747,157</u>	<u>\$ 176,194</u>

**Village of Grafton
Ozaukee County, Wisconsin**

**Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013
(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	\$ 210,219	\$ 211,921	\$ 211,143	\$ 778
Engineering	194,404	194,404	196,239	(1,835)
Street maintenance	960,007	960,007	938,848	21,159
Street cleaning	36,363	36,363	31,268	5,095
Snow removal	161,036	161,036	193,521	(32,485)
Forestry	53,265	53,265	41,483	11,782
Traffic control	27,142	27,142	19,520	7,622
Storm water management	53,771	53,771	90,402	(36,631)
Bridges and dams	1,487	1,487	2,321	(834)
Equipment maintenance	278,643	278,643	275,267	3,376
Garage and building	93,607	93,607	100,796	(7,189)
Recycling	616,320	616,320	587,330	28,990
Total Public Works	<u>2,686,264</u>	<u>2,687,966</u>	<u>2,688,138</u>	<u>(172)</u>
Community Enrichment Services:				
Adult senior services	107,308	107,308	113,610	(6,302)
Parks and playgrounds	160,873	160,873	141,802	19,071
Community activities administration	220,251	220,251	220,273	(22)
Cemetery	6,873	6,873	7,722	(849)
Miscellaneous	-	-	34	(34)
Total Community Enrichment Services	<u>495,305</u>	<u>495,305</u>	<u>483,441</u>	<u>11,864</u>
Conservation and Development:				
Community development	152,363	152,363	90,434	61,929
Total Conservation and Development	<u>152,363</u>	<u>152,363</u>	<u>90,434</u>	<u>61,929</u>
Contingency	<u>138,745</u>	<u>146,069</u>	<u>19,570</u>	<u>126,499</u>
Total Expenditures	<u>\$ 8,356,446</u>	<u>\$ 8,367,264</u>	<u>\$ 7,948,029</u>	<u>\$ 419,235</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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ 573,032	\$ 573,032	\$ 573,884	\$ 852
Investment income	4,400	4,400	1,441	(2,959)
Total Revenues	577,432	577,432	575,325	(2,107)
Expenditures				
Community Development	1,500	1,500	-	1,500
Debt Service				
Principal	2,280,526	2,280,526	2,280,753	(227)
Interest and fiscal charges	1,371,418	1,371,418	1,393,568	(22,150)
Total Expenditures	3,653,444	3,653,444	3,674,321	(20,877)
Excess (Deficit) of Revenues Over (Under) Expenditures	(3,076,012)	(3,076,012)	(3,098,996)	(22,984)
Other Financing Sources (Uses)				
Transfers In	3,212,943	3,212,943	3,092,169	(120,774)
Payment to refunded bond escrow agent	-	-	(5,350,680)	(5,350,680)
Debt issued	-	-	5,331,701	5,331,701
Premiums on debt issued	-	-	113,179	113,179
Total other financing sources	3,212,943	3,212,943	3,186,369	(26,574)
Net Change in Fund Balance	\$ 136,931	\$ 136,931	87,373	\$ (49,558)
FUND BALANCE - BEGINNING OF YEAR			129,424	
FUND BALANCE - END OF YEAR			\$ 216,797	

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 632,115	\$ 632,115	\$ 633,042	\$ 927
Intergovernmental	298,949	298,949	273,764	(25,185)
Special assessments	6,165	6,165	1,372,652	1,366,487
Public charges for services	10,500	10,500	10,925	425
Investment income	1,386	1,386	1,078	(308)
Total Revenues	949,115	949,115	2,291,461	1,341,419
Expenditures				
Current				
Public works	-	-	266	(266)
Capital outlay	1,865,100	1,865,100	2,014,474	(149,374)
Debt service				
Interest and fiscal charges	20,000	20,000	14,686	5,314
Total Expenditures	1,885,100	1,885,100	2,029,426	(144,326)
Excess (Deficit) of Revenues Over (Under) Expenditures				
	(935,985)	(935,985)	262,035	1,198,020
Other Financing Sources (Uses)				
Proceeds from sales of capital assets	-	-	1,000	1,000
Transfers in	-	-	124,981	124,981
Transfers out	(44,952)	(44,952)	(491,362)	(446,410)
Debt issued	1,434,000	1,434,000	1,535,000	101,000
Premiums on debt issued	-	-	32,584	32,584
Total Other Financing Sources (Uses)	1,389,048	1,389,048	1,202,203	(186,845)
Net Change in Fund Balance	\$ 453,063	\$ 453,063	1,464,238	\$ 1,011,175
FUND BALANCE - BEGINNING OF YEAR			1,299,985	
FUND BALANCE - END OF YEAR			\$ 2,764,223	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Tax Incremental Financing District No. 3
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 574,407	\$ 574,407	\$ 595,040	\$ 20,633
Intergovernmental	319,325	319,325	2,868	(316,457)
Donations	1,000	1,000	21,339	20,339
Investment income	18,800	18,800	11,595	(7,205)
Miscellaneous	411,569	411,569	411,738	169
Total revenues	<u>1,325,101</u>	<u>1,325,101</u>	<u>1,042,580</u>	<u>(282,521)</u>
Expenditures				
Current				
General Government	55,850	55,850	41,912	13,938
Conservation and Development	946,250	946,250	53,177	893,073
Capital outlay	1,272,600	1,272,600	1,288,520	(15,920)
Debt service				
Interest and fiscal charges	25,000	25,000	7,702	17,298
Total Expenditures	<u>2,299,700</u>	<u>2,299,700</u>	<u>1,391,311</u>	<u>908,389</u>
Excess (Deficit) of Revenues Over (Under) Expenditures				
	<u>(974,599)</u>	<u>(974,599)</u>	<u>(348,731)</u>	<u>625,868</u>
Other Financing Sources (Uses)				
Transfers in	726,078	726,078	201,878	(524,200)
Transfers out	(1,210,244)	(1,210,244)	(1,187,784)	22,460
Debt issued	1,858,765	1,858,765	805,000	(1,053,765)
Debt issuance premiums	-	-	17,088	17,088
Total Other Financing Sources (Uses)	<u>1,374,599</u>	<u>1,374,599</u>	<u>(163,818)</u>	<u>(1,538,417)</u>
Net Change in Fund Balance	<u>\$ 400,000</u>	<u>\$ 400,000</u>	(512,549)	<u>\$ (912,549)</u>
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR			(400,000)	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (912,549)</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Water Utility
For the Year Ended December 31, 2013

Operating Revenues

Sales of Water

Metered Sales

Residential	\$ 835,839
Commercial	244,835
Industrial	67,370
Public authorities	<u>18,510</u>

Total Metered Sales 1,166,554

Bulk Sales 2,303

Private fire protection 37,354

Public fire protection 330,468

Total Sales of Water 1,536,679

Other Operating Revenues

Customer forfeited discounts 8,120

Other water revenues 119,061

Total Operating Revenues 1,663,860

Operating Expenses

Source of Supply Expenses

Operation labor 17,434

Maintenance 10,821

Total Pumping Expenses 28,255

Pumping Expenses

Operation labor 36,704

Power purchased for pumping 72,271

Supplies 9,397

Maintenance 17,271

Total Pumping Expenses 135,643

Water Treatment Expenses

Operation labor 13,335

Chemicals 25,192

Operation supplies 1,792

Maintenance 9,847

Total Water Treatment Expenses 50,166

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Water Utility
For the Year Ended December 31, 2013
(Continued)

Operating Expenses (Continued)

Transmission and Distribution	
Operation supplies	\$ 129,185
Maintenance:	
Reservoirs	112,004
Mains	7,687
Services	16,292
Meters	2,869
Hydrants	4,112
Total Transmission and Distribution	272,149
Customer Accounts	
Meter reading labor	2,624
Accounting and collecting labor	48,530
Supplies	6,274
Total Customer Accounts	57,428
Administrative and General	
Salaries	86,421
Outside services	59,020
Office supplies and expenses	6,862
Property insurance	8,670
Injuries and damages	6,465
Employee pensions and benefits	62,104
Maintenance	20,806
Miscellaneous	31,237
Total Administrative and General	281,585
Total Operation and Maintenance	825,226
Other Operating Expenses	
Depreciation	430,526
Taxes	16,310
Total Other Operating Expenses	446,836
Total Operating Expenses	1,272,062
OPERATING INCOME	\$ 391,798

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Wastewater Utility
For the Year Ended December 31, 2013

Operating Revenues

Residential	\$ 1,347,900
Commercial	462,547
Industrial	97,802
Public authorities	25,671
Other	98,872
Subtotal Operating Revenues	<u>2,032,792</u>

Other Operating Revenues

Customer forfeited discounts	12,642
Other sewer revenues	43,448
Total Operating Revenues	<u>2,088,882</u>

Operating Expenses

Operation

Supervision and labor	113,488
Operation supplies	7,120
Power and fuel for pumping	31,329
Treatment chemicals	22,618
Power, fuel and sludge hauling	241,265
Transportation	11,893
Total Operation	<u>427,713</u>

Maintenance

Meters	6,185
Sewage collection system	37,304
Pumping equipment	70,280
Treatment equipment	86,019
General plant	46,733
Total Maintenance	<u>246,521</u>

Customer Accounts

Billing, collecting and accounting	12,007
Meter reading	2,420
Total Customer Accounts	<u>14,427</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Wastewater Utility
For the Year Ended December 31, 2013
(Continued)

Operating Expenses (Continued)

General		
Salaries	\$	56,879
Office supplies		8,033
Outside services employed		116,084
Insurance		20,621
Employee pensions and benefits		130,513
Miscellaneous		4,763
Total General		<u>336,893</u>
Total Operation and Maintenance		<u>1,025,554</u>
Other Operating Expenses		
Depreciation		733,857
Taxes		26,897
Total Other Operating Expenses		<u>760,754</u>
Total Operating Expenses		<u>1,786,308</u>
OPERATING INCOME	\$	<u>302,574</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Park and Open Space
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ 30,000	\$ 30,000	\$ 30,044	\$ 44
Donations	-	-	17,518	17,518
Investment income	105	105	164	59
Total Revenues	30,105	30,105	47,726	17,621
Expenditures				
Capital outlay	32,000	32,000	19,137	12,863
Excess of Revenues				
Over (Under) Expenditures	(1,895)	(1,895)	28,589	30,484
Other Financing Uses				
Transfers out	-	-	(17,518)	(17,518)
Net Change in Fund Balance	\$ (1,895)	\$ (1,895)	11,071	\$ 12,966
FUND BALANCE - Beginning of Year			39,675	
FUND BALANCE - END OF YEAR			\$ 50,746	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Revolving Loan
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 20,689	\$ 20,689	\$ 4,236	\$ (16,453)
Expenditures				
Current				
Conservation and Development	5,500	5,500	30,036	(24,536)
Net Change in Fund Balance	<u>\$ 15,189</u>	<u>\$ 15,189</u>	(25,800)	<u>\$ (40,989)</u>
FUND BALANCE - Beginning of Year			731,534	
FUND BALANCE - END OF YEAR			<u>\$ 705,734</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Woodlawn Cemetery Capital
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Public charges for services	\$ 600	\$ 600	\$ 5,400	\$ 4,800
Investment income	25	25	8	(17)
Total Revenues	625	625	5,408	4,783
Expenditures				
Current				
Community Enrichment Services	-	-	162	(162)
Excess (Deficit) of Revenues Over Expenditures	\$ 625	\$ 625	5,246	\$ 4,621
FUND BALANCE - Beginning of Year			2,897	
FUND BALANCE - END OF YEAR			\$ 8,143	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Park and Recreational Facilities
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 75,000	\$ 75,000
Impact fees	160,349	160,349	14,988	(145,361)
Investment income	46	46	-	(46)
Miscellaneous income	5	5	-	(5)
Total Revenues	160,400	160,400	89,988	(70,412)
Expenditures				
Current				
Community Enrichment Services	500	500	250	250
Excess (Deficit) of Revenues Over (Under) Expenditures	159,900	159,900	89,738	(70,162)
Other Financing Sources (Uses)				
Transfers in	-	-	76,056	76,056
Transfers out	(109,288)	(109,288)	(78,863)	30,425
Net Change in Fund Balance	\$ 50,612	\$ 50,612	86,931	\$ 36,319
FUND BALANCE - Beginning of Year			4,246	
FUND BALANCE - END OF YEAR			\$ 91,177	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Recreation
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Public charges for services	\$ 45,000	\$ 45,000	\$ 48,711	\$ 3,711
Donations	-	-	180	180
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>48,891</u>	<u>3,891</u>
Expenditures				
Current				
Community Enrichment Services	<u>44,720</u>	<u>44,720</u>	<u>39,779</u>	<u>4,941</u>
Net Change in Fund Balance	<u>\$ 280</u>	<u>\$ 280</u>	9,112	<u>\$ 8,832</u>
FUND BALANCE - Beginning of Year			<u>10,983</u>	
FUND BALANCE - END OF YEAR			<u>\$ 20,095</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Library
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 457,830	\$ 457,830	\$ 458,507	\$ 677
Intergovernmental	185,143	185,143	185,754	611
Donations	-	-	75	75
Public charges for services	19,700	19,700	18,939	(761)
Miscellaneous	-	-	837	837
Total Revenues	662,673	662,673	664,112	1,439
Expenditures				
Current				
Community Enrichment Services	669,022	669,022	658,019	11,003
Capital outlay	4,500	4,500	4,500	-
Total expenditures	673,522	673,522	662,519	11,003
Excess (Deficit) of Revenues Under Expenditures	(10,849)	(10,849)	1,593	12,442
Other Financing Uses				
Transfers out	(4,542)	(4,542)	(8,293)	(3,751)
Net Change in Fund Balance	\$ (15,391)	\$ (15,391)	(6,700)	\$ 8,691
FUND BALANCE - Beginning of Year			48,816	
FUND BALANCE - END OF YEAR			\$ 42,116	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Environmental
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Investment income	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Expenditures				
Current				
Conservation and Development	60,000	60,000	49,813	10,187
Excess (Deficit) of Revenues Over (Under) Expenditures	(55,000)	(55,000)	(49,813)	5,187
Other Financing Uses				
Transfers out	(75,000)	(75,000)	(75,000)	-
Net Change in Fund Balance	\$ (130,000)	\$ (130,000)	(124,813)	\$ 5,187
FUND BALANCE - Beginning of Year			360,429	
FUND BALANCE - END OF YEAR			\$ 235,616	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Aquatics
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Public charges for services	\$ 80,100	\$ 80,100	\$ 77,708	\$ (2,392)
Expenditures				
Current				
Community Enrichment Services	150,756	150,756	138,376	12,380
Excess (Deficit) of Revenues Over (Under) Expenditures	(70,656)	(70,656)	(60,668)	9,988
Other Financing Sources				
Transfers in	70,656	70,656	60,668	(9,988)
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
Fire Department
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 490,445	\$ 490,445	\$ 491,157	\$ 712
Intergovernmental revenues	49,398	49,398	83,160	33,762
Public charges for services	180,302	180,302	381,145	200,843
Intergovernmental charges for services	326,964	326,964	146,949	(180,015)
Total Revenues	<u>1,047,109</u>	<u>1,047,109</u>	<u>1,102,411</u>	<u>55,302</u>
Expenditures				
Current				
Public Safety	649,210	649,210	432,110	217,100
Capital outlay	<u>137,746</u>	<u>137,746</u>	209,670	(71,924)
Total Expenditures	786,956	786,956	641,780	145,176
Excess of Revenues				
Under Expenditures	<u>260,153</u>	<u>260,153</u>	460,631	<u>200,478</u>
Other Financing Uses				
Transfers Out	<u>(260,153)</u>	<u>(260,153)</u>	<u>(263,555)</u>	<u>(3,402)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	197,076	<u>\$ 197,076</u>
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ 197,076</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Room Tax
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 185,000	\$ 185,000	\$ 221,488	\$ 36,488
Expenditures				
Current				
General government	42,750	42,750	25,750	17,000
Conservation and development	26,429	26,429	30,712	(4,283)
Total expenditures	<u>69,179</u>	<u>69,179</u>	<u>56,462</u>	<u>12,717</u>
Excess of Revenues Under Expenditures	115,821	115,821	165,026	49,205
Other Financing Uses				
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (9,179)</u>	<u>\$ (9,179)</u>	40,026	<u>\$ 49,205</u>
FUND BALANCE - Beginning of Year			<u>49,279</u>	
FUND BALANCE - END OF YEAR			<u>\$ 89,305</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Impact Fees
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Impact fees	\$ 360,018	\$ 360,018	\$ 19,495	\$ (340,523)
Investment income	250	250	-	(250)
Total Revenues	360,268	360,268	19,495	(340,773)
Other Financing Sources (Uses)				
Transfers in	-	-	206,624	206,624
Transfers out	(298,846)	(298,846)	(226,119)	72,727
Total Other Financing Sources (Uses)	(298,846)	(298,846)	(19,495)	279,351
 Net Change in Fund Balance	 \$ 61,422	 \$ 61,422	 -	 \$ (61,422)
 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
Tax Incremental Financing District No. 2
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 209,314	\$ 209,314	\$ 224,099	\$ 14,785
Special assessments	25,000	25,000	22,065	(2,935)
Intergovernmental revenues	3,290	3,290	6,331	3,041
Investment income	3,988	3,988	5,311	1,323
Miscellaneous income	9,250	9,250	9,403	153
Total Revenues	<u>250,842</u>	<u>250,842</u>	<u>267,209</u>	<u>16,367</u>
Expenditures				
Current				
General Government	4,350	4,350	4,616	(266)
Public Works	4,500	4,500	4,751	(251)
Conservation and Development	690	690	661	29
Total Expenditures	<u>9,540</u>	<u>9,540</u>	<u>10,028</u>	<u>(488)</u>
Excess of Revenues Over Expenditures	241,302	241,302	257,181	15,879
Other Financing Uses				
Transfers Out	<u>(241,302)</u>	<u>(241,302)</u>	<u>(279,107)</u>	<u>(37,805)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(21,926)	<u>\$ (21,926)</u>
FUND BALANCE - Beginning of Year			<u>21,926</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
Tax Incremental Financing District No. 4
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 285,916	\$ 285,916	\$ 220,055	\$ (65,861)
Intergovernmental revenues	11,500	11,500	10,293	(1,207)
Investment income	500	500	85	(415)
Miscellaneous income	360,738	360,738	102,572	(258,166)
Total Revenues	658,654	658,654	333,005	(325,649)
Expenditures				
Current				
General Government	18,650	18,650	11,162	7,488
Conservation and Development	72,940	72,940	32,924	40,016
Capital outlay	7,300	7,300	6,781	519
Total Expenditures	98,890	98,890	50,867	48,023
Excess (Deficit) of Revenues Under Expenditures	559,764	559,764	282,138	(277,626)
Other Financing Sources (Uses)				
Transfers in	20,298	20,298	285,281	264,983
Transfers out	(580,062)	(580,062)	(567,419)	12,643
Total Other Financing Sources (Uses)	(559,764)	(559,764)	(282,138)	277,626
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
Tax Incremental Financing District No. 5
For the Year Ended December 31, 2013

	<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	\$ 759,519	\$ 759,519	\$ 813,739	\$ 54,220
Intergovernmental revenues	28,400	28,400	21,461	(6,939)
Investment income	1,300	1,300	597	(703)
Total Revenues	<u>789,219</u>	<u>789,219</u>	<u>835,797</u>	<u>46,578</u>
Expenditures				
Current				
General Government	8,850	8,850	8,955	(105)
Conservation and Development	3,500	3,500	3,781	(281)
Total Expenditures	<u>12,350</u>	<u>12,350</u>	<u>12,736</u>	<u>(386)</u>
Excess of Revenues Over Expenditures	<u>776,869</u>	<u>776,869</u>	<u>823,061</u>	<u>46,192</u>
Other Financing Uses				
Transfers out	<u>(796,782)</u>	<u>(796,782)</u>	<u>(823,061)</u>	<u>(26,279)</u>
Net Change in Fund Balance	<u>\$ (19,913)</u>	<u>\$ (19,913)</u>	-	<u>\$ 19,913</u>
FUND BALANCE - Beginning of Year			<u>-</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
Equipment
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 242,320	\$ 242,320	\$ 242,677	\$ 357
Intergovernmental revenues	2,000	2,000	-	(2,000)
Investment income	300	300	322	22
Total Revenues	<u>244,620</u>	<u>244,620</u>	<u>242,999</u>	<u>(1,621)</u>
Expenditures				
Capital outlay	<u>289,370</u>	<u>289,370</u>	<u>204,803</u>	<u>84,567</u>
Excess (Deficit) of Revenues Under Expenditures	<u>(44,750)</u>	<u>(44,750)</u>	<u>38,196</u>	<u>82,946</u>
Other Financing Sources				
Proceeds from sale of capital assets	<u>18,000</u>	<u>18,000</u>	<u>24,619</u>	<u>6,619</u>
Net Change in Fund Balance	<u>\$ (26,750)</u>	<u>\$ (26,750)</u>	62,815	<u>\$ 89,565</u>
FUND BALANCE - Beginning of Year			<u>5,079</u>	
FUND BALANCE - END OF YEAR			<u>\$ 67,894</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire and Rescue Equipment
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ -	\$ -	\$ 327	\$ 327
Other Financing Sources				
Transfers In	<u>-</u>	<u>-</u>	<u>156,092</u>	<u>156,092</u>
Special Item				
Contribution of fire department assets	<u>-</u>	<u>-</u>	<u>1,217,918</u>	<u>1,217,918</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,374,337</u>	<u>\$ 1,374,337</u>
FUND BALANCE - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,374,337</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Woodlawn Cemetery Perpetual Care
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 275	\$ 275	\$ 188	\$ (87)
Miscellaneous income	<u>600</u>	<u>600</u>	<u>4,200</u>	<u>3,600</u>
Total Revenues	<u>875</u>	<u>875</u>	<u>4,388</u>	<u>3,513</u>
Other Financing Uses				
Transfer out	<u>(275)</u>	<u>(275)</u>	<u>(188)</u>	<u>87</u>
Net Change in Fund Balance	\$ <u>600</u>	\$ <u>600</u>	4,200	\$ <u>3,600</u>
FUND BALANCE - Beginning of Year			<u>84,390</u>	
FUND BALANCE - END OF YEAR			\$ <u>88,590</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, 2013

	<u>Balance January 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2013</u>
Assets:				
Cash and equivalents	\$ 13,778,126	\$ 9,370,565	\$ (13,778,126)	\$ 9,370,565
Taxes receivable	11,265,540	16,465,575	(11,265,540)	16,465,575
Total Assets	<u>\$ 25,043,666</u>	<u>\$ 25,836,140</u>	<u>\$ (25,043,666)</u>	<u>\$ 25,836,140</u>
Liabilities:				
Due to other taxing units	<u>\$ 25,043,666</u>	<u>\$ 25,836,140</u>	<u>\$ (25,043,666)</u>	<u>\$ 25,836,140</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, 2013**

	<u>Balance January 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance December 31, 2013</u>
General Government:				
Administration	\$ 3,882,255	\$ 305,995	\$ -	\$ 4,188,250
Elections	21,000	-	-	21,000
Total General Government	<u>3,903,255</u>	<u>305,995</u>	<u>-</u>	<u>4,209,250</u>
Public Safety:				
Fire department	2,136,039	1,668,610	(201,503)	3,603,146
Police department	5,135,070	61,576	(21,640)	5,175,006
Emergency government	14,000	-	-	14,000
Building inspection and assessment	13,500	-	-	13,500
Total Public Safety	<u>7,298,609</u>	<u>1,730,186</u>	<u>(223,143)</u>	<u>8,805,652</u>
Public Works:				
Right of way	9,165,090	-	-	9,165,090
Infrastructure	34,729,823	980,439	-	35,710,262
Other public works	10,577,580	99,895	(77,376)	10,600,099
Recycling	153,764	-	(147,746)	6,018
Total Public Works	<u>54,626,257</u>	<u>1,080,334</u>	<u>(225,122)</u>	<u>55,481,469</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	-	-	4,763,047
Aquatics	1,401,883	-	-	1,401,883
Cemetery	36,684	-	-	36,684
Total Culture, Recreation and Education	<u>9,016,165</u>	<u>-</u>	<u>-</u>	<u>9,016,165</u>
Conservation and Development				
Planning and development	1,214,865	-	-	1,214,865
	-	-	-	-
Grand Total	<u>\$ 76,059,151</u>	<u>\$ 3,116,515</u>	<u>\$ (448,265)</u>	<u>\$ 78,727,401</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, 2013

	Land and Construction in Progress	Intangible Assets	Land Improvements	Buildings and Improvements	Equipment and Furnishings	Infrastructure	Totals
General Government:							
Administration	\$ 1,388,718	\$ -	57,136	\$ 2,603,312	\$ 139,084	\$ -	\$ 4,188,250
Elections		-	-	-	21,000	-	21,000
Total General Government	<u>1,388,718</u>	<u>-</u>	<u>57,136</u>	<u>2,603,312</u>	<u>160,084</u>	<u>-</u>	<u>4,209,250</u>
Public Safety:							
Fire department	158,307	-	57,732	1,920,000	1,467,107	-	3,603,146
Police department	37,200	-	144,233	4,179,075	814,498	-	5,175,006
Emergency government	-	-	-	-	14,000	-	14,000
Building inspection and assessment	-	-	-	-	13,500	-	13,500
Total Public Safety	<u>195,507</u>	<u>-</u>	<u>201,965</u>	<u>6,099,075</u>	<u>2,309,105</u>	<u>-</u>	<u>8,805,652</u>
Public Works:							
Right of way	9,165,090	-	-	-	-	-	9,165,090
Infrastructure	929,416	407,071	-	-	-	34,373,775	35,710,262
Other public works	88,842	-	2,178,353	5,468,052	2,864,852	-	10,600,099
Recycling	-	-	-	-	6,018	-	6,018
Total Public Works	<u>10,183,348</u>	<u>407,071</u>	<u>2,178,353</u>	<u>5,468,052</u>	<u>2,870,870</u>	<u>34,373,775</u>	<u>55,481,469</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	344,646	-	4,763,047
Aquatics	-	-	178,060	1,192,465	31,358	-	1,401,883
Cemetery	-	-	11,250	5,326	20,108	-	36,684
Total Culture, Recreation, and Education	<u>1,914,833</u>	<u>-</u>	<u>1,416,597</u>	<u>5,236,294</u>	<u>448,441</u>	<u>-</u>	<u>9,016,165</u>
Conservation and Development:							
Planning and development	1,200,000	-	14,865	-	-	-	1,214,865
Total Conservation and Development	<u>1,200,000</u>	<u>-</u>	<u>14,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,214,865</u>
Grand Total	<u>\$ 14,882,406</u>	<u>\$ 407,071</u>	<u>3,868,916</u>	<u>\$ 19,406,733</u>	<u>\$ 5,788,500</u>	<u>\$ 34,373,775</u>	<u>\$ 78,727,401</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.

VILLAGE OF GRAFTON, WISCONSIN

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2004	2005	2006	2007
Governmental Activities				
Net investment in capital assets	\$18,550,228	\$17,751,646	\$14,115,078	\$15,390,005
Restricted	1,972,591	1,432,829	8,765,594	6,278,068
Unrestricted	6,307,207	5,155,772	1,037,751	3,475,017
Total Governmental Activities Net Position	<u>\$26,830,026</u>	<u>\$24,340,247</u>	<u>\$23,918,423</u>	<u>\$25,143,090</u>
Business-type Activities				
Net investment in capital assets	\$21,208,718	\$20,726,712	\$24,058,607	\$25,297,847
Restricted	981,500	818,772	939,334	968,736
Unrestricted	3,342,810	4,257,949	2,645,946	3,658,025
Total Business-Type Activities Net Position	<u>\$25,533,028</u>	<u>\$25,803,433</u>	<u>\$27,643,887</u>	<u>\$29,924,608</u>
Primary Government				
Net investment in capital assets	\$39,758,946	\$38,478,358	\$38,173,685	\$40,687,852
Restricted	2,954,091	2,251,601	9,704,928	7,246,804
Unrestricted	9,650,017	9,413,721	3,683,697	7,133,042
Total Primary Government Net Position	<u>\$52,363,054</u>	<u>\$50,143,680</u>	<u>\$51,562,310</u>	<u>\$55,067,698</u>

Data Source:

Village of Grafton Annual Financial Reports

VILLAGE OF GRAFTON, WISCONSIN

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

2008	2009	2010	2011	2012	2013
\$13,468,385	\$15,429,261	\$20,742,649	\$21,828,625	\$22,945,260	\$23,046,407
5,392,128	2,007,639	1,765,487	1,590,269	848,447	2,209,985
5,455,613	8,697,902	5,159,161	4,500,444	4,432,759	5,612,462
<u>\$24,316,126</u>	<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>
\$25,328,156	\$27,045,649	\$27,754,384	\$27,677,745	\$28,162,963	\$28,162,812
1,202,401	1,291,412	907,585	1,150,616	1,251,824	1,210,735
3,969,611	3,170,894	3,095,526	4,039,689	3,940,640	4,484,959
<u>\$30,500,168</u>	<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>
\$38,796,541	\$42,474,910	\$48,497,033	\$49,506,370	\$51,108,223	\$51,209,219
6,594,529	3,299,051	2,673,072	2,740,885	2,100,271	3,420,720
9,425,224	11,868,796	8,254,687	8,540,133	8,373,399	10,097,421
<u>\$54,816,294</u>	<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>

VILLAGE OF GRAFTON, WISCONSIN
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

Table 2

	2004	2005	2006
Expenses			
Governmental Activities			
General Government	\$441,022	\$849,959	\$832,485
Public Safety	3,308,984	3,545,072	3,434,909
Public Works	1,714,084	2,990,123	4,941,488
Community Enrichment Services	1,192,037	1,491,828	1,331,925
Conservation and Development	1,912,861	2,730,714	1,253,725
Interest and Fiscal Charges	932,298	797,016	1,297,907
Loss on Retirement of Capital Assets	0	0	421,400
Total Governmental Activities	<u>\$9,501,286</u>	<u>\$12,404,712</u>	<u>\$13,513,839</u>
Business Type Activities			
Water	\$1,080,007	\$1,178,433	\$1,185,261
Wastewater	1,306,104	1,415,798	1,554,477
Total Business Type Activities	<u>\$2,386,111</u>	<u>\$2,594,231</u>	<u>\$2,739,738</u>
Total Primary Government Expenses	<u><u>\$11,887,397</u></u>	<u><u>\$14,998,943</u></u>	<u><u>\$16,253,577</u></u>
Program Revenues			
Governmental Activities			
General Government	\$7,421	\$175,375	\$143,734
Public Safety	631,045	642,847	596,713
Public Works	817,888	713,138	2,494,846
Community Enrichment Services	705,050	343,898	422,744
Conservation and Development	283,326	80,390	155,591
Total Governmental Activities Program Revenues	<u>\$2,444,730</u>	<u>\$1,955,648</u>	<u>\$3,813,628</u>
Business Type Activities			
Water	\$1,821,377	\$1,342,803	\$2,127,542
Wastewater	2,427,947	1,476,549	2,367,231
Total Business Type Activities Program Revenues	<u>\$4,249,324</u>	<u>\$2,819,352</u>	<u>\$4,494,773</u>
Total Primary Government Revenues	<u><u>\$6,694,054</u></u>	<u><u>\$4,775,000</u></u>	<u><u>\$8,308,401</u></u>
Net (Expense) Revenue			
Governmental Activities	(\$7,056,556)	(\$10,449,064)	(\$9,700,211)
Business Type Activities	1,863,213	225,121	1,755,035
Total Primary Government Net Expense	<u><u>(\$5,193,343)</u></u>	<u><u>(\$10,223,943)</u></u>	<u><u>(\$7,945,176)</u></u>
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes	\$ 6,307,541	\$ 6,481,156	\$ 6,824,960
Grants an Contributions not restricted to specific programs	673,454	655,435	749,523
Investment Income	181,314	400,206	1,168,128
Miscellaneous	253,808	297,869	89,452
Gain on disposal/sale of capital asset	0	0	0
Impact Fees	210,132	114,332	0
Special Item - Contribution of fire department assets	0	0	0
Transfers	(765)	0	0
Total Governmental Activities General Revenues	<u>7,625,484</u>	<u>7,948,998</u>	<u>8,832,063</u>
Business Type Activities			
Investment Income	23,533	45,004	87,969
Gains on disposal/sale of capital assets	0	0	0
Miscellaneous	0	0	0
Transfers	765	0	0
Total Business Type Activities General Revenues	<u>24,298</u>	<u>45,004</u>	<u>87,969</u>
Total Primary Government General Revenues	<u><u>\$ 7,649,782</u></u>	<u><u>\$ 7,994,002</u></u>	<u><u>\$ 8,920,032</u></u>
Change in Net Position			
Governmental Activities	\$ 568,928	\$ (2,500,066)	\$ (868,148)
Business Type Activities	1,887,511	270,125	1,843,004
Total Primary Government	<u><u>\$ 2,456,439</u></u>	<u><u>\$ (2,229,941)</u></u>	<u><u>\$ 974,856</u></u>

VILLAGE OF GRAFTON, WISCONSIN
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

Table 2

2007	2008	2009	2010	2011	2012	2013
\$870,316	\$975,718	\$1,047,936	\$1,287,202	\$1,060,715	\$1,206,024	\$1,106,731
3,761,114	3,799,337	3,933,738	4,028,675	4,145,259	4,069,235	4,682,409
6,077,640	3,866,639	4,175,123	3,905,416	4,052,703	4,143,976	6,027,858
1,469,851	1,489,936	1,476,475	1,526,436	1,593,125	1,557,193	1,505,768
1,656,348	5,109,841	393,441	492,458	701,307	452,034	196,761
1,592,848	1,694,032	1,873,040	1,816,320	1,688,388	1,647,863	2,057,640
97,751	0	0	0	0	0	0
<u>\$15,525,868</u>	<u>\$16,935,503</u>	<u>\$12,899,753</u>	<u>\$13,056,507</u>	<u>\$13,241,497</u>	<u>\$13,076,325</u>	<u>\$15,577,167</u>
\$1,442,713	\$1,326,489	\$1,268,301	\$1,402,617	\$1,191,427	\$1,248,987	\$1,339,615
1,673,389	1,618,759	1,717,067	1,841,661	1,856,418	1,864,949	1,919,537
<u>\$3,116,102</u>	<u>\$2,945,248</u>	<u>\$2,985,368</u>	<u>\$3,244,278</u>	<u>\$3,047,845</u>	<u>\$3,113,936</u>	<u>\$3,259,152</u>
<u>\$18,641,970</u>	<u>\$19,880,751</u>	<u>\$15,885,121</u>	<u>\$16,300,785</u>	<u>\$16,289,342</u>	<u>\$16,190,261</u>	<u>\$18,836,319</u>
\$144,191	\$2,206,868	\$347,399	\$374,557	\$404,276	\$457,109	\$460,136
789,001	1,399,826	834,532	480,325	472,908	443,517	831,263
5,976,546	1,282,137	1,040,115	2,589,404	1,499,981	1,356,082	2,857,680
603,133	833,956	377,387	387,463	371,564	375,098	372,235
173,404	157,837	2,170,643	495,835	474,393	372,047	409,810
<u>\$7,686,275</u>	<u>\$5,880,624</u>	<u>\$4,770,076</u>	<u>\$4,327,584</u>	<u>\$3,223,122</u>	<u>\$3,003,853</u>	<u>\$4,931,124</u>
\$2,516,785	\$1,468,698	\$2,143,321	\$1,664,582	\$1,954,540	\$1,831,098	\$1,859,023
2,796,150	1,670,120	2,050,932	2,025,332	2,426,190	2,000,670	2,168,701
<u>\$5,312,935</u>	<u>\$3,138,818</u>	<u>\$4,194,253</u>	<u>\$3,689,914</u>	<u>\$4,380,730</u>	<u>\$3,831,768</u>	<u>\$4,027,724</u>
<u>\$12,999,210</u>	<u>\$9,019,442</u>	<u>\$8,964,329</u>	<u>\$8,017,498</u>	<u>\$7,603,852</u>	<u>\$6,835,621</u>	<u>\$8,958,848</u>
(\$7,754,593)	(\$10,804,879)	(\$8,129,677)	(\$8,728,923)	(\$10,018,375)	(\$10,072,472)	(\$10,646,043)
2,196,833	193,570	1,208,885	445,636	1,332,885	717,832	768,572
<u>(\$5,642,760)</u>	<u>(\$10,861,309)</u>	<u>(\$6,920,792)</u>	<u>(\$8,283,287)</u>	<u>(\$8,685,490)</u>	<u>(\$9,354,640)</u>	<u>(\$9,877,471)</u>
\$ 7,267,342	\$ 7,743,849	\$ 8,386,808	\$ 8,997,860	\$ 9,107,069	\$ 9,302,767	\$ 9,482,991
775,844	744,923	808,688	634,850	673,909	650,295	934,392
1,015,814	579,175	206,895	157,353	160,025	116,622	32,240
219,814	399,755	46,417	186,969	35,584	25,755	21,641
0	0	223,032	14,173	23,626	13,958	25,750
0	0	0	0	0	0	0
0	0	0	0	0	0	2,521,209
0	0	276,513	270,213	270,203	270,203	270,213
<u>9,278,814</u>	<u>9,467,702</u>	<u>9,948,353</u>	<u>10,261,418</u>	<u>10,270,416</u>	<u>10,379,600</u>	<u>13,288,436</u>
147,261	162,196	41,454	47,808	31,627	19,624	720
756	970	22,500	17,037	0	20,124	4,000
0	0	11,461	9,272	16,246	0	0
0	0	(276,513)	(270,213)	(270,203)	(270,203)	(270,213)
<u>148,017</u>	<u>163,166</u>	<u>(201,098)</u>	<u>(196,096)</u>	<u>(222,330)</u>	<u>(230,455)</u>	<u>(265,493)</u>
<u>\$ 9,426,831</u>	<u>\$ 9,630,868</u>	<u>\$ 9,747,255</u>	<u>\$ 10,065,322</u>	<u>\$ 10,048,086</u>	<u>\$ 10,149,145</u>	<u>\$ 13,022,943</u>
\$ 1,503,350	\$ (1,526,964)	\$ 1,818,676	\$ 1,532,495	\$ 252,041	\$ 307,128	\$ 2,642,388
2,280,721	575,560	1,007,787	249,540	1,110,555	487,377	503,079
<u>\$ 3,784,071</u>	<u>\$ (951,404)</u>	<u>\$ 2,826,463</u>	<u>\$ 1,782,035</u>	<u>\$ 1,362,596</u>	<u>\$ 794,505</u>	<u>\$ 3,145,467</u>

VILLAGE OF GRAFTON, WISCONSIN

Table 3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2004	2005	2006	2007
General Fund				
Reserved	\$73,840	\$76,596	\$67,325	\$122,014
Unreserved	1,487,929	1,496,946	1,698,772	2,014,242
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$1,561,769</u>	<u>\$1,573,542</u>	<u>\$1,766,097</u>	<u>\$2,136,256</u>
Other Governmental Funds				
Reserved	\$2,147,783	\$9,937,452	\$9,145,997	\$6,683,471
Unreserved:				
Special Revenue Funds	1,751,573	1,390,296	361,196	389,766
Capital Project Funds	3,095,937	1,648,507	4,101,981	2,323,863
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Other Funds	<u>\$6,995,293</u>	<u>\$12,976,255</u>	<u>\$13,609,174</u>	<u>\$9,397,100</u>
Total Governmental Funds				
Reserved	\$2,221,623	\$10,014,048	\$9,213,322	\$6,805,485
Unreserved	6,335,439	4,535,749	6,161,949	4,727,871
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Governmental Funds	<u>\$8,557,062</u>	<u>\$14,549,797</u>	<u>\$15,375,271</u>	<u>\$11,533,356</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, WISCONSIN

Table 3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

2008	2009	2010	2011	2012	2013
\$75,991	\$84,298	\$88,717	\$ -	\$ -	\$ -
2,773,149	2,893,787	2,822,248	-	-	-
-	-	-	91,726	90,824	85,069
-	-	-	-	-	-
-	-	-	226,924	412,748	631,549
-	-	-	2,373,908	2,537,741	2,370,908
<u>\$2,849,140</u>	<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>
\$5,822,531	\$3,608,095	\$2,150,117	\$ -	\$ -	\$ -
391,086	337,351	657,950	-	-	-
3,017,024	5,287,776	1,824,312	-	-	-
-	-	-	10,799	8,760	1,471,408
-	-	-	1,801,489	971,520	2,320,216
-	-	-	570,681	503,469	790,475
-	-	-	1,753,864	1,305,064	1,369,897
-	-	-	(400,145)	(400,150)	(912,696)
<u>\$9,230,641</u>	<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>
\$5,898,522	\$3,692,393	\$2,238,834	\$ -	\$ -	\$ -
6,181,259	8,518,914	5,304,510	-	-	-
-	-	-	668,392	316,207	1,556,477
-	-	-	1,801,489	971,520	2,320,216
-	-	-	570,681	503,469	790,475
-	-	-	1,414,471	1,501,189	2,001,446
-	-	-	1,973,763	2,137,591	1,458,212
<u>\$12,079,781</u>	<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>

VILLAGE OF GRAFTON, WISCONSIN

Table 4

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2004	2005	2006	2007
Revenues				
Taxes	\$6,323,210	\$6,550,849	\$6,885,401	\$7,329,910
Intergovernmental	1,457,049	1,528,927	1,586,761	1,602,176
Licenses and Permits	368,947	346,166	378,364	537,137
Fines, Forfeitures and Penalties	79,309	123,888	126,065	126,490
Public Charges for Services	386,337	436,988	662,589	455,702
Intergovernmental Charges for Services	184,993	186,852	43,076	52,214
Special Assessments	552,327	114,332	216,164	34,303
Investment Income	165,645	400,206	1,168,128	1,015,814
Miscellaneous Revenues	374,053	216,438	431,482	673,517
Total Revenues	<u>\$9,891,870</u>	<u>\$9,904,646</u>	<u>\$11,498,030</u>	<u>\$11,827,263</u>
Expenditures by Function				
General Government	\$702,384	\$823,032	\$819,649	\$845,376
Public Safety	3,119,452	3,261,589	3,286,619	3,562,378
Public Works	1,840,859	1,906,633	4,172,379	5,190,572
Community Enrichment Services	1,026,702	1,046,545	1,178,477	1,303,740
Conservation and Development	2,043,679	2,462,302	1,361,693	1,485,639
Capital Outlays	1,900,301	2,003,905	8,956,734	4,006,478
Debt Service				
Principal Retirement	1,229,891	1,309,479	1,168,162	1,665,865
Interest	747,937	685,221	1,099,423	1,681,307
Fiscal Charges	75,959	84,781	190,528	92,429
Total Expenditures by Function	<u>\$12,687,164</u>	<u>\$13,583,487</u>	<u>\$22,233,664</u>	<u>\$19,833,784</u>
Excess of Revenues Over (under) Expenditures	(2,795,294)	(3,678,841)	(10,735,634)	(8,006,521)
Other Financing Sources (Uses)				
Bond proceeds and Debt Premiums	2,624,448	9,671,575	11,593,128	4,052,480
Payment to Refund Debt	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	47,997
Transfers in	1,225,102	1,347,917	1,901,814	2,668,869
Transfers out	(1,225,102)	(1,347,917)	(1,901,814)	(2,604,740)
Total Other Financing Sources	<u>\$2,624,448</u>	<u>\$9,671,575</u>	<u>\$11,593,128</u>	<u>\$4,164,606</u>
Special Item - Contribution of Fire Department Assets	0	0	0	0
Net Change in Fund Balances	<u>(\$170,846)</u>	<u>\$5,992,734</u>	<u>\$857,494</u>	<u>(\$3,841,915)</u>
Debt Service as a percentage of non-capital outlay expenditures	31.20% 132	35.28%	23.52%	21.89%

Data Source: Audited Financial Statements

VILLAGE OF GRAFTON, WISCONSIN

Table 4

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

2008	2009	2010	2011	2012	2013
\$7,811,887	\$10,374,018	\$9,116,020	\$9,255,400	\$9,498,246	\$9,683,361
1,994,694	1,850,392	1,817,076	1,849,051	1,738,932	2,068,890
837,933	560,550	349,367	420,851	418,053	415,286
132,084	128,043	128,648	108,201	123,709	107,511
605,924	435,799	436,416	428,847	704,078	1,029,055
53,412	52,388	53,513	70,851	114,883	250,341
125,988	114,176	151,664	145,251	37,236	1,394,717
579,175	207,009	153,383	156,055	116,625	31,311
3,300,103	562,525	618,819	543,734	212,657	678,460
<u>\$15,441,200</u>	<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>
\$932,041	\$999,338	\$991,421	\$1,003,024	\$1,123,036	\$1,031,254
3,568,300	3,742,891	3,804,990	3,932,886	3,836,716	4,179,267
2,827,722	2,428,848	2,484,252	2,680,755	2,674,337	2,693,155
1,288,536	1,271,073	1,331,802	1,393,687	1,361,473	1,320,027
5,165,763	409,349	501,198	701,976	506,971	291,538
2,465,738	6,818,501	4,776,479	854,960	1,071,184	3,747,885
1,880,896	2,629,287	2,807,678	2,266,498	2,072,758	2,280,753
1,719,210	1,827,165	1,896,685	1,624,166	1,895,802	1,415,956
42,369	137,968	17,750	50,000	0	0
<u>\$19,890,575</u>	<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>
(4,449,375)	(5,979,520)	(5,787,349)	(1,529,711)	(1,577,858)	(1,300,903)
4,855,000	10,739,126	835,000	6,359,977	3,284,606	7,834,552
0	(6,190,000)	0	(6,260,000)	(2,989,729)	(5,350,680)
80,588	1,285,408	14,173	45,163	13,958	25,750
2,889,852	3,980,176	5,142,685	3,790,792	4,624,392	4,474,150
(2,829,639)	(3,703,664)	(4,872,472)	(3,520,769)	(4,354,189)	(4,203,937)
<u>\$4,995,801</u>	<u>\$6,111,046</u>	<u>\$1,119,386</u>	<u>\$415,163</u>	<u>\$579,038</u>	<u>\$2,779,835</u>
0	0	0	0	0	\$1,217,918
<u>\$546,426</u>	<u>\$131,526</u>	<u>(\$4,667,963)</u>	<u>(\$1,114,548)</u>	<u>(\$998,820)</u>	<u>\$2,696,850</u>
22.72%	20.90%	34.17%	28.50%	29.46%	27.98%

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

Fiscal Year	General Government		Public Safety		Public Works		Community Enrichment Services	
	\$	%	\$	%	\$	%	\$	%
2004	702,384	5.5%	3,119,452	24.6%	1,840,859	14.5%	1,026,702	8.1%
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%

Fiscal Year	Conservation and Development		Capital Outlays		Debt Service		Total Expenditures	
	\$	%	\$	%	\$	%	\$	%
2004	2,043,679	16.1%	1,900,301	15.0%	2,053,787	16.2%	12,687,164	
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	

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	
	2004	\$ 6,323,210	63.9%	\$ 1,457,049	14.7%	\$ 368,947	3.7%	\$ 79,309	0.8%	\$ 386,337
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%

Fiscal Year	Inter-Governmental Charges for Services		Special Assessments		Investment Income		Miscellaneous Revenues		Total Revenues	
	2004	\$ 184,993	1.8%	\$ 552,327	5.4%	\$ 165,645	1.6%	\$ 374,053	3.6%	\$ 10,263,836
2005	186,852	1.8%	114,332	1.1%	400,206	3.8%	216,438	2.1%	10,557,008	
2006	43,076	0.4%	216,164	1.8%	1,168,128	9.8%	431,482	3.6%	11,910,265	
2007	52,214	0.4%	34,303	0.3%	1,015,814	7.7%	673,517	5.1%	13,158,370	
2008	53,412	0.3%	125,988	0.7%	579,175	3.3%	3,300,103	19.0%	17,407,480	
2009	52,388	0.4%	114,175	0.9%	206,894	1.6%	562,525	4.4%	12,783,509	
2010	53,513	0.4%	151,664	1.2%	153,383	1.2%	618,819	4.7%	13,039,729	
2011	70,851	0.5%	145,251	1.1%	156,055	1.2%	543,734	4.1%	13,398,909	
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	

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
2004	2005	183,324	1,639,420	5,794,824	8,672,953	1,088,389
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

Levy Year	Collection Year	Tax MATC	Tax Incremental Districts	Gross Tax Levy	Total Collections	Percent Collected
2004	2005	1,735,581	458,070	19,572,561	19,556,885	99.92%
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		*

* 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
2004	\$ 5,794,824	\$ 3,367,249	58.11%	\$ 2,427,575	\$ 5,794,824	100.00%
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	100.00%
2009	6,849,282	3,824,303	55.84%	3,024,121	6,848,424	100.00%
2010	6,941,344	3,602,806	51.90%	3,334,439	6,937,245	100.00%
2011	7,128,335	3,916,860	54.95%	3,205,028	7,121,888	100.00%
2012	7,378,783	4,051,826	54.91%	3,324,314	7,376,140	100.00%
2013	7,443,000	4,266,797	57.33%	*	*	*

*Collections to date or in process

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

VILLAGE OF GRAFTON, WISCONSIN

PROPERTY VALUATIONS

ASSESSED VALUATIONS

Year	Residential	Commercial	Manufacturing	Agricultural, Swamp & Forest
2004	\$ 626,878,500	\$ 169,362,100	\$ 59,239,400	\$ 768,500
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

Year	Other	Total Real Estate	Personal Property	Total Assessed
2004	\$ 132,300	\$ 875,529,400	\$ 20,767,200	\$ 896,296,600
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

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
2004	2005	\$ 856,380,800	\$ 899,395,400	\$ 20,767,200	\$ 17,223,200
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
TOTAL					
Levy Year	Fiscal Year	Assessed Value	Equalized Value	Ratio of Assessed to Equalized Value	Computer Exemption Equalized Value
2004	2005	\$ 891,484,200	\$ 994,070,400	0.9509	\$ 4,879,100
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

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>
2004	2005	\$ 0.2101	\$ 1.9240	\$ 6.8006	\$ 11.5914
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

**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>
2004	2005	\$ 0.2101	\$ 1.9240	\$ 6.8006	\$ 10.4765
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

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>
\$ 2.0368	\$ 22.5628	\$ 1.5091	\$ 21.0537	\$ 768,714,200
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

**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>
\$ 2.0368	\$ 21.4479	\$ 1.5091	\$ 19.9388	\$ 103,888,900
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

VILLAGE OF GRAFTON, WISCONSIN

Table 12

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>
2004	2005	\$ 0.2000	\$ 1.8316	\$ 6.4740	\$ 11.0344
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

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>
2004	2005	\$ 0.2000	\$ 1.8316	\$ 6.4740	\$ 9.9761
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

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>
\$ 1.9390	\$ 21.4790	\$ 1.4366	\$ 20.0424	\$ 807,518,721
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

**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>
\$ 1.9390	\$ 20.4207	\$ 1.4366	\$ 18.9840	\$ 109,099,879
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

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)
2004	\$ 18,278,478	\$ 194,715	\$ 18,083,763	\$ 916,618,600	\$ 45,830,930
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

As of December 31	Ratio of Net Debt to Debt Capacity	Population	Net Debt Per Capita	Net Debt Per \$1,000 of Equalized Value
2004	39.46%	11,160	\$ 1,620	\$ 19.73
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

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	
2004	\$ 16,328,179	\$ -	\$ 1,950,229	\$ 1,950,229	
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	

Fiscal Year	Total General Obligation Debt	Total Revenue Bond Debt	Total	Population	Net Debt Per Capita
2004	\$ 18,278,408	\$ -	\$ 18,278,408	11,160	\$1,638
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

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

End of Fiscal Year	Direct: Village of Grafton			Overlapping: Ozaukee County		
	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
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
2004	18,278,478	100.00%	18,278,478	6,267,000	9.97%	624,820

End of Fiscal Year	Overlapping: Grafton School District			Overlapping: Cedarburg School District		
	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
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
2004	16,860,000	65.62%	11,063,532	31,227,000	5.89%	1,839,270

End of Fiscal Year	Overlapping: Milwaukee Area Technical College			Total Overlapping Debt		
	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
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
2004	77,105,000	1.46%	1,125,733	158,614,930	26.58%	42,165,711

**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	
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

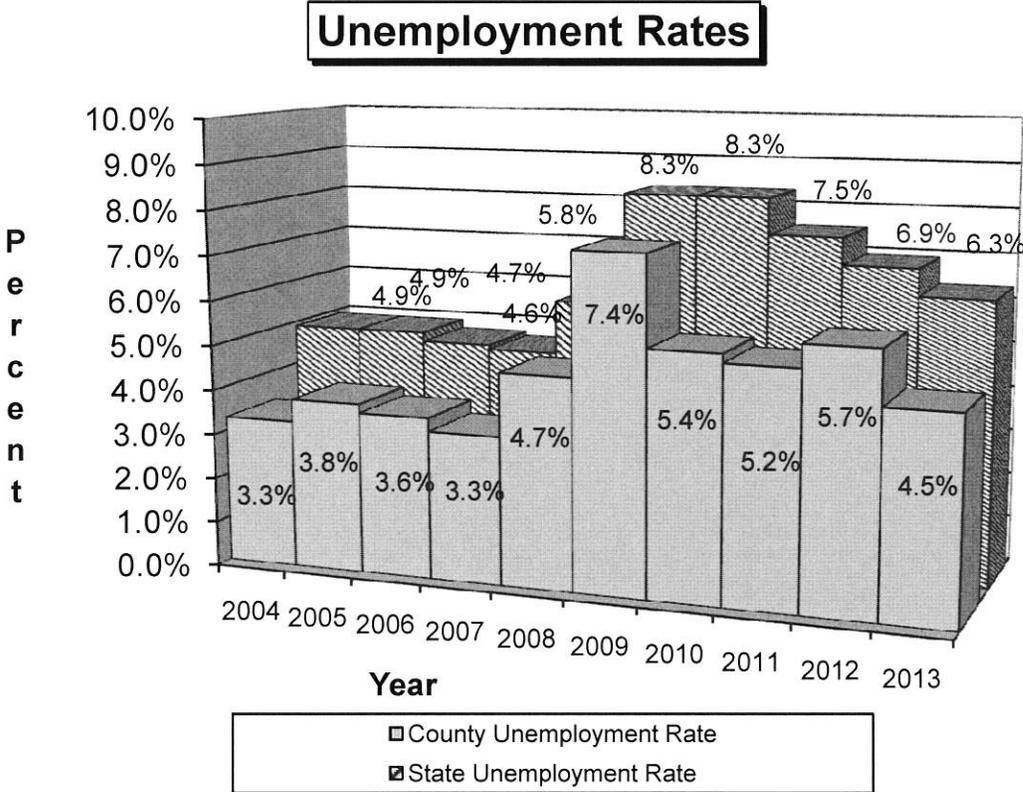
VILLAGE OF GRAFTON, WISCONSIN

DEMOGRAPHIC INFORMATION

Employment Information
(Ozaukee County)

Year	Labor Force	Average Employed	Average Unemployed
2004	48,649	47,062	1,587
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

Source: Wisconsin Department of Workforce Development



Source: Wisconsin Department of Workforce Development

VILLAGE OF GRAFTON, WISCONSIN

PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

TEN LARGEST TAXPAYERS - 2013

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Inland American Grafton Port Washington LLC	Real Estate	\$14,011,300	\$306,948	1.24%
Costco	Retail	12,381,200	272,627	1.10%
Grafton LLC	Real Estate	9,966,200	218,417	0.88%
Tillmann Corporation	Personal Property	8,921,100	195,329	0.79%
Arrowhead Apartments LLC	Real Estate	8,318,300	182,060	0.73%
AMC Holdings LLC	Real Estate	8,279,400	181,603	0.73%
Arrowhead Associates LLC	Real Estate	7,574,000	165,818	0.67%
Home Depot	Retail	7,552,200	165,496	0.67%
Dayton Hudson Corp (Target)	Retail	7,272,800	159,371	0.64%
Gauthier Properties LLC	Real Estate	6,887,500	147,993	0.60%
Total for Ten Largest Taxpayers		\$91,164,000	\$1,995,662	8.04%

TEN LARGEST TAXPAYERS - 2004

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Tillmann Corporation	Residential Developer	\$11,958,000	\$239,320	1.34%
Cary Rentals	Apartment Building Owner	11,442,900	229,086	1.28%
Arrowhead Apartments LLC	Apartment Building Owner	8,451,200	169,192	0.94%
Arrowhead Association LLC	Apartment Building Owner	8,357,500	167,318	0.93%
Oak Street (Manchester Plaza)	Commercial Property Owner	7,956,800	159,295	0.89%
Home Depot U.S.A. Inc.	Retail	7,332,995	169,788	0.95%
Dayton Hudson (Target)	Retail	6,588,830	145,841	0.81%
Leeson Electric	Mfg. Electric Motors	5,991,190	135,978	0.76%
Leggett Partners LP	Mfg. Aluminum Die Casts	5,211,672	112,806	0.63%
Tecumseh Products Co	Mfg. Internal Combustion Engines	4,822,284	111,176	0.62%
Total for Ten Largest Taxpayers		\$78,113,371	\$1,639,800	9.15%

VILLAGE OF GRAFTON, WISCONSIN

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

TEN LARGEST EMPLOYERS - 2013

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Aurora Medical Center	Medical Facility	1000
Pace Industries	Mfg. - Aluminum Die Castings	500
Grafton School District	Education	338
Calibre	Mfg. - Springs	250
Rexnord Corporation - Plastics Div.	Mfg. - Plastic Injection Molding	258
Kapco	Mfg - Stamping	270
Costco	Retail	175
Target	Retail	170
Sendiks	Grocer	155
Kohls	Retail	150

TEN LARGEST EMPLOYERS - 2004

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
EST Company (Leggett & Platt)	Mfg. - Aluminum Die Castings	560
Grafton School District	Education	260
Rexnord Corporation - Plastics Div.	Mfg. - Plastic Injection Molding	200
Exacto Spring Corporation	Mfg. - Springs	180
Calibre	Mfg. - Specialty Paint Design	165
Tecumseh Products Company	Mfg. - Internal Combustion Engines	150
Target	Retail	150
Gold's Pick 'n Save	Grocer	150
Home Depot	Retail	135
Kohl's Department Store	Retail	130

*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		Population	
2013	5.12	2013	11,467
2012	5.12	2012	11,464
2011	5.11	2011	11,465
2010	5.11	2010	11,459
2009	5.11	2009	11,470
2008	5.11	2008	11,450
2007	5.04	2007	11,420
2006	4.47	2006	11,380
2005	4.47	2005	11,310
2004	4.47	2004	11,160
Age (2010)		Education Attainment (2010)	
Under 5 years	5.60%	(Population 25 years and over)	
5 to 19 years	19.30%	Less than 9th grade	1.7%
20 to 29 years	11.70%	9th to 12 grade, no diploma	2.4%
30 to 39 years	12.40%	High school graduate (includes equivalency)	26.4%
40 to 49 years	15.00%	Some college, no degree	22.5%
50 to 59 years	15.10%	Associate's degree	11.9%
60 to 69 years	10.60%	Bachelor's degree	25.8%
70 to 79 years	6.20%	Graduate or professional degree	9.3%
80 years and over	4.20%		
Race (2010)		Housing Units (2010)	
White*	95.50%	Total Dwelling Units	5,232
Asian	1.80%	Single Family	53.0%
Two or More Races	1.00%	Duplex	10.1%
Black or African American	0.80%	Multi-Family (Apartments)	23.9%
Some Other Race	0.60%	Multi-Family (Condominiums)	13.0%
American Indian and Alaska Native	0.30%		
*Including Hispanic	2.30%		
Major Employers (2013)		Equalized Value of Largest Property Taxpayers (2013)	
Aurora Medical Center	1000	Inland American Grafton Port Washington LLC	\$14,011,300
Pace Industries	500	Costco	12,381,200
Grafton School District	338	Grafton LLC	9,966,200
Calibre	250	Tillmann Corporation	8,921,100
Rexnord Corporation - Plastics Div.	258	Arrowhead Apartments LLC	8,318,300
Kapco	270	AMC Holdings LLC	8,279,400
Costco	175	Arrowhead Associates LLC	7,574,000
Target	170	Home Depot	7,552,200
Sendiks	155	Dayton Hudson Corp (Target)	7,272,800
Kohls	150	Gauthier Properties LLC	6,887,500

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



DEMOGRAPHICS

Building Permits

Year	Number	Value (millions)
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
2004	807	18.8

Occupational Composition (2010)

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

Employment Trends (Ozaukee County)

	Employment	Unemployment Rate
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%
2005'	47,062	3.3%

Water / Wastewater

Active Accounts Served	4,873
Water Treated and Distributed (millions of gallons)	376
Sanitary Sewers (miles)	54.57
Water Main (miles)	69.13

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

Parks

	Developed Parks	Acres Maintained
2013	17	120
2012	17	120
2011	17	120
2010	17	120
2009	17	120
2008	17	120
2007	17	120
2006	17	120
2005	17	120

Public Safety

Number of Police Stations	1
Number of Fire Stations	1
ISO Rating	3
Number of Sworn Police Officers	
2013	22
2012	22
2011	22
2010	22
2009	22
2008	22
2007	21
2006	21
2005	21

School Registration (2013-2014)

Elementary Schools (Grades K-5)	919
John Long Middle School (Grades 6-8)	461
Grafton High School (Grades 9-12)	743

Elections

	Registered Voters	Turn-out	Percent
Spring Primary	8,849	1,111	12.6%
Spring General	8,422	2,352	27.9%

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	2004	2005	2006
Police			
Citations Issued	3,226	3,471	4,148
Calls for Service	19,450	22,364	26,937
Inspection			
Total Permits Issued	1,002	1,024	1,059
Public Works			
Asphalt Placed by Village Staff	312	218	351
Tons of Salt Used	893	1,382	578
Community Activities			
Average Daily Attendance at Senior Center	56	56	58
Family Aquatic Center Total Attendance	21,703	27,702	25,391
Recreation Program Participants	1,936	2,322	2,470
Library			
Annual Circulation	193,986	192,293	196,380
Water and Wastewater			
Water and Wastewater Bills Processed	17,380	18,294	18,343

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

2007	2008	2009	2010	2011	2012	2013
3,155	2,922	3,807	4,005	4,015	3,908	3,596
30,829	29,613	31,533	31,509	26,705	21,158	21,726
1,149	1,179	739	924	880	836	880
339	644	517	245	406	339	353
1,867	1,945	1,386	983	1,155	1,059	2,127
60	55	57	53	57	59	56
25,213	29,885	25,117	30,157	22,836	28,127	19,069
2,451	2,148	2,050	2,127	2,215	2,390	1,983
205,599	223,593	247,746	254,486	246,278	234,253	215,767
18,795	18,910	19,025	18,900	18,948	19,630	19,846

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

Table 22

GENERAL FUND

General Government	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	0.67	0.75	0.75	0.75	0.75
Total Village Administrator's Office	1.67	1.67	1.67	1.67	1.67	1.67	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	0.00	0.50	0.50	0.50	0.50	0.50	0.50
Administrative Assistant I	0.33	0.33	0.33	0.33	0.33	0.33	0.25	0.25	0.25	0.25
Accounting Clerk II	0.50	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00
Administrative SecretaryII	0.00	0.00	0.00	0.00	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 I	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	0.35
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 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	3.83	4.08	4.08	4.00	4.00	5.50	5.35
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	0.25	0.50	0.50	0.00	0.00	0.00	0.00
Total Assessing Division	0.75	0.75	0.75	0.75	1.00	1.00	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
Lieutenant	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
Court Clerk/Telecommunicator	0.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
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	13.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Communications										
Telecommunicators	5.00	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Court Clerk/Telecommunicator	1.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Police Department	28.00	28.50	28.50	28.50	28.50	28.50	29.50	29.50	29.50	29.50
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	0.25	0.50	0.50	0.25	0.00	0.00	0.00
Total Inspection Department	2.00	2.00	2.00	2.00	2.25	2.25	2.00	1.75	1.75	1.75

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

Table 22

Public Works	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	10.00	11.00	11.00	11.00	9.00	9.00	9.00	9.00	9.00
Total Public Works Department	15.00	15.00	16.00	16.00	16.00	14.00	14.00	14.00	14.00	14.00

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	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	0.00	2.00	2.00	2.00	2.00	2.00
Program Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office Assistant	0.00	0.00	0.00	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	0.00	0.29	0.29	0.29
Total Parks and Recreation Department	3.00	3.00	3.00	3.46	3.46	5.46	5.46	5.75	5.75	5.75

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	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Administrative Secretary II	1.00	1.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50
Total Planning and Development Department	2.00	2.00	2.00	2.00	2.50	2.50	1.50	1.50	1.50	1.50
TOTAL GENERAL FUND	56.25	56.75	57.75	58.21	59.46	59.46	58.71	58.75	60.25	60.10

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	0.80	0.80
Librarian	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Library Assistant III	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Library Assistant II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Library Assistant I	5.40	4.69	4.69	4.69	4.69	4.73	4.73	4.73	4.73	4.73
Library Page	0.55	0.28	0.28	0.27	0.27	0.32	0.32	0.32	0.32	0.32
Shelver/Cleaner	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Total Library	10.18	9.20	9.20	9.19	9.19	9.28	9.28	9.28	9.08	9.08
Fire Protection and Rescue										
Fire Chief	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Office Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Total Fire Protection and Rescue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50
Cable Television Division										
Programming Coordinator	0.25	0.22	0.22	0.22	0.22	0.22	0.22	0.00	0.00	0.00
Total Cable Television Division	0.25	0.22	0.22	0.22	0.22	0.22	0.22	0.00	0.00	0.00
TOTAL SPECIAL REVENUE FUND	10.43	9.42	9.42	9.41	9.41	9.50	9.50	9.28	9.08	10.58

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

Table 22

ENTERPRISE FUND	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water and Wastewater Utility										
Administration										
Utility Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60
Utility Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office Manager	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Secretary II	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25
Accounting Clerk II	0.00	0.50	0.50	0.50	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	1.00	0.25	0.25
Office Assistant	0.00	0.00	0.00	0.00	0.50	0.50	0.60	0.60	0.25	0.25
Operations										
Operations Foreman	0.00	0.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
Lead Field Operator	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Lead Operator - WWTP	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Utility Operator	5.00	5.00	5.00	5.00	7.00	6.00	6.00	6.00	6.00	6.00
Total Water and Wastewater Utility	12.00	10.50	11.50	11.50	10.75	10.75	10.85	10.85	9.35	9.35
TOTAL ENTERPRISE FUND	12.00	10.50	11.50	11.50	10.75	10.75	10.85	10.85	9.35	9.35

**TOTAL PERSONAL BY DEPARTMENT
AUTHORIZED PERMANENT POSITIONS 2004-2013**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Office of the Village Administrator	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.75	1.75	1.75
Department of Administrative Services	2.33	2.33	1.84	2.33	2.33	2.58	2.58	4.00	5.50	5.35
Office of the Village Clerk	1.50	1.50	1.50	1.50	1.50	1.50	1.50	4.00	5.50	5.35
Assessing Division	0.75	0.75	0.50	0.75	0.75	1.00	1.00	0.50	0.50	0.50
Police Department	28.50	28.50	28.50	28.50	29.50	29.50	29.50	29.50	29.50	29.50
Inspection Department	1.75	2.00	1.75	2.00	2.00	2.00	2.25	1.75	1.75	1.75
Public Works Department	15.00	15.00	15.00	16.00	16.00	16.00	16.00	14.00	14.00	14.00
Parks and Recreation Department	3.00	3.00	3.00	3.00	3.00	3.40	5.46	5.75	5.75	5.75
Planning and Development Department	2.00	2.00	2.00	2.00	2.00	2.50	2.50	1.50	1.50	1.50
Library	10.05	10.18	10.05	9.20	9.20	9.20	9.28	9.28	9.08	9.08
Fire Protection and Rescue Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50
Cable Television Division	0.35	0.25	0.35	0.22	0.22	0.22	0.22	0.00	0.00	0.00
Water and Wastewater Utility	12.00	12.00	10.50	11.50	11.50	11.75	10.85	10.85	9.35	9.35
TOTAL VILLAGE PERSONNEL	78.90	79.18	76.66	78.67	79.67	81.32	82.81	82.88	84.18	85.38

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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
2004	\$ 32,478,220	\$ 9,335,734	\$ 23,142,486
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

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
2004	\$ 13,803,473	\$ 2,939,762	\$ 10,863,711	\$ 18,674,747	\$ 6,395,972	\$ 12,278,775
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

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
2004	\$ 23,142,486	\$ 981,500	\$ 3,653,842	\$ 6,564	\$ -	\$ 27,784,392
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	40,084,851

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
2004	\$ 1,742,098	\$ 467,907	\$ 41,079	\$ 2,251,084	\$ 25,533,308
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

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
2004	\$ 2,716,705	\$ 2,110,141	\$ 606,564	\$ 23,533	\$ 65,690	\$ 564,407
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

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**

Year	Capital Contributions	Transfers	Changes in Net Position	Total Net Position
2004	\$ 1,532,619	\$ 209,235	\$ 1,887,791	\$ 25,533,308
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

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)
2004	\$ 2,715,158	\$ 2,247,638	\$ 467,520
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

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)
2004	\$ 1,285,115	\$ 971,972	\$ 313,143	\$ 1,430,043	\$ 1,275,666	\$ 154,377
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

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*
2004	4,138	243,243	\$ 682,679	221	65,255	\$ 129,923	69	63,727
2005	4,217	251,925	700,629	228	67,690	139,390	69	55,312
2006	4,254	239,290	765,286	229	66,985	156,336	69	52,991
2007	4,283	239,833	757,802	237	69,288	170,591	68	48,403
2008	4,324	224,873	751,721	253	77,025	171,744	67	39,615
2009	4,352	234,130	778,993	263	70,640	175,042	66	30,991
2010	4,364	221,219	843,582	271	52,101	192,864	65	49,420
2011	4,378	243,120	855,625	275	87,361	230,475	65	27,557
2012	4,380	240,242	894,529	280	92,978	252,153	66	29,605
2013	4,393	214,889	835,839	289	101,151	244,835	66	23,622

*000 Omitted

**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>Revenue</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>
\$ 100,112	2004	25	7,789	\$ 18,777	\$ 25,613	\$ 238,391	380,714	\$ 1,195,495
102,374	2005	25	6,135	16,658	27,945	238,961	381,062	1,225,957
110,290	2006	26	5,652	17,395	28,565	275,642	364,918	1,353,514
91,410	2007	28	6,375	19,228	30,335	276,440	363,899	1,345,806
89,810	2008	27	5,490	18,161	35,425	278,795	347,003	1,345,656
68,298	2009	24	9,396	25,385	34,032	284,036	346,522	1,373,364
74,683	2010	25	5,390	20,558	34,866	328,367	328,130	1,494,920
71,400	2011	23	4,665	19,999	36,460	328,488	362,703	1,542,447
75,096	2012	24	5,986	19,180	37,278	329,681	368,811	1,607,917
67,370	2013	24	5,644	18,510	37,354	330,468	345,306	1,534,376

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*
2004	3,984	220,390	\$937,650	232	62,593	\$210,545	63	28,362
2005	4,040	208,357	921,893	219	64,697	239,286	63	25,835
2006	4,080	205,749	1,030,228	224	67,076	274,100	63	38,715
2007	4,107	211,625	1,092,271	223	63,808	291,709	63	28,078
2008	4,147	220,844	1,110,688	242	73,154	269,666	64	22,229
2009	4,063	205,869	1,114,150	242	65,634	297,949	59	22,229
2010	4,094	208,349	1,296,716	248	62,947	350,521	60	24,313
2011	4,122	200,673	1,300,347	249	66,851	549,657	59	19,444
2012	4,128	185,342	1,234,705	252	84,931	467,389	59	18,225
2012	4,153	208,523	1,347,900	256	96,315	462,547	59	13,202

*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>Revenue</u>	<u>Year</u>	<u>Public Authorities</u>		<u>Revenue</u>	<u>Other Sewerage Revenues</u>	<u>Total Gallons Metered*</u>	<u>Total Sewerage Revenues</u>
		<u>Average Number of Customers</u>	<u>Gallons Metered*</u>				
\$115,697	2004	25	5,868	\$23,926	\$118,766	317,213	\$1,406,584
117,867	2005	20	4,791	19,507	123,480	303,680	1,422,033
126,907	2006	21	5,447	21,806	98,434	316,987	1,551,475
127,012	2007	21	5,229	26,013	92,954	308,740	1,629,959
143,117	2008	22	3,977	20,503	94,171	320,204	1,638,145
136,576	2009	17	6,467	20,715	82,540	300,199	1,651,930
154,532	2010	17	3,218	23,924	88,358	298,827	1,914,051
101,079	2011	17	3,071	24,131	82,632	290,039	2,057,846
107,363	2012	18	4,135	25,015	85,910	292,633	1,920,382
97,802	2013	19	4,156	25,671	98,872	322,196	2,032,792

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

Table 29

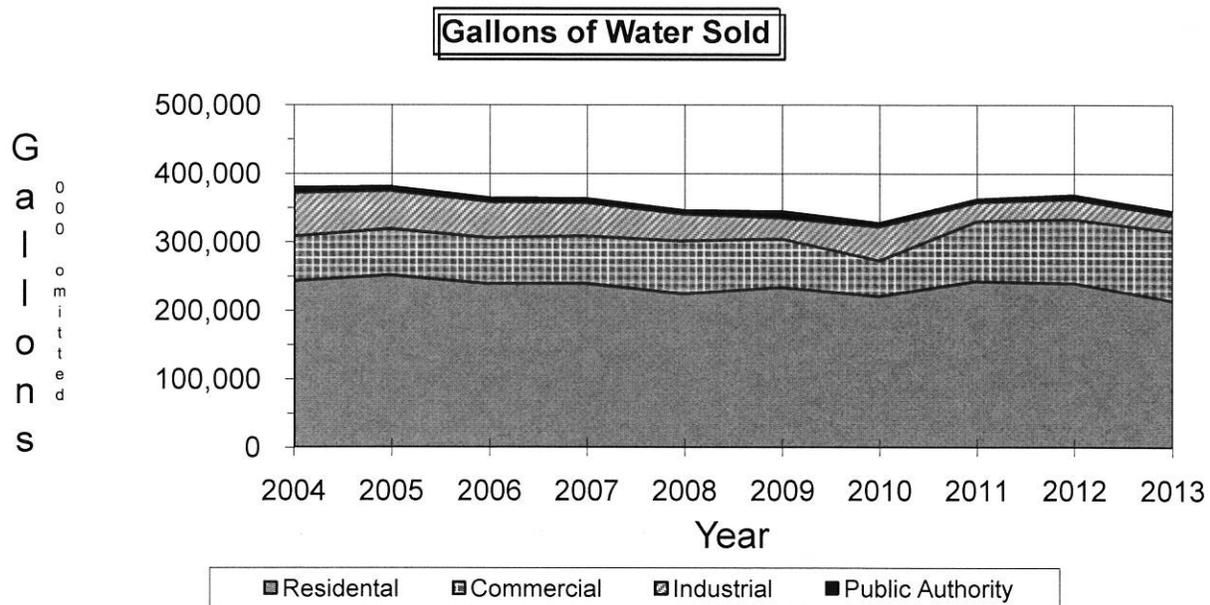


Table 29

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>
2004	383,610	514,942	501,560
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

* 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	2004	2005	2006	2007
Police				
Stations	1	1	1	1
Public Works				
Streets (Miles)	50.74	50.74	50.74	50.74
Sidewalks (Miles)	82.00	82.00	82.00	82.00
Number of Streetlights	1,653	1,653	1,653	1,653
Community Enrichment Services				
Number of Parks	17	17	17	17

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

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