

2015 Comprehensive Annual Financial Report



Village of Grafton

Wisconsin

Prepared by the Department of Administrative Services



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015



GRAFTON
QUALITY LIFE. NATURALLY.

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

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

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GRAFTON
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April 22, 2016

To the Citizens and Board of Trustees of the Village of Grafton, Wisconsin:

The Comprehensive Annual Financial Report for the Village of Grafton, Wisconsin, for the fiscal year ended December 31, 2015, 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, 2015, 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, 2015, 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 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 11,519. 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 in 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 decreased in the Milwaukee metropolitan area as throughout the nation. Ozaukee County's 2015 unemployment rate decreased to 3.4 percent compared to the 2014 unemployment rate of 3.5 percent. The Ozaukee County rate remains lower than the Wisconsin and Federal unemployment rates of 4.2 and 5.3 percent, respectively.

The Village's tax base increased in valuation from 2014 to 2015 by approximately \$44.6 million, or an overall increase of 3.9 percent. Of the 3.9 percent increase, approximately 1.5 percent represented an offsetting increase in values due to new construction, with an increase in value of existing properties representing 2.4 percent. In 2015, the Village had \$33.2 million of valuation in building permits, \$0.6 million more than the building permit valuation in 2014. New residential construction totaled \$2.7 million in 2015, a decrease of \$2.1 million in comparison to 2014.

Permits for commercial construction accounted for 67 percent of 2015 construction valued at \$22.1 million. Residential construction, including single and multi-family buildings accounted for 18 percent or \$5.9 million of construction valuation. Industrial and tax-exempt construction made up the remaining 15 percent or \$5.2 million.

The Tax Incremental District (TID) No. 2 – Grafton Business Park was created on June 3, 1996, to provide for the installation of public improvements to promote industrial and related office development in the Grafton Business Park. Wisconsin Statutes allow the Village to receive tax increments until the net project costs are fully recovered or until a date 27 years after the formation of the District, whichever occurs first. The public improvements were substantially completed in 1997 and eight industrial or office projects have been constructed within the district. As of January 1, 2015, 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 \$16.4 million. The Village approved an amendment to the original plan in 2009 to include the ability of the district to donate funds to TID No. 3 – Downtown Redevelopment. In 2011, the Village approved an additional amendment to include the property where Regal Beloit office building was constructed in 2012. This property was integral in solidifying the economic development of the Village.

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

for the construction of a 44 unit condominium, The Heritage of Grafton, completed in 2005. The Village acquired three parcels on 11th Avenue and two additional properties, one on Bridge Street and one on 13th Avenue, which were sold in 2004 for the construction of a 9 unit condominium, The Bridgewater. Street reconstruction projects completed in 2006 in TID No. 3 included extension of Beech Street from 12th Avenue to Wisconsin Avenue, reconstruction of 13th Avenue and streetscape of Wisconsin Avenue. The Paramount Plaza - a public plaza, and a river walk along the Milwaukee River were completed in 2006. A retail/office building was constructed in 2007 with a brew pub and restaurant that opened in 2008. In 2008, recognizing the need for additional parking due to the success of the downtown businesses, the Village purchased land and constructed additional parking lots. An additional two lots were added in 2009. One was constructed and the other lot was an existing private lot purchased by the Village. In 2012 the Grafton Hotel property located at 1312 Wisconsin Avenue was completed consisting of 20 residential apartments. This development included the renovation of a historical property and is the centerpiece of the redevelopment in the district. The Lumberyard site received approval of a commercial and residential development and the project is anticipated to start in 2016. As of January 1, 2015, 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 \$30.2 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. In 2015 approvals were granted and construction began at Village Pointe Commons which is a senior living development of 227 units and an assisted living building. As of January 1, 2015, 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 \$21.4 million. The Village approved an amendment to the original plan in 2010 enabling the district to receive donated funds from TID No. 2 – Grafton Business Park and TID No. 5 – Grafton Commons.

TID No. 5 – Grafton Commons was created on April 20, 2006, to provide infrastructure improvements, traffic circulation, and streetscape improvements necessary to stimulate private investment and commercial development of the area. The location of Grafton Commons is the northwest quadrant of Interstate 43 and WIS 60. The retail stores located in the district include Costco, Best Buy, Kohl's Department Store, Petsmart Pet Store, Dick's Sporting Goods, Michael's Arts and Crafts, Aldi Food Store and Steinhafel's Mattress. A 4,459 square foot McDonald's was approved and construction began in October, 2015 with anticipated completion in 2016. As of January 1, 2015, 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 \$45.5 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 5,153,760 gallons per day. The 2015 average daily water pumped was 1,000,342 gallons per day or approximately 19 percent of the total supply capacity. A 'Water System Master Plan' study was last updated in 2015. The Village Board accepted the plan in February, 2016. The plan indicated that the Village's current groundwater supply should be adequate through the Plan's planning period (2035) and beyond. The Village's east side pressure zone will require additional water storage (150,000 gallons) or pumping capacity (500 gallons per minute) in approximately 10 years. The Village's west side pressure zone needs additional water storage (300,000 gallons) or pumping capacity (1,500 gallons per minute) at the present time. Operation of the existing Interzone Transfer Station can compensate for the current pressure needs. A water main infrastructure replacement program has been developed to focus attention on high maintenance and critical sections of water main.

The Utility's wastewater treatment plant currently discharges directly to the Milwaukee River. The facility's most recent discharge permit was renewed on June 28, 2015 and expires June 30, 2020. 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 2015, the average daily flow to the treatment plant was 1,392,219 gallons per day or 56 percent of the design flow capacity.

Administratively, water and sewer rate studies were completed in 2013. A water rate increase request was approved by the Village Board of Trustees and submitted to the Public Service Commission in January, 2014. The water rate increases was approved effective March 19, 2014. The water and sewer rates increased 7.2 and 9.0 percent, respectively. The Public Service Commission of Wisconsin classifies the Village utility as an AB utility. An AB classification is for utilities with a customer base in excess of 4,000. Grafton had an average customer base of 4,922 in 2015.

MAJOR INITIATIVES FOR THE YEAR

The development trend in 2015 was an increase in growth and development.

Master Tool and Mold constructed a 3,000 square foot addition to its existing 6,000 square foot building.

On the Village's east side, Meijer opened a "super center" totaling 191,352 square feet located south of Home Depot on Port Washington Road in 2015. The site includes three outlots for development, which one outlet is expected to be developed in 2016.

Residential development decreased in 2015 with the issuance of 8 building permits for new single family units. There were 23 building permits issued in 2014 for new single family units.

FOR THE FUTURE

The Lumberyard Site Master Plan which was completed in 2010, has provided a blueprint for redevelopment opportunities. The Community Development Authority purchased three lots in 2013 and two lots in 2014 in anticipation of this redevelopment. A developer submitted plans in 2015 for the construction of a \$16.6 million mixed use project which will be developed over the next three years. Construction is anticipated to begin in 2016.

Construction began in 2015 with an anticipated opening in 2016 on Village Pointe Commons, located in the South Commercial District. It is a \$22 million multi-phase project for construction of senior housing and care camps.

FINANCIAL MANAGEMENT

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

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

AWARDS AND ACKNOWLEDGEMENTS

Over the past year, the Village received two awards. The Village received the "Certificate of Achievement for Excellence in Financial Reporting" for the 2014 Comprehensive Annual Financial Report (CAFR) and the "Distinguished Budget Presentation Award" for the 2015 Program Budget from the Government Finance Officers Association.

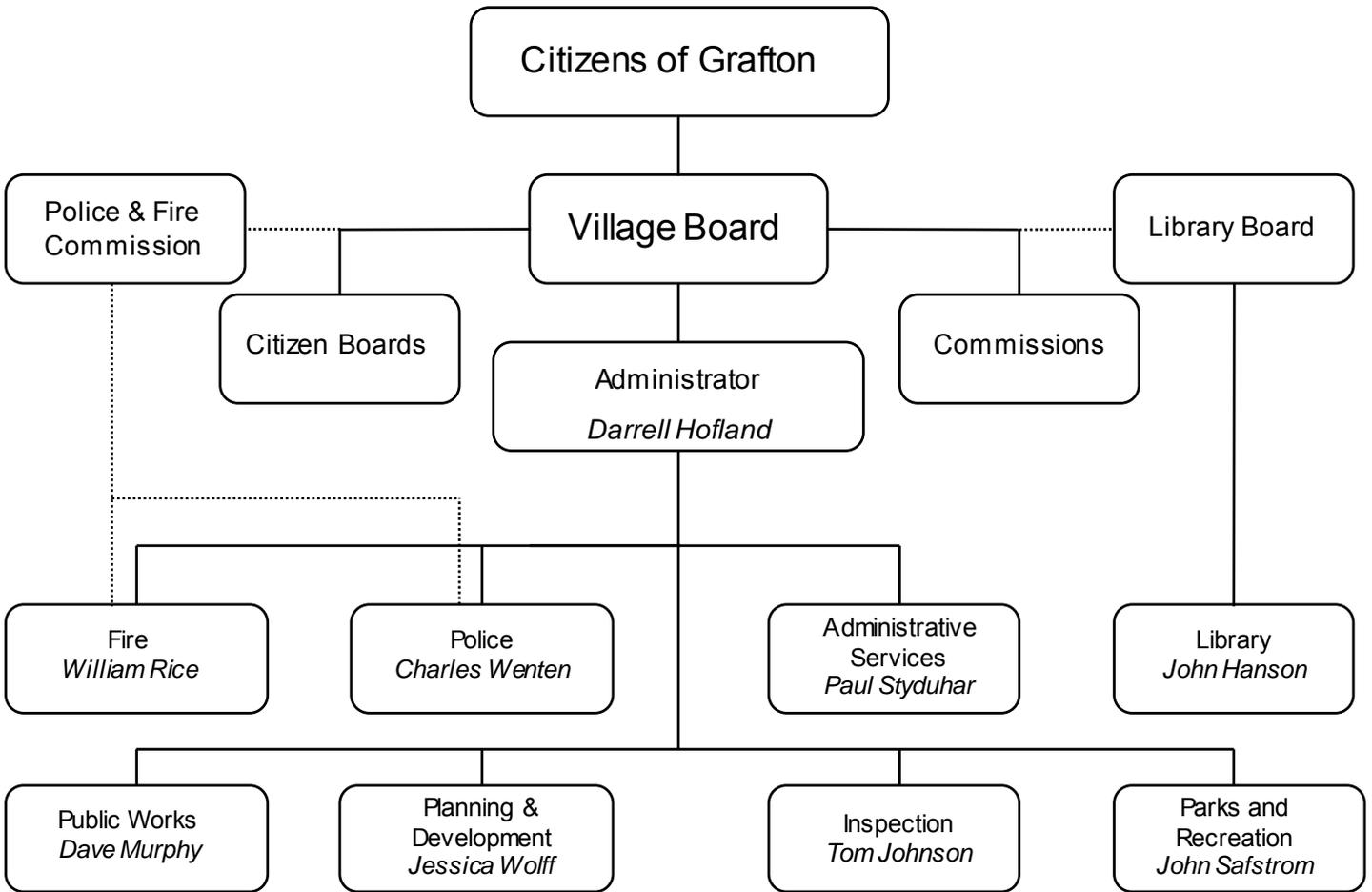
We wish to thank the Village President and the Village Board, whose leadership and continued support, made the preparation of this report possible. Preparation of this report was also made possible with the assistance of Baker Tilly Virchow Krause, LLP. Special appreciation is also given to Accountant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

Respectfully submitted,

Paul Styduhar

Paul Styduhar
Director of Administrative Services

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Name

Darrell Hofland

William Rice

Charles Wenten

Tom Johnson

Dave Murphy

Paul Styduhar

Jessica Wolff

John Safstrom

John Hanson

————— Functional Authority

..... Appointment Authority

Title

Village Administrator

Fire Chief

Police Chief

Building Inspector

Director of Public Works / Village Engineer

Administrative Services Director

Planning and Development Director

Parks and Recreation Director

Library Director



Government Finance Officers Association

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

Presented to

**Village of Grafton
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

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, 2014. This was the twenty first consecutive year that the Village of Grafton has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Village of Grafton
Grafton, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Grafton, Wisconsin, as of and for the year ended December 31, 2015, 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, 2015 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. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. 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 discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Grafton's basic financial statements. The supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 22, 2016

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, 2015. 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 and deferred outflows of resources of the Village of Grafton exceeded its liabilities and deferred inflows of resources as of December 31, 2015, by \$71,966,522 (*net position*). Of this amount, \$11,546,610 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. In June, 2012 the Governmental Accounting Standards Board (GASB) issued Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflow of resources, deferred inflows of resources and expense/expenditures related to pensions. In November, 2013, the GASB issued Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. These standards were implemented January 1, 2015. Therefore the Village has restated beginning net position related to the implementation. The Village's 2014 comparative data as presented in this MD&A does not reflect the restatement.
- The Village of Grafton's total net position increased by a net amount of \$3,076,966 with a \$2,024,758 increase in unrestricted net position.
- As of December 31, 2015, the Village of Grafton's governmental funds reported combined ending fund balances of \$9,331,062 an increase of \$1,408,475 in comparison with the prior year. Approximately 71 percent of this total, or \$6,643,855, is available for spending at the government's discretion (*committed, assigned and unassigned fund balance*).
- As of December 31, 2015 the assigned and unassigned fund balance for the general fund was \$3,604,031 approximately 40 percent of total anticipated general fund expenditures for 2016.
- The Village of Grafton's total general obligation debt decreased by \$836,369 (2.2%) during 2015. General Corporate Purpose Bonds were issued on August 4, 2015 in the amount of \$1,230,000 for projects related to Tax Incremental District No. 3 (Downtown Redevelopment) for the purchase of property and developer incentive) and \$240,000 for sewer projects. General Corporate Purpose Bonds were issued on August 4, 2105 in the amount of \$11,655,000 for the purpose of refunding Bonds issued in 2006 related to the construction and renovation of the Police Station and the purchase of land for a new Municipal Services Facility and projects related to the public purpose of Tax Incremental District No. 3 (Downtown Redevelopment) and TID No. 4 (South Commercial District), Notes issued in 2009 for construction of a parking lot in TID No.

3, construction of a Municipal Services Facility, purchase of land for a future Family Aquatics Center, the construction of a storm water pond and the refunding of 2006 and 2007 BAN's issued for projects related to the public purpose of TID No. 3 and TID No. 4.

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, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference between the four 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 2015.

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 non-major governmental funds is provided in the form of *combining statements* later in this report.

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

Proprietary funds. Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Grafton Water Fund and Grafton Wastewater Fund, which are considered to be major funds of the Village of Grafton.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44 - 82 of this report.

Other information

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village of Grafton, total net position was \$71,966,522 at the close of 2015.

VILLAGE OF GRAFTON'S NET POSITION
As of December 31

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$21,586,818	\$18,666,565	\$5,408,520	\$ 5,160,720	\$26,995,338	\$23,827,285
Capital assets	58,935,773	59,451,685	34,311,382	34,278,052	93,247,155	93,729,737
Total Assets	80,522,591	78,118,250	39,719,902	39,438,772	120,242,493	117,557,022
Deferred outflows of resources	2,264,451	384,728	179,125	90,231	2,443,576	628,379
Long-term liabilities outstanding	31,658,615	32,314,915	4,249,988	4,480,955	35,908,603	36,795,870
Other liabilities	3,810,334	3,791,516	791,828	1,017,463	4,602,162	4,808,979
Total Liabilities	35,468,949	36,106,431	5,041,816	5,498,418	40,510,765	41,604,849
Deferred Inflow of resources	10,208,782	9,533,376	-	-	10,208,782	9,438,682
Net position:						
Net Investment in capital assets	26,485,210	25,406,680	29,716,861	29,495,218	56,202,071	54,901,898
Restricted	3,302,269	1,811,405	915,572	658,601	4,217,841	2,470,006
Unrestricted	7,321,832	5,645,086	4,224,778	3,876,766	11,546,610	9,521,852
Total net position	\$ 37,109,311	\$ 32,863,171	\$34,857,211	\$34,030,585	\$71,966,522	\$66,893,756

The largest portion of the Village of Grafton's December 31, 2015 net position (approximately 78 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 6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$11,470,628) may be used to meet the Village's ongoing obligations to citizens, creditors, and employees.

Total capital assets decreased by \$482,582 net of depreciation or 1.0 percent in 2015. In 2015, \$1,240,066 in governmental assets were added. However, additions were offset by net disposals of \$36,275 and depreciation of \$1,719,253. Business type capital assets of \$1,213,353 were added in 2015 but offset by net disposals of \$6,315 and \$1,173,708 in depreciation.

Governmental activities. In 2015, governmental activities increased the Village of Grafton's net position by \$2,449,285.

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

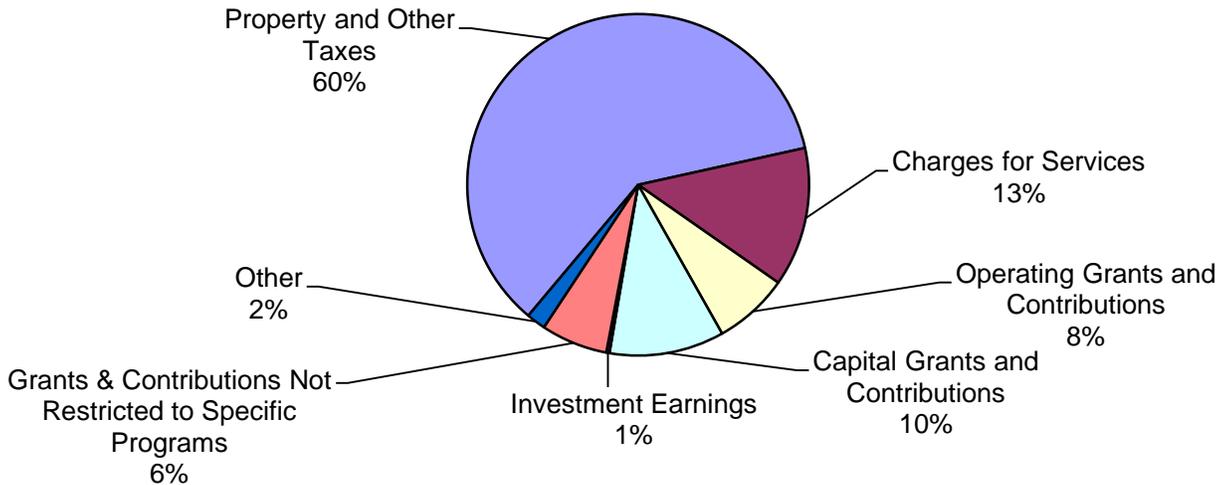
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 2,110,886	\$ 1,879,248	\$ 3,986,365	\$ 3,862,198	\$ 6,097,251	\$ 5,741,446
Operating grants and contributions	1,140,654	1,331,958	-	3,000	1,140,654	1,334,958
Capital grants and contributions	1,739,682	887,114	400,052	112,504	2,139,734	999,618
General Revenues						
Property taxes	9,399,115	9,312,273	-	-	9,399,115	9,312,273
Other taxes	280,572	246,653	-	-	280,572	246,653
Grants & contributions not restricted to specific programs	1,009,977	1,299,482	-	-	1,009,977	1,299,482
Investment income	48,430	41,250	10,247	14,184	58,677	55,434
Other	290,531	48,221	-	-	290,531	48,221
Total revenues	16,019,847	15,046,199	4,396,664	3,991,886	20,416,511	19,038,085
Expenses						
General government	1,216,629	1,113,773	-	-	1,216,629	1,113,773
Public safety	5,065,908	4,840,222	-	-	5,065,908	4,840,222
Public works	4,566,199	4,205,192	-	-	4,566,199	4,205,192
Community enrichment services	1,520,100	1,441,183	-	-	1,520,100	1,441,183
Conservation and development	373,609	365,718	-	-	373,609	365,718
Interest and fiscal charges	1,098,360	1,356,035	-	-	1,098,360	1,356,035
Water	-	-	1,393,228	1,460,774	1,393,228	1,460,774
Wastewater	-	-	2,105,512	2,088,792	2,105,512	2,088,792
Total expenses	13,840,805	13,322,123	3,498,740	3,549,566	17,339,545	16,871,689
Change in net position before transfers	2,179,042	1,724,076	897,924	442,320	3,076,966	2,166,396
Transfers	270,243	270,241	(270,243)	(270,241)	-	-
Increase in net position	2,449,285	1,994,317	627,681	172,079	3,076,966	2,166,396
Net position - beginning of year (restated)	34,660,026	30,868,854	34,229,530	33,858,506	68,889,556	64,727,360
Net position - end of year	\$37,109,311	\$32,863,171	\$34,857,211	\$34,030,585	\$71,966,522	\$66,893,756

Public Safety activities accounted for approximately 37 percent of the total 2015 governmental funds expenses within the Village of Grafton. Total Governmental Activity expenses increased by \$518,682 or 4 percent from 2014. This increase is due primarily due to additional capital outlay related to road maintenance that did not qualify for capitalization.

Net position was restated due to GASB Statement No. 68 and GASB No. 71 issued in June, 2012 and November, 2013 respectively. GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pensions. GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The restatement of fund balance resulted in an increase of Governmental Activities Net Position at January 1, 2015 of \$1,796,855. The impact on Business-Type Activities Net Position at January 1, 2015 was an increase of \$198,945.

As depicted in the chart below, taxes provided 60 percent of total revenue in 2015. Payments in lieu of taxes account for \$290,572 or approximately 3 percent of the revenue classified as taxes. Property taxes have historically been the largest revenue source for governmental activities.

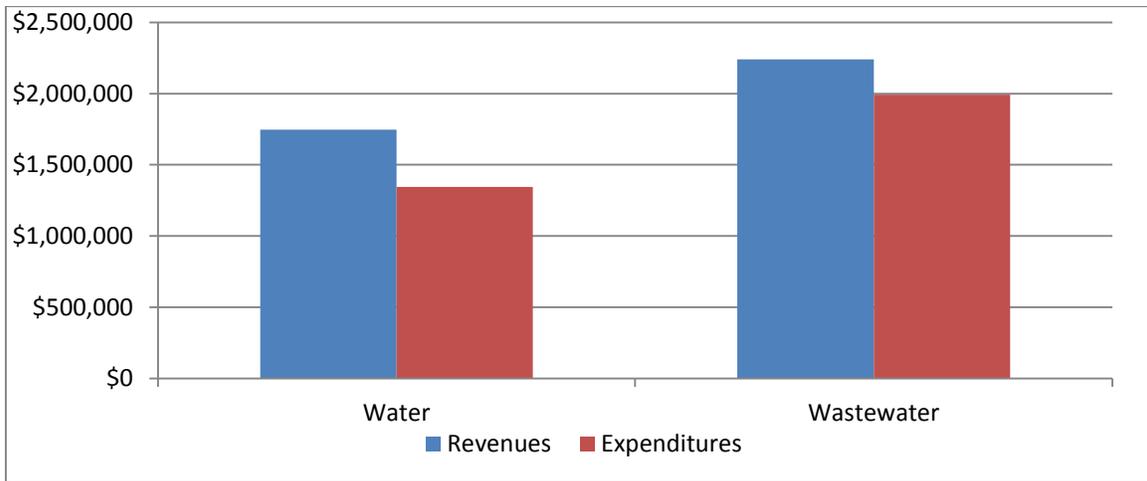
2015 Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the Village of Grafton’s business-type activities net position increased by \$627,681 or 1.8 percent from the previous year. The increase in net position for the Grafton Water and Wastewater Utility is due to water and wastewater system improvements.

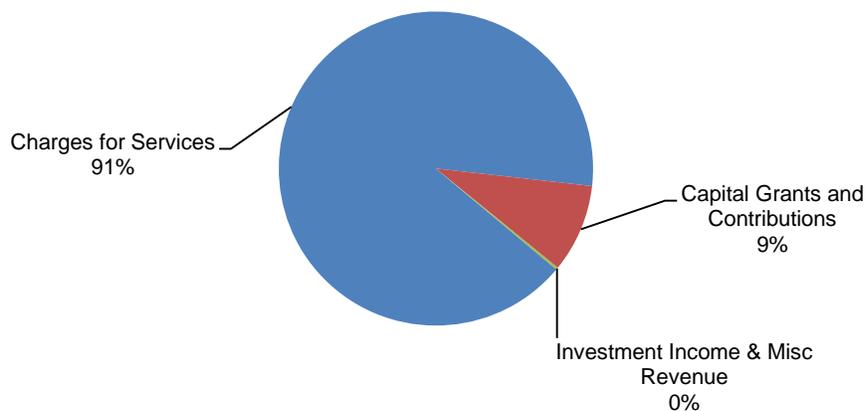
The following graph compares the operating revenues to the operating expenses of each utility. The rate of return of the water utility for 2015 was 3.83 percent. The operating income of the water utility was \$401,934 while the wastewater utility produced an operating income of \$246,870, a rate of return of 1.41 percent. Adjusting for Non-capital financing activities, purchases of capital assets, debt payments and investing activities, the water and wastewater utilities had a net increase in cash and equivalents inflow of \$242,388.

2015 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).

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, 2015, the Village of Grafton's governmental funds reported combined ending fund balances of \$9,331,062, an increase of \$1,408,475 over the prior year. Approximately 71 percent or \$6,643,855 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 (\$299,115), 2) to pay for capital equipment and projects (\$1,454,869), 3) for long term receivables from participants of the Village of Grafton's economic development revolving loan fund (\$736,291), 4) to generate income to pay for the perpetual care of the municipal cemetery (\$92,065), and 5) for prepaid insurance premiums, delinquent taxes, and non-current receivables (\$104,687).

Of the \$6,643,855 fund balance available for spending in the governmental funds (committed, assigned and unassigned fund balance), the use of \$3,604,031 or approximately 54 percent was in the general fund's fund balance.

The *General Fund* is the chief operating fund of the Village of Grafton. As of December 31, 2015, the total fund balance of the general fund was \$3,701,765 of which \$2,283,608 was unassigned. This unassigned fund balance represents approximately 28 percent of 2015 total general fund expenditures while total general fund balance represents approximately 46 percent of that same amount.

The fund balance of the general fund increased \$351,495 during fiscal year 2015. The 2015 annual program budget for the Village of Grafton's general fund identified the appropriation of \$644,734 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 8 percent or \$744,002 and actual revenues were more than budgeted revenues in the general fund by \$235,330 or approximately 3 percent.

The *Debt Service Fund* has a total fund balance of \$156,655 all of which is restricted for the payment of debt service. The fund balance decreased by \$20,991.

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 2016 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 total fund balance of this fund at December 31, 2015 is \$142,460. The fund balance increased by \$142,460 due to an increase in commercial development.

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, 2015 is \$3,607,745 of which \$1,369,040 is related to capital equipment funds to be used for future capital purchases of the Fire Department. TID No. 3 – Downtown Redevelopment has a deficit fund balance of \$680,834 due to a decrease in increment revenue from a decline in property value. The fund balance of TID No. 3 increased by \$540,798 due to borrowing funds for land purchased at the end of 2014 with funds borrowed in 2015.

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 \$4,304,778, an increase of \$428,012 from December 31, 2014. The total growth in total net position was \$627,681.

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

General Fund Budgetary Highlights

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

Total actual revenues were more than budgeted revenues by \$235,330. Licenses and Permits, Intergovernmental Revenues and Intergovernmental Charges for Services exceeded budget by \$198,157, \$41,714, and \$19,379 respectively. Fines and Forfeitures, Tax related revenues, Investment Earnings, Donations and Public Charges for Services were less than budgeted by \$14,963, \$12,005, \$5,216, \$2,944 and \$1,284 respectively. Actual expenditures were less than budgeted expenditures by \$744,002. The Public Works, Public Safety, General Government and Conservation and Development program areas had favorable variances of \$195,281, \$55,686, \$43,721, and \$4,074 respectively. The Contingency account also had a favorable variance of \$452,050. The Community Enrichment Services program expenses are exceeded the budget by \$6,810.

Because expenditures were less than budgetary estimates, the need to draw upon the fund balance of \$644,734 was not required. The favorable variance in revenues and expenditures aided in the increase of the General Fund's fund balance by \$351,495.

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, 2015, equals \$93,247,155 net of accumulated depreciation. This investment in capital assets includes land, buildings, Improvements other than buildings, machinery and equipment, infrastructure, and construction in progress.

The total decrease in the Village of Grafton's investment in capital assets for the current fiscal year totaled \$482,582 net of depreciation, or a 0.5 percent decrease.

Capital assets for Governmental Activities decreased by \$515,912 primarily because depreciation exceeded capital asset additions. Business-type activities capital assets increased minimally (\$33,330).

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land, including easements	\$ 15,069,144	\$ 14,782,433	\$ 538,255	\$ 538,255	\$ 15,607,399	\$ 15,320,688
Buildings, improvements and equipment	29,238,834	28,956,132	52,018,427	51,020,487	81,257,261	79,976,619
Infrastructure	36,546,028	36,299,704	-	-	36,546,028	36,299,704
Construction in progress	27,211	55,613	160,341	890	187,552	56,503
Total Capital Assets	80,881,217	80,093,882	52,717,023	51,559,632	133,598,240	131,653,514
Less Accumulated Depreciation	(21,945,444)	(20,642,197)	(18,405,641)	(17,281,580)	(40,351,085)	(37,923,777)
Capital Assets net of Depreciation	\$ 58,935,773	\$ 59,451,685	\$ 34,311,382	\$ 34,278,052	\$ 93,247,155	\$ 93,729,737.0

Long-term debt. At the end of the current fiscal year, the Village of Grafton has total General Obligation debt outstanding of \$36,979,472 entirely backed by the full faith and credit of the government. The Water and Wastewater Utility has \$1,085,000 of outstanding revenue bonds to be paid through the collection of user fees.

General Corporate Purpose Bonds were issued on August 4, 2015 in the amount of \$1,230,000 for projects related to Tax Incremental District No. 3 (Downtown Redevelopment) for the purchase of property and developer incentive) and \$240,000 for sewer projects. General Corporate Purpose Bonds were issued on August 4, 2105 in the amount of \$11,655,000 for the purpose of refunding Bonds issued in 2006 related to the construction and renovation of the Police Station and the purchase of land for a new Municipal Services Facility and projects related to the public purpose of Tax Incremental District No. 3 (Downtown Redevelopment) and TID No. 4 (South Commercial District), Notes issued in 2009 for construction of a parking lot in TID No. 3, construction of a Municipal Services Facility, purchase of land for a future Family Aquatics Center, the construction of a storm water pond and the refunding of 2006 and 2007 BAN's issued for projects related to the public purpose of TID No. 3 and TID No. 4.

Village of Grafton's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds and notes	\$33,422,199	\$34,138,056	\$3,557,273	\$3,677,785	\$36,979,472	\$37,815,841
Revenue bonds	-	-	1,085,000	1,160,000	\$1,085,000	\$1,160,000
Total	\$33,422,199	\$34,138,056	\$4,642,273	\$4,837,785	\$38,064,472	\$38,975,841

The Village of Grafton received an “Aa2” rating from Moody’s for debt issued on August 4, 2015, the most recent debt issued by the Village.

State statutes limit the amount of general obligation debt a governmental entity may issue up to five percent of its total equalized valuation. The current debt limitation for the Village of Grafton is \$59,653,471, 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, 2015, the Village of Grafton’s outstanding debt equaled 64 percent of the state authorized debt limit.

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

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

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate as of December 31, 2015, for Ozaukee County, which includes the Village of Grafton, was 3.4 percent. This compares with an unemployment rate of 5.3 percent for the State of Wisconsin and a national unemployment rate of 4.2 percent.
- The rate of inflation for the Milwaukee, Wisconsin metro area decreased by 0.3 percent for 2015, while the 2014 equalized tax rate for taxes collected for 2015 operations increased 3.9 percent from 2014. However, the tax levy increased by \$56,567 or 0.8 percent.
- Of the fund balance in the general fund \$1,320,423 is assigned and is available for spending in the 2016 budget. It is intended that the use of available fund balance will lessen the required tax levy yet meet Village of Grafton guidelines to maintain a minimum unassigned fund balance of 25 percent of General Fund expenses.

Requests for Information

This financial report is designed to provide a general overview of the Village of Grafton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Administrative Services, 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, 2015

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and investments	\$ 14,986,599	\$ 3,617,067	\$ 18,603,666
Receivables			
Taxes	4,578,804	85,458	4,664,262
Delinquent personal property taxes	4,793	-	4,793
Accounts	340,573	738,993	1,079,566
Loans	44,402	-	44,402
Special assessments	427,298	5,016	432,314
Due from other governments	227,691	-	227,691
Inventories	-	30,850	30,850
Prepaid items	100,074	11,857	111,931
Restricted assets - cash and investments	-	822,225	822,225
Restricted assets- net pension asset	876,584	97,054	973,638
Capital Assets			
Land and construction in progress	14,689,284	608,813	15,298,097
Intangible assets	407,071	89,783	496,854
Other capital assets, net of depreciation	43,839,418	33,612,786	77,452,204
Total Assets	80,522,591	39,719,902	120,242,493
Deferred Outflows of Resources			
Deferred outflows related to pensions	900,326	98,827	999,153
Deferred loss on refunding	1,364,125	80,298	1,444,423
Total Deferred Outflows of Resources	2,264,451	179,125	2,443,576
Liabilities			
Accounts payable and accrued expenses	739,992	224,880	964,872
Deposits	130,571	7,400	137,971
Due from other governments	68,187	-	68,187
Unearned revenues	-	66,197	66,197
Liabilities payable from restricted assets			
Accrued interest	-	3,707	3,707
Current portion of revenue bonds	-	80,000	80,000
Compensated absences - due within one year	107,841	15,363	123,204
Non-current liabilities - due within one year	2,763,743	394,282	3,158,025
Non-current liabilities - due in more than one year	31,413,217	4,249,987	35,663,204
Landfill post-closure liability	245,398	-	245,398
Total Liabilities	35,468,949	5,041,816	40,510,765
Deferred Inflows of Resources			
Unearned revenue	10,208,782	-	10,208,782
Net Position			
Net investment in capital assets	26,485,210	29,716,861	56,202,071
Restricted for:			
Debt service	-	133,737	133,737
Impact fees	228,289	-	228,289
Fire and rescue equipment	1,369,040	-	1,369,040
Revolving loans	736,291	-	736,291
Cemetery	92,065	-	92,065
Equipment replacement	-	444,500	444,500
Operations and maintenance	-	240,281	240,281
Pensions	876,584	97,054	973,638
Unrestricted	7,321,832	4,224,778	11,546,610
Total Net Position	\$ 37,109,311	\$ 34,857,211	\$ 71,966,522

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Activities
For the Year Ended December 31, 2015

<u>Functions/Programs</u>	Program Revenues		
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities			
General Government	\$ 1,216,629	\$ 244,375	\$ 50,510
Public Safety	5,065,908	840,482	78,842
Public Works	4,566,199	435,609	881,992
Community Enrichment Services	1,520,100	251,466	129,310
Conservation and Development	373,609	338,954	-
Interest and fiscal charges	1,098,360	-	-
Total Governmental Activities	13,840,805	2,110,886	1,140,654
Business-type Activities			
Water Utility	1,393,228	1,746,364	-
Wastewater Utility	2,105,512	2,240,001	-
Total Business-type Activities	3,498,740	3,986,365	-
Total	\$ 17,339,545	\$ 6,097,251	\$ 1,140,654

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

Gain on disposal of assets

Investment income

Miscellaneous

Total General Revenues

Change in Net Position Before Transfers

Transfers

Change in Net Position

NET POSITION - Beginning of year (Restated)

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, 2015

Net Revenues (Expenses) and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
225,037	\$ (696,707)	\$ -	\$ (696,707)
202,884	(3,943,700)	-	(3,943,700)
702,657	(2,545,941)	-	(2,545,941)
-	(1,139,324)	-	(1,139,324)
609,104	574,449	-	574,449
-	(1,098,360)	-	(1,098,360)
1,739,682	(8,849,583)	-	(8,849,583)
297,133	-	650,269	650,269
102,919	-	237,408	237,408
400,052	-	887,677	887,677
2,139,734	(8,849,583)	887,677	(7,961,906)
	7,095,661	-	7,095,661
	403,906	-	403,906
	1,899,548	-	1,899,548
	280,572	-	280,572
	1,009,977	-	1,009,977
	28,859	-	28,859
	48,430	10,247	58,677
	261,672	-	261,672
	11,028,625	10,247	11,038,872
	2,179,042	897,924	3,076,966
	270,243	(270,243)	-
	2,449,285	627,681	3,076,966
	34,660,026	\$ 34,229,530	\$ 68,889,556
	\$ 37,109,311	\$ 34,857,211	\$ 71,966,522

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Balance Sheet - Governmental Funds
As of December 31, 2015

	General	Debt Service
Assets		
Cash and investments	\$ 6,486,407	\$ 382,430
Receivables		
Taxes	2,163,194	178,131
Delinquent personal property taxes	4,793	-
Accounts	210,034	-
Special assessments	-	-
Loans	-	-
Due from other governments	-	-
Advances to other governmental funds	-	-
Prepaid items	92,941	-
Total Assets	\$ 8,957,369	\$ 560,561
 Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable and accrued liabilities	\$ 395,017	\$ -
Deposits	129,071	-
Due to other governments	-	-
Advances from other governmental funds	-	-
Total Liabilities	524,088	-
 Deferred Inflows of Resources		
Unearned revenue	4,731,516	403,906
Unavailable revenue	-	-
Total Deferred Inflows of Resources	4,731,516	403,906
 Fund Balances (Deficit)		
Nonspendable	97,734	-
Restricted	-	156,655
Committed	-	-
Assigned	1,320,423	-
Unassigned (deficit)	2,283,608	-
Total Fund Balances (Deficit)	3,701,765	156,655
 Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)		
	\$ 8,957,369	\$ 560,561

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Balance Sheet - Governmental Funds
As of December 31, 2015

<u>Capital Projects</u>	<u>Capital Projects TID No. 3</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,638,061	\$ 859,045	\$ 5,620,656	\$ 14,986,599
485,985	284,800	1,466,694	4,578,804
-	-	-	4,793
15,999	4,490	110,050	340,573
294,909	-	132,389	427,298
-	-	44,402	44,402
225,145	-	2,546	227,691
1,517,494	-	-	1,517,494
-	-	7,133	100,074
<u>\$ 4,177,593</u>	<u>\$ 1,148,335</u>	<u>\$ 7,383,870</u>	<u>\$ 22,227,728</u>
\$ 66,601	\$ 839	\$ 92,940	\$ 555,397
850	650	-	130,571
-	-	68,187	68,187
-	1,181,913	335,581	1,517,494
<u>67,451</u>	<u>1,183,402</u>	<u>496,708</u>	<u>2,271,649</u>
1,101,943	645,767	3,325,650	10,208,782
283,846	-	132,389	416,235
<u>1,385,789</u>	<u>645,767</u>	<u>3,458,039</u>	<u>10,625,017</u>
-	-	7,133	104,867
-	-	2,425,685	2,582,340
-	-	801,492	801,492
2,724,353	-	194,916	4,239,692
-	(680,834)	(103)	1,602,671
<u>2,724,353</u>	<u>(680,834)</u>	<u>3,429,123</u>	<u>9,331,062</u>
<u>\$ 4,177,593</u>	<u>\$ 1,148,335</u>	<u>\$ 7,383,870</u>	<u>\$ 22,227,728</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, 2015

Total fund balance of governmental funds	\$ 9,331,062
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	
Land and construction in progress	14,689,284
Intangible assets	407,071
Other capital assets net of accumulated depreciation	43,839,418
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	
Special assessments receivable	416,235
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	
	876,584
Deferred outflows of resources related to pensions do not related to current financial resources and are not reported in the governmental funds.	
	900,326
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	(392,490)
Unamortized debt refunding losses	1,364,125
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	(33,422,199)
Landfill post-closure liability	(245,398)
Compensated absences	(470,112)
Accrued interest payable	<u>(184,595)</u>
Net Position of Governmental Funds	\$ <u><u>37,109,311</u></u>

See accompanying notes to financial statements.

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VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2015

	General	Debt Service
Revenues		
Property taxes	\$ 5,055,853	\$ 403,906
Payments in lieu of taxes	202,837	-
Other taxes	15,284	-
Charges for Services:		
Licenses and permits	585,497	-
Fines and forfeitures	114,287	-
Public charges for services	551,899	-
Intergovernmental charges for services	114,601	-
Operating Grants and Contributions:		
Intergovernmental	1,433,292	-
Impact fees	-	-
Donations	56	-
Capital Grants and Contributions:		
Special assessments and interest	-	-
Investment income	22,995	1,138
Miscellaneous	74,293	-
Total Revenues	8,170,894	405,044
Expenditures		
Current:		
General Government	975,749	-
Public Safety	3,816,939	-
Public Works	2,574,215	-
Community Enrichment Services	493,345	-
Conservation and Development	170,405	-
Capital outlay	-	-
Debt Service:		
Principal	-	2,675,857
Interest and fiscal charges	-	1,096,549
Total Expenditures	8,030,653	3,772,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	140,241	(3,367,362)
Other Financing Sources (Uses)		
Proceeds from sale of capital assets	409	-
Transfers in	270,474	3,415,813
Transfers out	(59,629)	-
Payment to refunded bond escrow agent	-	(11,929,871)
Debt issued	-	11,655,000
Premiums on debt issued	-	205,429
Total Other Financing Sources (Uses)	211,254	3,346,371
Net Change in Fund Balance	351,495	(20,991)
FUND BALANCE (DEFICIT) - Beginning of year	3,350,270	177,646
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 3,701,765	\$ 156,655

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, 2015

<u>Capital Projects</u>	<u>Capital Projects TID No. 3</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 731,444	\$ 550,131	\$ 2,923,069	\$ 9,664,403
-	-	-	202,837
-	-	-	15,284
-	-	-	585,497
-	-	-	114,287
11,680	-	484,920	1,048,499
-	-	307,421	422,022
282,846	4,132	275,672	1,995,942
-	-	674,351	674,351
25,000	9,045	400	34,501
40,194	-	23,906	64,100
3,367	912	20,017	48,429
-	23,800	806,403	904,496
<u>1,094,531</u>	<u>588,020</u>	<u>5,516,159</u>	<u>15,774,648</u>
-	52,341	131,982	1,160,072
-	-	833,665	4,650,604
-	-	7,332	2,581,547
-	-	889,816	1,383,161
6,840	93,117	171,617	441,979
803,094	321,474	763,476	1,888,044
-	-	-	2,675,857
-	20,439	-	1,116,988
<u>809,934</u>	<u>487,371</u>	<u>2,797,888</u>	<u>15,898,252</u>
<u>284,597</u>	<u>100,649</u>	<u>2,718,271</u>	<u>(123,604)</u>
-	-	79,151	79,560
78,062	521,674	377,060	4,663,083
(176,200)	(1,333,243)	(2,823,768)	(4,392,840)
-	-	-	(11,929,871)
-	1,230,000	-	12,885,000
-	21,718	-	227,147
<u>(98,138)</u>	<u>440,149</u>	<u>(2,367,557)</u>	<u>1,532,079</u>
186,459	540,798	350,714	1,408,475
<u>2,537,894</u>	<u>(1,221,632)</u>	<u>3,078,409</u>	<u>7,922,587</u>
<u>\$ 2,724,353</u>	<u>\$ (680,834)</u>	<u>\$ 3,429,123</u>	<u>\$ 9,331,062</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, 2015**

Net change in fund balances - total governmental funds \$ 1,408,475

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	1,888,044
Some items reported as capital outlay expenditures in the fund financial statements are operating expenses in the government-wide statements	(693,485)
Some items reported as operating expenditures in the fund financial statements are capitalized in the government-wide financial statements	23,309
Depreciation is reported in the government-wide statements	(1,719,253)
Net book value of capital assets retired	(36,725)
Capital assets contributed	22,200

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

Debt issued	(12,885,000)
Principal retired	13,600,857

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	(227,148)
Refunding loss on new debt	1,004,872
Amortization of discounts	(631)
Amortization of premiums	126,967
Amortization of refunding losses	(25,476)

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.

Special assessments	143,433
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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	(100,717)
Net pension asset	(541,914)
Deferred outflows of resources related to pensions	521,969
Landfill post-closure liability	21,734
Accrued interest on debt	(82,226)

Change in Net Position of Governmental Activities \$ 2,449,285

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Net Position - Proprietary Funds
As of December 31, 2015

	Water Utility	Wastewater Utility	Total
Assets			
Current Assets			
Cash and investments	\$ 3,617,067	\$ -	\$ 3,617,067
Receivables			
Taxes	33,597	51,861	85,458
Special assessments	-	5,016	5,016
Utility customers	286,502	411,174	697,676
Other	23,486	17,831	41,317
Inventory	30,850	-	30,850
Prepaid items	3,118	8,739	11,857
Total Current Assets	3,994,620	494,621	4,489,241
Noncurrent Assets			
Restricted asset - cash and investments	143,535	678,690	822,225
Restricted asset - net pension asset	20,034	77,020	97,054
Capital Assets			
Land	42,533	405,939	448,472
Intangible assets	70,000	19,783	89,783
Construction in progress	2,060	158,281	160,341
Plant in service	22,644,725	29,373,702	52,018,427
Accumulated depreciation	(6,528,782)	(11,876,859)	(18,405,641)
Total Noncurrent Assets	16,394,105	18,836,556	35,230,661
Total Assets	20,388,725	19,331,177	39,719,902
Deferred Outflows of Resources			
Deferred outflows related to pensions	23,222	75,605	98,827
Deferred loss on refunding	59,025	21,273	80,298
Total Deferred Outflows of Resources	82,247	96,878	179,125
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	61,794	79,602	141,396
Accrued payroll and related liabilities	7,663	15,391	23,054
Accrued interest	2,057	58,373	60,430
Compensated absences	4,610	10,753	15,363
Deposits	7,400	-	7,400
Unearned revenue	66,197	-	66,197
Current portion of notes	87,532	306,750	394,282
Liabilities payable from restricted assets			
Accrued interest on revenue bonds	1,408	2,299	3,707
Principal on revenue bonds	30,400	49,600	80,000
Total Current Liabilities	269,061	522,768	791,829
Noncurrent Liabilities			
Compensated absences	20,453	28,997	49,450
General obligation notes	1,046,852	2,148,685	3,195,537
Revenue bonds	381,900	623,100	1,005,000
Total Noncurrent Liabilities	1,449,205	2,800,782	4,249,987
Total Liabilities	1,718,266	3,323,550	5,041,816
Net Position			
Net investment in capital assets	14,742,877	14,973,984	29,716,861
Restricted			
Redemption	50,820	82,917	133,737
Equipment replacement	-	444,500	444,500
Pensions	20,034	77,020	97,054
Operations and maintenance	91,307	148,974	240,281
Unrestricted	3,847,668	377,110	4,224,778
Total Net Position	\$ 18,752,706	\$ 16,104,505	\$ 34,857,211

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2015

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Operating Revenues	\$ 1,746,364	\$ 2,240,001	\$ 3,986,365
Operating Expenses			
Operation and maintenance	874,148	1,247,076	2,121,224
Depreciation expense	460,460	713,248	1,173,708
Taxes	9,822	32,807	42,629
Total Operating Expenses	<u>1,344,430</u>	<u>1,993,131</u>	<u>3,337,561</u>
Operating Income	<u>401,934</u>	<u>246,870</u>	<u>648,804</u>
Nonoperating Revenues (Expenses)			
Investment income	6,455	3,792	10,247
Interest on long-term debt	(44,188)	(116,404)	(160,592)
Amortization of loss on refunding	(7,302)	(2,632)	(9,934)
Amortization of debt premiums	2,692	6,655	9,347
Total Nonoperating Expenses	<u>(42,343)</u>	<u>(108,589)</u>	<u>(150,932)</u>
Income before capital contributions and transfers	359,591	138,281	497,872
Capital Contributions	297,133	102,919	400,052
Transfers Out	<u>(200,345)</u>	<u>(69,898)</u>	<u>(270,243)</u>
Change in Net Position	456,379	171,302	627,681
NET POSITION - Beginning of year (restated)	<u>18,296,327</u>	<u>\$ 15,933,203</u>	<u>\$ 34,229,530</u>
NET POSITION - END OF YEAR	<u>\$ 18,752,706</u>	<u>\$ 16,104,505</u>	<u>\$ 34,857,211</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2015

	Water Utility	Wastewater Utility	Total
Cash Flows From Operating Activities:			
Received from customers	\$ 1,545,928	\$ 2,323,895	\$ 3,869,823
Received from municipality	210,000	-	210,000
Paid to suppliers	(678,928)	(942,168)	(1,621,096)
Paid to employees for services	(216,774)	(346,082)	(562,856)
Net Cash From Operating Activities	860,226	1,035,645	1,895,871
Cash Flows From Noncapital Financing Activities:			
Tax equivalent paid to municipality	(200,345)	(9,655)	(210,000)
Transfer to governmental funds	-	(60,243)	(60,243)
Net Cash From (Used) Noncapital Financing Activities	(200,345)	(69,898)	(270,243)
Cash Flows From Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(445,607)	(684,960)	(1,130,567)
Contributions received for construction	25,903	82,628	108,531
Proceeds from debt issued	-	240,000	240,000
Special assessments received	-	1,003	1,003
Principal payments on debt	(119,395)	(316,118)	(435,513)
Interest on debt	(44,454)	(132,486)	(176,940)
Net Cash From (Used) Capital and Related Financing Activities	(583,553)	(809,933)	(1,393,486)
Cash Flows From Investing Activities:			
Marketable securities purchased	(1,474,761)	(866,129)	(2,340,890)
Marketable securities sold	1,474,761	866,129	2,340,890
Interest income	6,455	3,791	10,246
Net Cash From Investing Activities	6,455	3,791	10,246
Net Increase in Cash and Equivalents	82,783	159,605	242,388
Cash and Investments, Beginning of year	3,677,819	\$ 519,085	\$ 4,196,904
Cash and Investments, End of Year	\$ 3,760,602	\$ 678,690	\$ 4,439,292

See accompanying notes to financial statements.

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2015
(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	\$ 401,934	\$ 246,870	\$ 648,804
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	460,460	713,248	1,173,708
Depreciation charged to other funds	26,757	(26,757)	-
Changes in Assets and Liabilities Related to Operations:			
Customer accounts receivable	(2,496)	(10,403)	(12,899)
Other accounts receivable	(17,945)	118,218	100,273
Inventory	(2,167)	-	(2,167)
Prepaid expenses	1,414	(569)	845
Due from other funds	1,752	2,835	4,587
Accounts payable and accrued liabilities	(6,317)	(10,053)	(16,370)
Other current liabilities	(976)	(2,998)	(3,974)
Pension related deferrals and assets	(2,190)	5,254	3,064
Net Cash Provided by Operating Activities	\$ 860,226	\$ 1,035,645	\$ 1,895,871
 Reconciliation of Cash and Investments to the Statement of Net Position - Proprietary Fund			
Cash and investments - statement of net position	\$ 3,617,067	\$ -	\$ 3,617,067
Restricted cash and investments - statement of net position	143,535	678,690	822,225
	\$ 3,760,602	\$ 678,690	\$ 4,439,292
 Noncash Investing, Capital and Related Financing Activities			
Capital contributions	\$ 271,230	\$ 20,291	\$ 291,521
Amortization of loss on refunding	\$ (7,302)	\$ (2,632)	\$ (9,934)
Amortization of debt premiums	\$ 2,692	\$ 6,655	\$ 9,347
Premium on debt issued	\$ -	\$ (6,615)	\$ (6,615)
Issuance costs on debt issued	\$ -	\$ 3,573	\$ 3,573

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, 2015

Assets	
Cash and equivalents	\$ 8,447,248
Taxes receivable	<u>17,290,003</u>
Total Assets	\$ <u><u>25,737,251</u></u>
Liabilities:	
Due to other taxing units	\$ <u><u>25,737,251</u></u>

See accompanying notes to financial statements.

VILLAGE OF GRAFTON

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VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Unit

Community Development Authority

The government-wide financial statements include the Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the village board. Wisconsin Statutes provide for circumstances whereby the village can impose its will on the CDA, and also create a potential financial benefit to or burden on the village. The Community Development Authority is part of the reporting entity of the Village of Grafton. However, the CDA had no financial transactions during 2015 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

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

The village reports the following major enterprise funds:

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements (cont.)

The village reports the following nonmajor governmental funds:

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

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

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

Impact Fees

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

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

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

Cemetery Perpetual Care

In addition, the village reports the following fund type:

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

Tax Collection Fund

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements (cont.)

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

1. Deposits and Investments (cont.)

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

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

No policy exists for the following risks:

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

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

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, 2015, the fair value of the village 's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

1. Deposits and Investments (cont.)

See Note III. A. for further information.

2. Receivables

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

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	March 31, 2016
Third installment due	May 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

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

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

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.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

2. Receivables (cont.)

It is the village's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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

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

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

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

7. Compensated Absences

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

Paid Time Off

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

Due to the long-term nature of this liability, the governmental funds do not report this liability in the fund financial statements. The proprietary funds record this liability as it is incurred in the same manner as it is recorded on the government-wide financial statements. The balance as of December 31, 2015 was \$323,523, \$13,829 and \$32,260 in the governmental activities, water utility and wastewater utility, respectively.

Medical Leave Bank and Medical Leave Separation Bank

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

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

For those who choose to transfer their accumulated sick bank into the medical leave separation bank, the Village has recorded necessary liabilities for this accumulated benefit. However, due to the long-term nature of this liability, the governmental funds do not report this liability in the fund financial statements. The proprietary funds record this liability as it is incurred in the same manner as it is recorded on the government-wide financial statements. The balance as of December 31, 2015 was \$146,589, \$11,235 and \$7,490 in the governmental activities, water utility and wastewater utility, respectively.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

8. Long-Term Obligations/Conduit Debt

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

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

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

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$7,796,263, made up of 3 issues.

9. Deferred Inflows of Resources

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

10. Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

The village has a formal minimum fund balance policy. That policy is to maintain a minimum fund balance (unassigned) equal to 25% of the general fund's budgeted expenditures. The unassigned balance at year end in the general fund was \$2,283,608. That amount of unassigned fund balance in the general fund is approximately 26% of budgeted general fund expenditures.

See Note III. I. for further information.

11. Water and Wastewater Rates

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
Community Enrichment Services	\$ 486,535	\$ 493,345	\$ 6,810
Debt Service Fund			
Payment to refund bond escrow agent	-	11,929,871	11,929,871
Capital Project Fund			
Conservation and Development	-	6,840	6,840
Capital Project Fund TID No. 3			
General Government	52,236	52,341	105
Capital Outlay	3,740	321,474	317,734
Interest and Fiscal Charges	15,000	20,439	5,439
Special Revenue Fund - Revolving Loan			
Conservation and Development	6,620	52,890	46,270
Special Revenue Fund - Park and Recreation Facilities			
Community Enrichment Service	500	9,547	9,047
Special Revenue Fund - Recreation			
Community Enrichment Service	65,671	83,035	17,364
Special Revenue Fund - Library			
Capital Outlay	800	1,904	1,104
Special Revenue Fund - Environmental			
Conservation and Development	22,772	58,740	35,968
Special Revenue Fund - Aquatics			
Community Enrichment Service	139,740	144,513	4,773
Special Revenue Fund - Room Tax			
Conservation and Development	29,286	37,898	8,612
Special Revenue Fund - Fire Department			
Public Safety	807,684	833,665	25,981
Capital Outlay	-	37,621	37,621
Capital Project Fund - TID No. 2			
Public Works	6,640	7,332	692
Transfers Out	445,380	560,887	115,507
Capital Project Fund - TID No. 4			
General Government	14,500	21,030	6,530
Transfer Out	763,095	918,111	155,016
Capital Project Fund - TID No. 5			
General Government	9,250	65,597	56,347
Capital Project Fund - Fire and Rescue Equipment			
Capital Outlay	122,000	400,985	278,985
Permanent Fund - Woodman Cemetery Perpetual Care			
Transfers Out	185	231	46

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS (cont.)

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

B. DEFICIT BALANCES

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

As of December 31, 2015, the Capital Projects - TID No. 3 had a deficit fund balance of \$680,834. The deficit fund balance in TID No. 3 is mainly due to insufficient increment being generated to fund the debt service requirements. Donations are being received from TID No. 2 and TID No. 5 when available. A cash flow analysis has been completed that indicates TID No. 3 will close with a positive fund balance. During 2015, debt was issued for reimbursement of properties purchased which led to an increase in fund balance of \$540,798 from 2014.

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 20,212,892	\$ 19,663,033	Custodial credit risk
US agencies	2,191,036	2,191,036	Interest rate, custodial, credit risk
US treasuries	3,331,009	3,331,009	Interest rate, custodial credit risk
LGIP	603,001	603,001	Credit risk
Repurchase agreements - US agencies	1,534,081	1,534,081	Interest rate, custodial credit risk
Petty cash	1,120	-	N/A
Total Deposits and Investments	\$ 27,873,139	\$ 27,322,160	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 18,603,666		
Restricted cash and investments	822,225		
Per statement of assets and liabilities - agency fund			
Agency Fund	8,447,248		
Total Deposits and Investments	\$ 27,873,139		

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

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

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

As of December 31, 2015, \$6,917,714 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 6,917,714</u>
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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, 2015, the village's investments were exposed to custodial credit risk as follows:

US Treasuries

Neither insured nor registered and held by counterparty	<u>\$ 3,331,009</u>
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US Agencies

Neither insured nor registered and held by counterparty	\$ 2,191,036
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Neither insured nor registered and held by counterparty's trust department or agent not in the village's name	<u>1,534,081</u>
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Total US Agencies	<u>\$ 3,725,117</u>
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Credit Risk

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

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

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

As of December 31, 2015, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1	1-3
Repurchase Agreements - US Agencies	\$ 1,534,081	\$ 1,534,081	\$ -
US Treasuries	3,331,009	1,346,060	1,984,949
US Agencies	<u>2,191,036</u>	<u>1,741,877</u>	<u>449,159</u>
Totals	<u>\$ 7,056,126</u>	<u>\$ 4,622,018</u>	<u>\$ 2,434,108</u>

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

B. RECEIVABLES

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

Uncollectibles related to ambulance receivables	<u>\$ 10,916</u>
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Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 10,208,782	\$ -
Special assessments not yet due	-	<u>416,235</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 10,208,782</u>	 <u>\$ 416,235</u>
 Unearned revenue included in deferred inflows	 <u>10,208,782</u>	
 Total Unearned Revenue for Governmental Funds	 <u>\$ 10,208,782</u>	

Enterprise funds also defer revenue recognition in connection with resources received, but not yet earned. At the end of the current fiscal year, the Water Utility had \$66,197 in unearned revenues related to water tower lease payments.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

Equipment Replacement Account

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

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2015:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Equipment replacement account	\$ 444,500	\$ -	\$ 444,500
Operations and maintenance	240,281	-	240,281
Redemption	137,444	3,707	133,737
Net pension asset	973,638	-	973,638
Total	\$ 1,795,863	\$ 3,707	\$ 1,792,156

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 14,375,362	\$ 286,711	\$ -	\$ 14,662,073
Intangible assets - easements	407,071	-	-	407,071
Construction in progress	55,613	27,211	55,613	27,211
Total Capital Assets Not Being Depreciated	14,838,046	313,922	55,613	15,096,355
Capital assets being depreciated				
Buildings and improvements	23,087,677	-	-	23,087,677
Equipment and furnishings	5,868,455	615,777	333,075	6,151,157
Infrastructure	36,299,704	365,980	119,656	36,546,028
Total Capital Assets Being Depreciated	65,255,836	981,757	452,731	65,784,862
Total Capital Assets	80,093,882	1,295,679	508,344	80,881,217
Less: Accumulated depreciation for				
Buildings and improvements	(6,541,767)	(559,519)	-	(7,101,286)
Equipment and furnishings	(3,566,121)	(420,128)	296,350	(3,689,899)
Infrastructure	(10,534,309)	(739,606)	119,656	(11,154,259)
Total Accumulated Depreciation	(20,642,197)	(1,719,253)	416,006	(21,945,444)
Net Capital Assets Being Depreciated	44,613,639	(737,496)	36,725	43,839,418
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 59,451,685	\$ (423,574)	\$ 92,338	\$ 58,935,773

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 41,344
Public Safety	292,634
Public Works	1,251,374
Community Enrichment Services	133,158
Conservation and Development	743
Total Governmental Activities Depreciation Expense	\$ 1,719,253

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated/amortized				
Land	\$ 42,533	\$ -	\$ -	\$ 42,533
Intangible assets - easements	70,000	-	-	70,000
Construction in progress	-	2,060	-	2,060
Total Capital Assets Not Being Depreciated/Amortized	112,533	2,060	-	114,593
Capital assets being depreciated				
Property and equipment	21,934,748	728,532	18,555	22,644,725
Total Capital Assets Being Depreciated	21,934,748	728,532	18,555	22,644,725
Total Capital Assets	22,047,281	730,592	18,555	22,759,318
Less: Accumulated depreciation for				
Property and equipment	(6,060,120)	(487,217)	18,555	(6,528,782)
Total Accumulated Depreciation	(6,060,120)	(487,217)	18,555	(6,528,782)
Net Capital Assets Being Depreciated	15,874,628	241,315	-	16,115,943
Net Water Capital Assets	\$ 15,987,161	\$ 243,375	\$ -	\$ 16,230,536

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Wastewater</u>				
Capital assets not being depreciated/amortized				
Land	\$ 405,939	\$ -	\$ -	\$ 405,939
Intangible assets - easements	19,783	-	-	19,783
Construction in progress	890	157,391	-	158,281
Total Capital Assets Not Being Depreciated/Amortized	426,612	157,391	-	584,003
Capital assets being depreciated				
Property and equipment	29,085,739	325,370	37,407	29,373,702
Total Capital Assets Being Depreciated	29,085,739	325,370	37,407	29,373,702
Total Capital Assets	29,512,351	482,761	37,407	29,957,705
Less: Accumulated depreciation for				
Property and equipment	(11,221,460)	(686,491)	31,092	(11,876,859)
Total Accumulated Depreciation	(11,221,460)	(686,491)	31,092	(11,876,859)
Net Capital Assets Being Depreciated	17,864,279	(361,121)	6,315	17,496,843
Net Wastewater Capital Assets	\$ 18,290,891	\$ (203,730)	\$ 6,315	\$ 18,080,846
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 34,278,052	\$ 39,645	\$ 6,315	\$ 34,311,382

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 460,460
Wastewater	713,248
Total Business-type Activities Depreciation Expense	\$ 1,173,708

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

E. INTERFUND ADVANCES AND TRANSFERS

Advances

The Capital Project Fund is advancing funds to other funds. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources in each fund. Each fund's repayment schedules will be based on the timing of new developments within the village. The main source of revenue in each fund is reliant on fees from developments.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Capital Projects Fund	Parks and Recreation Facilities Fund	\$ 19,973	\$ 19,973
Capital Projects Fund	Impact Fees Debt Service Fund	257,193	257,193
Capital Projects Fund	TID No. 3 Capital Projects Fund	1,181,913	1,181,913
Capital Projects Fund	TID No. 4 Capital Projects Fund	<u>58,415</u>	58,415
Total - Fund Financial Statements		1,517,494	
Less: Fund eliminations		<u>(1,517,494)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u><u>\$ -</u></u>	

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

E. INTERFUND ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Cemetery Perpetual Care Fund	\$ 231	Transfer of investment income
General Fund	Wastewater Utility	69,898	Administrative charges
Debt Service Fund	Room Tax Fund	130,000	Debt service requirements
Debt Service Fund	Park & Recreational Facilities Fund	28,300	Debt service requirements
Debt Service Fund	Environmental Fund	50,000	Debt service requirements
Debt Service Fund	Impact Fee Fund	330,817	Debt service requirements
Debt Service Fund	TID No. 2 Fund	39,213	Debt service requirements
Debt Service Fund	TID No. 3 Fund	1,333,243	Debt service requirements
Debt Service Fund	TID No. 4 Fund	759,294	Debt service requirements
Debt Service Fund	TID No. 5 Fund	568,747	Debt service requirements
Debt Service Fund	Capital Projects Fund	176,200	Debt service requirements
Capital Projects Fund	Park & Recreational Facilities Fund	78,062	Partial repayment of advance.
TID No. 3 Fund	TID No. 2 Fund	521,674	Donation to offset deficit
TID No. 2 Fund	TID No. 4 Fund	158,817	Donation to offset deficit
Aquatics Fund	General Fund	59,629	Support of fund
TID No. 4 Fund	TID No. 5 Fund	158,613	Donation to offset deficit
General Fund	Water Utility	<u>200,345</u>	Property tax equivalent
Total - Fund Financial Statements		4,663,083	
Less: Fund eliminations		<u>(4,392,840)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 270,243</u>	

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 270,243
Business-type Activities	Governmental Activities	<u>-</u>
Total Government-wide Financial Statements		<u>\$ 270,243</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.

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 34,138,056	\$ 12,885,000	\$ 13,600,857	\$ 33,422,199	\$ 2,763,743
Unamortized discount	(7,578)	-	(632)	(6,946)	-
Unamortized premium	299,254	227,148	126,966	399,436	-
Sub-totals	34,429,732	13,112,148	13,727,191	33,814,689	2,763,743
Other Liabilities					
Vested compensated absences	369,395	470,112	369,395	470,112	107,841
Landfill post-closure liability	267,132	-	21,734	245,398	-
Total Other Liabilities	636,527	470,112	391,129	715,510	107,841
Total Governmental Activities Long-Term Liabilities	\$ 35,066,259	\$ 13,582,260	\$ 14,118,320	\$ 34,530,199	\$ 2,871,584
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,677,785	\$ 240,000	\$ 360,512	\$ 3,557,273	\$ 394,282
Revenue bonds	1,160,000	-	75,000	1,085,000	80,000
Unamortized premium	35,280	6,615	9,349	32,546	-
Sub-totals	4,873,065	246,615	444,861	4,674,819	474,282
Other Liabilities					
Vested compensated absences	55,943	64,814	55,943	64,814	15,363
Total Business-type Activities Long-Term Liabilities	\$ 4,929,008	\$ 311,429	\$ 500,804	\$ 4,739,633	\$ 489,645

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2015, was \$59,653,471. Total general obligation debt outstanding at year end was \$36,979,472.

General Obligation Debt

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
GO Bond	9/1/2005	12/1/2024	4.01%	\$ 7,835,000	\$ 1,671,962
GO Bond	6/15/2006	12/1/2025	4.00%	7,995,000	590,000
GO Bond	6/1/2007	12/1/2017	3.80%	1,240,000	750,000
GO Bond	9/8/2009	6/1/2027	5.25%	8,010,000	1,525,000
GO Refunding Bond	8/3/2011	6/1/2028	2.5-4.6%	4,955,000	4,855,000
GO Refunding Bond	9/7/2011	12/1/2017	2.00%	1,385,000	620,000
GO Bond	5/17/2012	12/1/2022	1.49%	1,225,000	895,000
GO Bond	5/17/2012	6/1/2024	2.39%	2,055,000	1,790,000
GO Bond	6/20/2013	6/1/2026	1.80%	7,671,701	7,260,237
GO Bond	8/4/2015	6/1/2026	2.83%	3,510,000	3,510,000
GO Bond	8/4/2015	6/1/2027	2.42%	9,375,000	9,375,000
GO Promissory Note	6/1/2007	12/1/2016	3.90%	670,000	95,000
GO Promissory Note	12/7/2010	3/1/2020	3.40%	835,000	<u>485,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 33,422,199</u>

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
GO Bond	9/1/2005	12/1/2024	4.01%	\$ 600,000	\$ 128,038
GO Bond	6/20/2013	6/2/2026	1.80%	1,563,299	1,384,763
GO Bond	8/4/2015	6/1/2027	2.42%	240,000	240,000
State Trust Fund Loan	9/5/2008	3/15/2018	4.25%	1,117,900	428,968
State Trust Fund Loan	10/19/2011	3/15/2021	3.75%	600,000	427,797
State Trust Fund Loan	10/1/2013	3/15/2026	3.75%	1,000,000	<u>947,707</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 3,557,273</u>

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2016	\$ 2,763,743	\$ 1,014,267	\$ 394,282	\$ 110,025
2017	2,683,764	823,515	435,378	93,771
2018	2,465,584	737,024	459,927	78,495
2019	2,957,739	759,950	319,270	61,857
2020	3,046,692	579,227	330,934	52,834
2021-2025	13,869,677	1,862,299	1,414,596	133,520
2026-2028	<u>5,635,000</u>	<u>215,865</u>	<u>202,886</u>	<u>5,083</u>
Totals	<u>\$ 33,422,199</u>	<u>\$ 5,992,147</u>	<u>\$ 3,557,273</u>	<u>\$ 535,585</u>

Revenue Debt

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

The water utility has pledged future water revenues to repay revenue bonds issued in prior years. Proceeds from the bonds provided financing for the waterworks system. The bonds are payable solely from water utility revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 5.49% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$521,434. Principal and interest paid for the current year and total customer gross revenues were \$46,539 and \$868,497, respectively.

The wastewater utility has pledged future wastewater revenues to repay revenue bonds issued in prior years. Proceeds from the bonds provided financing for the treatment facility. The bonds are payable solely from wastewater utility revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 8.08% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$850,761. Principal and interest paid for the current year and total customer gross revenues were \$75,932 and \$963,910, respectively.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2015, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2015</u>
<u>Water Utility</u>					
Revenue Bond	6/1/2007	12/1/2026	4.33%	\$ 589,000	\$ 412,300
<u>Wastewater Utility</u>					
Revenue Bond	6/1/2007	12/1/2026	4.33%	\$ 961,000	<u>672,700</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 1,085,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 80,000	\$ 44,471
2017	85,000	41,271
2018	85,000	37,871
2019	90,000	34,471
2020	95,000	30,871
2021-2025	530,000	93,199
2021	<u>120,000</u>	<u>5,040</u>
Totals	<u><u>\$ 1,085,000</u></u>	<u><u>\$ 287,194</u></u>

Advance Refunding

On August 4, 2015, the village issued \$9,375,000 in general obligation bonds with an average coupon rate of 2.42% to advance refund \$8,300,000 of outstanding bonds with an average coupon rate of 4.62%. The net proceeds along with existing funds of the village 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 on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

Advance Refunding (cont.)

The cash flow requirements on the refunded debt prior to the advance refunding was \$13,513,258 from 2015 through 2027. The cash flow requirements on the refunding bonds are \$13,114,167 from 2015 through 2027. 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 \$399,090.

On August 4, 2015, the village issued \$3,510,000 in with an average coupon rate of 2.83% to advance refund \$2,625,000 of outstanding bonds with an average coupon rate of 3.95%. The net proceeds along with existing funds of the village 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 on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded debt prior to the advance refunding was \$3,734,094 from 2015 through 2027. The cash flow requirements on the refunding bonds are \$3,657,579 from 2015 through 2027. 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 \$76,515.

Prior-Year Defeasance of Debt

In prior years, the village defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the village's financial statements. At December 31, 2015, \$5,205,000 of bonds outstanding are considered defeased. The bonds are callable as follows:

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

G. LEASE DISCLOSURES

Lessor - Operating Leases

The Village has entered into several lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Water Utility property for the purpose of telecommunication relays. Revenue from this activity totaled \$102,719 for the year ended December 31, 2015. Future minimum lease payments receivable in conjunction with these leases are as follows:

<u>Years</u>	<u>Business-type Activities Principal</u>
2016	\$ 104,215
2017	106,928
2018	117,030
2019	119,963
2020	<u>123,015</u>
Totals	<u>\$ 571,151</u>

H. LANDFILL POST-CLOSURE LIABILITY

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

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

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

The present value of total operation and maintenance costs for these environmental matters has been estimated at \$245,398 for the next thirty years. This estimate is subject to changes from deflation, inflation, technology, or changes in laws and regulations and therefore this amount has been included as a long-term obligation. No current portion of this obligation has been reported as of December 31, 2015 as there is no agreed upon repayment structure.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

I. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 14,662,073
Construction in progress	27,211
Intangible assets	407,071
Other capital assets, net of accumulated depreciation	43,839,418
Less: Long-term debt outstanding	(33,422,199)
Plus: Net of unamortized debt premium, discount and refunding loss	971,636
Total Net Investment in Capital Assets	<u>26,485,210</u>
Restricted	
Fire and rescue equipment	1,369,040
Revolving loans	736,291
Cemetery	92,065
Impact fees	228,289
Pensions	876,584
Total Restricted	<u>3,302,269</u>
Unrestricted	<u>7,321,832</u>
Total Governmental Activities Net Position	<u>\$ 37,109,311</u>

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

I. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

	General Fund	Debt Service	Capital Projects	TID No. 3	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Prepaid items	\$ 92,941	\$ -	\$ -	\$ -	\$ 7,133	\$ 100,074
Noncurrent receivable	4,793	-	-	-	-	4,793
Restricted for:						
Debt service	-	156,655	-	-	-	156,655
Revolving loans	-	-	-	-	736,291	736,291
Cemetery perpetual care	-	-	-	-	92,065	92,065
Fire and rescue equipment	-	-	-	-	1,369,040	1,369,040
Impact fees	-	-	-	-	228,289	228,289
Committed to:						
Park and open space	-	-	-	-	46,705	46,705
Woodlawn cemetery capital	-	-	-	-	12,309	12,309
Library	-	-	-	-	81,079	81,079
Environmental	-	-	-	-	60,966	60,966
Fire department	-	-	-	-	413,183	413,183
Room tax	-	-	-	-	187,250	187,250
Assigned to:						
Subsequent year's budget	1,320,423	-	-	-	-	1,320,423
Capital improvements	-	-	2,724,353	-	-	2,724,353
Equipment	-	-	-	-	194,916	194,916
Unassigned (deficit):	2,283,608	-	-	(680,834)	(103)	1,602,671
Total Fund Balances (Deficit)	\$ 3,701,765	\$ 156,655	\$ 2,724,353	\$ (680,834)	\$ 3,429,123	\$ 9,331,062

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

I. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 448,472
Construction in progress	160,341
Intangible assets	89,783
Other capital assets, net of accumulated depreciation	33,612,786
Less: Long-term debt outstanding	(4,642,273)
Plus: Unamortized refunding loss	80,298
Less: Unamortized debt premium	(32,546)
Total Net Investment in Capital Assets	29,716,861
Restricted	
Equipment replacement	444,500
Redemption	133,737
Operations and maintenance	240,281
Pensions	97,054
Total Restricted	915,572
Unrestricted	4,224,778
Total Business-type Activities Net Position	\$ 34,857,211

J. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Water Utility	Wastewater Utility
Net Position - December 31, 2014 (as reported)	\$ 32,863,171	\$ 34,030,585	\$18,255,261	\$15,775,324
Add: Net pension asset	1,418,498	157,054	32,419	124,635
Add: Deferred outflows related to pensions	378,357	41,891	8,647	33,244
Net position - December 31, 2014 (as restated)	\$ 34,660,026	\$ 34,229,530	\$18,296,327	\$15,933,203

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

Pension. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Vesting. 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.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. 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 participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is 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 rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$383,114 in contributions from the village.

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Protective with Social Security	6.8%	9.5%

Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the village reported an asset of \$973,638 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension asset was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the village's proportion was 0.0396388%, which was a decrease of 0.0003245% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the village recognized pension expense of \$443,258.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2015, the village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 141,148
Net differences between projected and actual earnings on pension plan investments	471,482
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,009
Employer contributions subsequent to the measurement date	379,514
Totals	\$ 999,153

\$379,514 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	\$ 151,649
2017	151,649
2018	151,649
2019	151,649
2020	13,045

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the village's proportionate share of the net pension asset to changes in the discount rate. The following presents the village's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the village's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension asset (liability)	\$(2,746,799)	\$973,637	\$3,911,887

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the village reported a payable to the pension plan of \$61,575, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

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

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

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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

The Village collects impact fees for the purpose of providing for the construction, expansion and improvement of Village parks. The fees are collected and recorded as revenue in the Park and Recreational Facilities Fund. The cash collections are held in an interest-bearing bank account. Total collections for 2015 were \$201,490. The fund balance as of December 31, 2015 is \$85,829.

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 2015 were \$472,861. The fund balance as of December 31, 2015 is \$142,460.

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

D. SUBSEQUENT EVENTS

On April 4, 2016 the Village Board approved a parameters resolution authorizing the sale of not to exceed \$4,100,000 of general obligation corporate purpose bonds for the financing of \$2,950,000 of sewerage projects and \$1,150,000 for financial assistance to community development projects.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

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

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

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

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

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

F. JOINT VENTURES

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

<u>Municipality</u>	<u>% Exp Paid</u>
Village of Grafton	6.86 %
Village of Thiensville	2.14
City of West Bend	26.89
Village of Germantown	12.35
City of Hartford	10.09
Village of Kewaskum	2.35
Village of Slinger	6.15
Village of Jackson	4.90
City of Port Washington	5.57
Village of Saukville	7.25
City of Cedarburg	2.89
Town of Hartford	0.24
Town of Trenton	2.19
Village of Newburg	0.06
Village of Fredonia	0.14
City of Mequon	<u>9.93</u>
Total	<u>100.00</u> %

The Village received \$85,236 in fine revenues from the Mid-Moraine Municipal Court during 2015.

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, 2015 is available directly from the Court.

VILLAGE OF GRAFTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

G. AGREEMENTS WITH THE TOWN OF GRAFTON

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 5,055,853	\$ 5,055,853	\$ 5,055,853	\$ -
Payments in lieu of taxes	204,337	204,337	202,837	(1,500)
Other taxes	19,000	19,000	15,284	(3,716)
Intergovernmental	1,391,578	1,391,578	1,433,292	41,714
Licenses and permits	387,340	387,340	585,497	198,157
Fines and forfeitures	129,250	129,250	114,287	(14,963)
Public charges for services	553,183	553,183	551,899	(1,284)
Intergovernmental charges for services	95,222	95,222	114,601	19,379
Donations	3,000	3,000	56	(2,944)
Investment income	35,000	35,000	22,995	(12,005)
Miscellaneous	61,801	61,801	74,293	12,492
Total Revenues	<u>7,935,564</u>	<u>7,935,564</u>	<u>8,170,894</u>	<u>235,330</u>
Expenditures:				
General government	1,503,547	1,471,520	975,749	495,771
Public safety	3,855,207	3,872,625	3,816,939	55,686
Public works	2,762,470	2,769,496	2,574,215	195,281
Community enrichment services	483,418	486,535	493,345	(6,810)
Conservation and development	170,013	174,479	170,405	4,074
Total Expenditures	<u>8,774,655</u>	<u>8,774,655</u>	<u>8,030,653</u>	<u>744,002</u>
Excess of Revenues Over (Under) Expenditures	<u>(839,091)</u>	<u>(839,091)</u>	<u>140,241</u>	<u>979,332</u>
Other Financing Sources (Uses):				
Proceeds from sales of capital assets	-	-	409	409
Transfers in	270,401	270,401	270,474	73
Transfers out	<u>(76,044)</u>	<u>(76,044)</u>	<u>(59,629)</u>	<u>16,415</u>
Total Other Financing Sources (Uses)	<u>194,357</u>	<u>194,357</u>	<u>211,254</u>	<u>16,897</u>
Net Change in Fund Balance	<u>\$ (644,734)</u>	<u>\$ (644,734)</u>	351,495	<u>\$ 996,229</u>
FUND BALANCE - BEGINNING OF YEAR			3,350,270	
FUND BALANCE - END OF YEAR			<u>\$ 3,701,765</u>	

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

VILLAGE OF GRAFTON

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

<u>Fiscal Year Ending Date</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.039638800%	\$ 973,637	\$ 4,703,438	20.70%	102.74%

VILLAGE OF GRAFTON

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2015

<u>Fiscal Year Ending Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 379,514	\$ 379,514	\$ -	\$ 4,816,116	7.88%

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Notes to Required Supplementary Information
As of and For the Year Ended December 31, 2015

NOTE 1 – BUDGETARY INFORMATION

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

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

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

During the year, the Village Administrator submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means for financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.

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

NOTE 2 – WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions. There were no changes in assumptions.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Combining Balance Sheet - Nonmajor Governmental Funds
As of December 31, 2015

	Special Revenue Funds							
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics
Assets								
Cash and investments	\$ 66,269	\$ 691,673	\$ 12,309	\$ 110,809	\$ 1,853	\$ 383,359	\$ 60,966	\$ 644
Receivables								
Taxes	15,436	-	-	-	-	211,787	-	-
Accounts	-	216	-	-	50	481	-	46
Special assessments	-	-	-	-	-	-	-	-
Loans	-	44,402	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	571	6,562	-	-
Total Assets	<u>\$ 81,705</u>	<u>\$ 736,291</u>	<u>\$ 12,309</u>	<u>\$ 110,809</u>	<u>\$ 2,474</u>	<u>\$ 602,189</u>	<u>\$ 60,966</u>	<u>\$ 690</u>
Liabilities, Deferred Inflows of Resources and Fund Balance								
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 5,007	\$ 2,006	\$ 34,332	\$ -	\$ 690
Due to other governments	-	-	-	-	-	-	-	-
Advances from other governmental funds	-	-	-	19,973	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,980</u>	<u>2,006</u>	<u>34,332</u>	<u>-</u>	<u>690</u>
Deferred Inflows of Resources								
Unearned revenue	35,000	-	-	-	-	480,216	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,216</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	571	6,562	-	-
Restricted	-	736,291	-	85,829	-	-	-	-
Committed	46,705	-	12,309	-	-	81,079	60,966	-
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(103)	-	-	-
Total Fund Balances	<u>46,705</u>	<u>736,291</u>	<u>12,309</u>	<u>85,829</u>	<u>468</u>	<u>87,641</u>	<u>60,966</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 81,705</u>	<u>\$ 736,291</u>	<u>\$ 12,309</u>	<u>\$ 110,809</u>	<u>\$ 2,474</u>	<u>\$ 602,189</u>	<u>\$ 60,966</u>	<u>\$ 690</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	
\$ 784,721	\$ 134,549	\$ 399,653	\$ 195,575	\$ 316,325	\$ 543,562	\$ 366,213	\$ 1,460,111	\$ 92,065	\$ 5,620,656
250,737	-	-	154,306	202,255	428,864	134,469	68,840	-	1,466,694
47,773	61,484	-	-	-	-	-	-	-	110,050
-	-	-	132,389	-	-	-	-	-	132,389
-	-	-	-	-	-	-	-	-	44,402
-	-	-	-	-	-	-	2,546	-	2,546
-	-	-	-	-	-	-	-	-	7,133
<u>\$ 1,083,231</u>	<u>\$ 196,033</u>	<u>\$ 399,653</u>	<u>\$ 482,270</u>	<u>\$ 518,580</u>	<u>\$ 972,426</u>	<u>\$ 500,682</u>	<u>\$ 1,531,497</u>	<u>\$ 92,065</u>	<u>\$ 7,383,870</u>
\$ 33,328	\$ 8,783	\$ -	\$ -	\$ 1,563	\$ -	\$ 866	\$ 6,365	\$ -	\$ 92,940
68,187	-	-	-	-	-	-	-	-	68,187
-	-	257,193	-	58,415	-	-	-	-	335,581
<u>101,515</u>	<u>8,783</u>	<u>257,193</u>	<u>-</u>	<u>59,978</u>	<u>-</u>	<u>866</u>	<u>6,365</u>	<u>-</u>	<u>496,708</u>
568,533	-	-	349,881	458,602	972,426	304,900	156,092	-	3,325,650
-	-	-	132,389	-	-	-	-	-	132,389
<u>568,533</u>	<u>-</u>	<u>-</u>	<u>482,270</u>	<u>458,602</u>	<u>972,426</u>	<u>304,900</u>	<u>156,092</u>	<u>-</u>	<u>3,458,039</u>
-	-	-	-	-	-	-	-	-	7,133
-	-	142,460	-	-	-	-	1,369,040	92,065	2,425,685
413,183	187,250	-	-	-	-	-	-	-	801,492
-	-	-	-	-	-	194,916	-	-	194,916
-	-	-	-	-	-	-	-	-	(103)
<u>413,183</u>	<u>187,250</u>	<u>142,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,916</u>	<u>1,369,040</u>	<u>92,065</u>	<u>3,429,123</u>
<u>\$ 1,083,231</u>	<u>\$ 196,033</u>	<u>\$ 399,653</u>	<u>\$ 482,270</u>	<u>\$ 518,580</u>	<u>\$ 972,426</u>	<u>\$ 500,682</u>	<u>\$ 1,531,497</u>	<u>\$ 92,065</u>	<u>\$ 7,383,870</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, 2015

	Special Revenue Funds							
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics
Revenues								
Taxes	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 480,216	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	184,531	-	-
Donations	-	-	-	-	-	400	-	-
Public charges for services	-	-	2,275	-	65,957	15,003	-	84,881
Intergovernmental charges for services	-	-	-	-	-	-	-	-
Impact fees	-	-	-	201,490	-	-	-	-
Investment income	134	10,596	25	248	-	-	990	-
Miscellaneous	-	150,915	-	-	-	-	-	2
Total Revenues	<u>35,134</u>	<u>161,511</u>	<u>2,300</u>	<u>201,738</u>	<u>65,957</u>	<u>680,150</u>	<u>990</u>	<u>84,883</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community enrichment services	-	-	-	9,547	83,035	652,721	-	144,513
Conservation and development	-	52,890	-	-	-	-	58,740	-
Capital outlay	31,153	-	-	-	-	1,904	-	-
Total Expenditures	<u>31,153</u>	<u>52,890</u>	<u>-</u>	<u>9,547</u>	<u>83,035</u>	<u>654,625</u>	<u>58,740</u>	<u>144,513</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>3,981</u>	<u>108,621</u>	<u>2,300</u>	<u>192,191</u>	<u>(17,078)</u>	<u>25,525</u>	<u>(57,750)</u>	<u>(59,630)</u>
Other Financing Sources (Uses)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	59,630
Transfers out	-	-	-	(106,362)	-	-	(50,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(106,362)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>59,630</u>
Net Change in Fund Balance	<u>3,981</u>	<u>108,621</u>	<u>2,300</u>	<u>85,829</u>	<u>(17,078)</u>	<u>25,525</u>	<u>(107,750)</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR	42,724	627,670	10,009	-	17,546	62,116	168,716	-
FUND BALANCE - END OF YEAR	<u>\$ 46,705</u>	<u>\$ 736,291</u>	<u>\$ 12,309</u>	<u>\$ 85,829</u>	<u>\$ 468</u>	<u>\$ 87,641</u>	<u>\$ 60,966</u>	<u>\$ -</u>

Special Revenue Funds		Debt Service Fund	Capital Projects Funds					Permanent Fund	Total
Fire Department	Room Tax	Impact Fees	TID No. 2	TID No. 4	TID No. 5	Equipment	Fire and Rescue Equipment	Cemetery Perpetual Care	Nonmajor Funds
\$ 320,913	\$ 265,288	\$ -	\$ 383,181	\$ 178,842	\$ 787,394	\$ 316,143	\$ 156,092	\$ -	\$ 2,923,069
-	-	-	23,906	-	-	-	-	-	23,906
64,069	-	-	5,356	9,022	10,391	2,303	-	-	275,672
-	-	-	-	-	-	-	-	-	400
316,804	-	-	-	-	-	-	-	-	484,920
160,714	-	-	-	-	-	-	146,707	-	307,421
-	-	472,861	-	-	-	-	-	-	674,351
-	-	416	2,872	336	485	589	3,095	231	20,017
44,107	-	-	-	609,104	-	-	-	2,275	806,403
<u>906,607</u>	<u>265,288</u>	<u>473,277</u>	<u>415,315</u>	<u>797,304</u>	<u>798,270</u>	<u>319,035</u>	<u>305,894</u>	<u>2,506</u>	<u>5,516,159</u>
-	39,442	-	5,913	21,030	65,597	-	-	-	131,982
833,665	-	-	-	-	-	-	-	-	833,665
-	-	-	7,332	-	-	-	-	-	7,332
-	-	-	-	-	-	-	-	-	889,816
-	37,898	-	-	16,776	5,313	-	-	-	171,617
37,621	-	-	-	-	-	291,813	400,985	-	763,476
<u>871,286</u>	<u>77,340</u>	<u>-</u>	<u>13,245</u>	<u>37,806</u>	<u>70,910</u>	<u>291,813</u>	<u>400,985</u>	<u>-</u>	<u>2,797,888</u>
35,321	187,948	473,277	402,070	759,498	727,360	27,222	(95,091)	2,506	2,718,271
-	-	-	-	-	-	28,450	50,701	-	79,151
-	-	-	158,817	158,613	-	-	-	-	377,060
-	(130,000)	(330,817)	(560,887)	(918,111)	(727,360)	-	-	(231)	(2,823,768)
-	(130,000)	(330,817)	(402,070)	(759,498)	(727,360)	28,450	50,701	(231)	(2,367,557)
35,321	57,948	142,460	-	-	-	55,672	(44,390)	2,275	350,714
377,862	\$ 129,302	\$ -	\$ -	\$ -	\$ -	\$ 139,244	1,413,430	\$ 89,790	\$ 3,078,409
<u>\$ 413,183</u>	<u>\$ 187,250</u>	<u>\$ 142,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,916</u>	<u>1,369,040</u>	<u>\$ 92,065</u>	<u>\$ 3,429,123</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
General property taxes	\$ 5,055,853	\$ 5,055,853	\$ 5,055,853	\$ -
Payments in lieu of taxes	204,337	204,337	202,837	(1,500)
Interest and penalties on delinquent taxes	19,000	19,000	15,284	(3,716)
Total Taxes	<u>5,279,190</u>	<u>5,279,190</u>	<u>5,273,974</u>	<u>(5,216)</u>
Intergovernmental Revenues:				
Shared revenues	499,503	499,503	495,081	(4,422)
Law enforcement	16,242	16,242	12,469	(3,773)
General highway aids	763,782	763,782	763,782	-
Computer aid	34,033	34,033	81,991	47,958
Police training	3,520	3,520	3,520	-
Connecting streets	50,350	50,350	50,566	216
Recycling	24,148	24,148	24,143	(5)
Other - state	-	-	1,740	1,740
Total Intergovernmental Revenues	<u>1,391,578</u>	<u>1,391,578</u>	<u>1,433,292</u>	<u>41,714</u>
Licenses and Permits:				
Trainings				
Liquor and malt beverage	15,270	15,270	16,903	1,633
Operators	5,400	5,400	8,170	2,770
Cigarette	1,000	1,000	1,200	200
Bicycle	20	20	50	30
Dog and cat	2,100	2,100	2,016	(84)
Amusement device	1,600	1,600	1,875	275
Business and occupational	100	100	-	(100)
Permits:				
Building	140,000	140,000	275,070	135,070
Electrical	20,000	20,000	40,900	20,900
Plumbing	20,000	20,000	44,999	24,999
Other	1,700	1,700	1,040	(660)
Land use fees	6,000	6,000	6,435	435
Cable television	165,000	165,000	176,289	11,289
Street opening	3,750	3,750	5,500	1,750
Signs	5,400	5,400	5,050	(350)
Total Licenses and Permits	<u>\$ 387,340</u>	<u>\$ 387,340</u>	<u>\$ 585,497</u>	<u>\$ 198,157</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2015
(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	\$ 86,422	\$ (18,578)
Other municipal court	150	150	-	(150)
Parking violations	22,500	22,500	26,020	3,520
Miscellaneous forfeitures	1,600	1,600	1,845	245
Total Fines and Forfeitures	<u>129,250</u>	<u>129,250</u>	<u>114,287</u>	<u>(14,963)</u>
Public Charges for Services:				
Recycling fees	134,290	134,290	134,107	(183)
Property inquiry fees	2,750	2,750	5,370	2,620
Weights and measures	11,000	11,000	11,876	876
Assessing records maintenance	15,000	15,000	29,736	14,736
License publication fees	60	60	70	10
DPW materials sold	400	400	932	532
Weed cutting	150	150	-	(150)
Park fees	18,000	18,000	21,122	3,122
Planning charges	127,000	127,000	74,125	(52,875)
Copy fees	2,200	2,200	3,908	1,708
Miscellaneous charges	203,833	203,833	218,559	14,726
Senior recreation fees	8,500	8,500	7,005	(1,495)
Engineering/Inspection fees	30,000	30,000	45,089	15,089
Total Public Charges for Services	<u>553,183</u>	<u>553,183</u>	<u>551,899</u>	<u>(1,284)</u>
Intergovernmental Charges for Services:				
School district crossing guard	27,799	27,799	23,557	(4,242)
Inspection services	19,000	19,000	42,621	23,621
Fire department dispatch services	48,423	48,423	48,423	-
Total Intergovernmental Charges for Services	<u>95,222</u>	<u>95,222</u>	<u>114,601</u>	<u>19,379</u>
Donations	<u>3,000</u>	<u>3,000</u>	<u>56</u>	<u>(2,944)</u>
Investment Income	<u>35,000</u>	<u>35,000</u>	<u>22,995</u>	<u>(12,005)</u>
Miscellaneous:				
Miscellaneous general revenue	2,000	2,000	13,671	11,671
Rent	26,541	26,541	26,710	169
Recycling	33,260	33,260	33,912	652
Total Miscellaneous	<u>61,801</u>	<u>61,801</u>	<u>74,293</u>	<u>12,492</u>
Total Revenues	<u>\$ 7,935,564</u>	<u>\$ 7,935,564</u>	<u>\$ 8,170,894</u>	<u>\$ 235,330</u>

**Village of Grafton
Ozaukee County, Wisconsin**

**Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Village board	\$ 42,028	\$ 42,028	\$ 41,318	\$ 710
Legal	25,000	25,000	16,433	8,567
Administration	232,959	237,177	235,312	1,865
Clerk	126,769	132,477	120,553	11,924
Elections	17,026	17,026	9,186	7,840
Finance	356,734	360,920	356,448	4,472
Assessing	93,191	100,015	97,826	2,189
Village hall expenses	46,344	46,344	45,054	1,290
Other general government	32,928	32,928	28,064	4,864
Total General Government	<u>972,979</u>	<u>993,915</u>	<u>950,194</u>	<u>43,721</u>
Public Safety:				
Police administration	466,280	469,629	464,981	4,648
Police operations	2,456,087	2,464,812	2,437,356	27,456
Trainings	452,767	452,767	438,025	14,742
Police building	69,861	69,861	62,648	7,213
Inspection	200,212	205,556	203,929	1,627
Other administration	210,000	210,000	210,000	-
Total Public Safety	<u>\$ 3,855,207</u>	<u>\$ 3,872,625</u>	<u>\$ 3,816,939</u>	<u>\$ 55,686</u>

**Village of Grafton
Ozaukee County, Wisconsin**

**Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2015
(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	\$ 218,295	\$ 222,020	\$ 218,584	\$ 3,436
Engineering	199,170	202,471	199,030	3,441
Street maintenance	934,459	934,459	848,145	86,314
Street cleaning	38,386	38,386	36,257	2,129
Snow removal	193,170	193,170	156,346	36,824
Forestry	59,879	59,879	63,280	(3,401)
Traffic control	31,598	31,598	22,115	9,483
Storm water management	79,590	79,590	71,450	8,140
Bridges and dams	3,741	3,741	3,129	612
Equipment maintenance	286,755	286,755	266,185	20,570
Garage and building	105,958	105,958	87,349	18,609
Recycling	611,469	611,469	602,345	9,124
Total Public Works	<u>2,762,470</u>	<u>2,769,496</u>	<u>2,574,215</u>	<u>195,281</u>
Community Enrichment Services:				
Adult senior services	115,785	116,126	114,442	1,684
Parks and playgrounds	176,580	176,580	181,873	(5,293)
Community activities administration	184,297	187,073	189,245	(2,172)
Cemetery	6,756	6,756	7,785	(1,029)
Total Community Enrichment Services	<u>483,418</u>	<u>486,535</u>	<u>493,345</u>	<u>(6,810)</u>
Conservation and Development:				
Community development	170,013	174,479	170,405	4,074
Total Conservation and Development	<u>170,013</u>	<u>174,479</u>	<u>170,405</u>	<u>4,074</u>
Contingency	<u>530,568</u>	<u>477,605</u>	<u>25,555</u>	<u>452,050</u>
Total Expenditures	<u>\$ 8,774,655</u>	<u>\$ 8,774,655</u>	<u>\$ 8,030,653</u>	<u>\$ 744,002</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 403,906	\$ 403,906	\$ 403,906	\$ -
Investment income	2,000	2,000	1,138	(862)
Total Revenues	405,906	405,906	405,044	(862)
Expenditures				
Debt Service				
Principal	2,675,857	2,675,857	2,675,857	-
Interest and fiscal charges	1,155,333	1,155,333	1,096,549	58,784
Total Expenditures	3,831,190	3,831,190	3,772,406	58,784
Excess (Deficit) of Revenues Over (Under) Expenditures	(3,425,284)	(3,425,284)	(3,367,362)	57,922
Other Financing Sources (Uses)				
Transfers in	3,425,284	3,425,284	3,415,813	(9,471)
Payment to refunded bond escrow agent	-	-	(11,929,871)	(11,929,871)
Debt issued	-	-	11,655,000	11,655,000
Premiums on debt issued	-	-	205,429	205,429
Total other financing sources	3,425,284	3,425,284	3,346,371	(78,913)
Net Change in Fund Balance	\$ -	\$ -	(20,991)	\$ (20,991)
FUND BALANCE - BEGINNING OF YEAR			177,646	
FUND BALANCE - END OF YEAR			\$ 156,655	

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 731,444	\$ 731,444	\$ 731,444	\$ -
Intergovernmental	492,329	492,329	282,846	(209,483)
Donations	-	-	25,000	25,000
Special assessments	7,681	7,681	40,194	32,513
Public charges for services	-	-	11,680	11,680
Investment income	5,789	5,789	3,367	(2,422)
Total Revenues	<u>1,237,243</u>	<u>1,237,243</u>	<u>1,094,531</u>	<u>(142,712)</u>
Expenditures				
Current				
Conservation and Development	-	-	6,840	(6,840)
Capital outlay	1,314,431	1,314,431	803,094	511,337
Total Expenditures	<u>1,314,431</u>	<u>1,314,431</u>	<u>809,934</u>	<u>504,497</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>(77,188)</u>	<u>(77,188)</u>	<u>284,597</u>	<u>361,785</u>
Other Financing Sources (Uses)				
Transfers in	95,000	95,000	78,062	(16,938)
Transfers out	(176,200)	(176,200)	(176,200)	-
Total Other Financing Sources (Uses)	<u>(81,200)</u>	<u>(81,200)</u>	<u>(98,138)</u>	<u>(16,938)</u>
Net Change in Fund Balance	<u>\$ (158,388)</u>	<u>\$ (158,388)</u>	186,459	<u>\$ 344,847</u>
FUND BALANCE - BEGINNING OF YEAR			<u>2,537,894</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,724,353</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund -
Tax Incremental Financing District No. 3
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 609,761	\$ 609,761	\$ 550,131	\$ (59,630)
Intergovernmental	202,677	202,677	4,132	(198,545)
Donations	350	350	9,045	8,695
Investment income	250	250	912	662
Miscellaneous	750,000	750,000	23,800	(726,200)
Total revenues	<u>1,563,038</u>	<u>1,563,038</u>	<u>588,020</u>	<u>(975,018)</u>
Expenditures				
Current				
General government	52,236	52,236	52,341	(105)
Public works	620,000	620,000	-	620,000
Conservation and development	891,900	891,900	93,117	798,783
Capital outlay	3,740	3,740	321,474	(317,734)
Debt service				
Interest and fiscal charges	15,000	15,000	20,439	(5,439)
Total Expenditures	<u>1,582,876</u>	<u>1,582,876</u>	<u>487,371</u>	<u>1,095,505</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>(19,838)</u>	<u>(19,838)</u>	<u>100,649</u>	<u>120,487</u>
Other Financing Sources (Uses)				
Transfers in	691,117	691,117	521,674	(169,443)
Transfers out	(1,333,243)	(1,333,243)	(1,333,243)	-
Debt issued	2,326,000	2,326,000	1,230,000	(1,096,000)
Debt issuance premiums	-	-	21,718	21,718
Total Other Financing Sources (Uses)	<u>1,683,874</u>	<u>1,683,874</u>	<u>440,149</u>	<u>(1,243,725)</u>
Net Change in Fund Balance	<u>\$ 1,664,036</u>	<u>\$ 1,664,036</u>	540,798	<u>\$ (1,123,238)</u>
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR			<u>(1,221,632)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (680,834)</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Water Utility
For the Year Ended December 31, 2015

Operating Revenues

Sales of Water	
Metered Sales	
Residential	\$ 881,156
Multifamily	88,873
Commercial	173,921
Industrial	87,300
Public authorities	19,113
Total Metered Sales	<u>1,250,363</u>
Bulk Sales	2,381
Private fire protection	37,596
Public fire protection	333,164
Total Sales of Water	<u>1,623,504</u>
Other Operating Revenues	
Customer forfeited discounts	7,684
Other water revenues	115,176
Total Operating Revenues	<u>1,746,364</u>

Operating Expenses

Source of Supply Expenses	
Operation labor	19,659
Total Pumping Expenses	<u>19,659</u>
Pumping Expenses	
Operation labor	29,086
Power purchased for pumping	71,180
Supplies	4,088
Maintenance	43,323
Total Pumping Expenses	<u>147,677</u>
Water Treatment Expenses	
Operation labor	11,062
Chemicals	23,185
Operation supplies	602
Total Water Treatment Expenses	<u>34,849</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Water Utility
For the Year Ended December 31, 2015
(Continued)

Operating Expenses (Continued)

Transmission and Distribution	
Operation supplies	\$ 95,038
Maintenance:	
Reservoirs	141,233
Mains	32,785
Services	6,910
Meters	5,240
Hydrants	65,747
Total Transmission and Distribution	346,953
Customer Accounts	
Meter reading labor	1,839
Accounting and collecting labor	48,429
Supplies	5,533
Total Customer Accounts	55,801
Administrative and General	
Salaries	84,407
Outside services	84,676
Office supplies and expenses	11,568
Property insurance	9,728
Injuries and damages	11,084
Employee pensions and benefits	38,499
Maintenance	24,682
Miscellaneous	4,565
Total Administrative and General	269,209
Total Operation and Maintenance	874,148
Other Operating Expenses	
Depreciation	460,460
Taxes	9,822
Total Other Operating Expenses	470,282
Total Operating Expenses	1,344,430
OPERATING INCOME	\$ 401,934

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Wastewater Utility
For the Year Ended December 31, 2015

Operating Revenues

Residential	\$ 1,407,774
Commercial	496,035
Industrial	132,494
Public authorities	27,203
Other	99,931
Subtotal Operating Revenues	<u>2,163,437</u>

Other Operating Revenues

Customer forfeited discounts	11,480
Other sewer revenues	65,084
Total Operating Revenues	<u>2,240,001</u>

Operating Expenses

Operation

Supervision and labor	122,582
Operation supplies	7,465
Power and fuel for pumping	35,725
Treatment chemicals	23,058
Power, fuel and sludge hauling	265,874
Transportation	7,951
Total Operation	<u>462,655</u>

Maintenance

Meters	6,174
Sewage collection system	56,540
Pumping equipment	135,593
Treatment equipment	138,437
General plant	59,416
Total Maintenance	<u>396,160</u>

Customer Accounts

Billing, collecting and accounting	1,916
Meter reading	11,394
Total Customer Accounts	<u>13,310</u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Schedule of Operating Revenues and Expenses - Wastewater Utility
For the Year Ended December 31, 2015
(Continued)

Operating Expenses (Continued)

General	
Salaries	\$ 61,065
Office supplies	12,566
Outside services employed	127,996
Insurance	32,803
Employee pensions and benefits	137,877
Miscellaneous	2,644
Total General	<u>374,951</u>
Total Operation and Maintenance	<u>1,247,076</u>
Other Operating Expenses	
Depreciation	713,248
Taxes	32,807
Total Other Operating Expenses	<u>746,055</u>
Total Operating Expenses	<u>1,993,131</u>
OPERATING INCOME	<u><u>\$ 246,870</u></u>

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Park and Open Space
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 35,000	\$ 35,000	\$ 35,000	\$ -
Donations	50,000	50,000	-	(50,000)
Investment income	170	170	134	(36)
Total Revenues	<u>85,170</u>	<u>85,170</u>	<u>35,134</u>	<u>(50,036)</u>
Expenditures				
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>31,153</u>	<u>68,847</u>
Net Change in Fund Balance	<u>\$ (14,830)</u>	<u>\$ (14,830)</u>	3,981	<u>\$ 18,811</u>
FUND BALANCE - Beginning of Year			<u>42,724</u>	
FUND BALANCE - END OF YEAR			<u>\$ 46,705</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Revolving Loan
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 2,533	\$ 2,533	\$ 10,596	\$ 8,063
Miscellaneous income	-	-	150,915	150,915
Total Revenues	<u>2,533</u>	<u>2,533</u>	<u>161,511</u>	<u>158,978</u>
Expenditures				
Current				
Conservation and development	<u>6,620</u>	<u>6,620</u>	<u>52,890</u>	<u>(46,270)</u>
Net Change in Fund Balance	<u>\$ (4,087)</u>	<u>\$ (4,087)</u>	108,621	<u>\$ 112,708</u>
FUND BALANCE - Beginning of Year			<u>627,670</u>	
FUND BALANCE - END OF YEAR			<u>\$ 736,291</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Woodlawn Cemetery Capital
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Public charges for services	\$ 650	\$ 650	\$ 2,275	\$ 1,625
Investment income	15	15	25	10
Total Revenues	<u>665</u>	<u>665</u>	<u>2,300</u>	<u>1,635</u>
 Excess (Deficit) of Revenues Over Expenditures	 <u>\$ 665</u>	 <u>\$ 665</u>	 2,300	 <u>\$ 1,635</u>
 FUND BALANCE - Beginning of Year			 10,009	
FUND BALANCE - END OF YEAR			 <u>\$ 12,309</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Park and Recreational Facilities
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Impact fees	\$ 425,112	\$ 425,112	\$ 201,490	\$ (223,622)
Investment income	-	-	248	248
Total Revenues	425,112	425,112	201,738	(223,374)
Expenditures				
Current				
Community enrichment services	500	500	9,547	(9,047)
Excess (Deficit) of Revenues Over (Under) Expenditures	424,612	424,612	192,191	(232,421)
Other Financing Uses				
Transfers out	(123,300)	(123,300)	(106,362)	16,938
Net Change in Fund Balance	\$ 301,312	\$ 301,312	85,829	\$ (215,483)
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ 85,829	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Recreation
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Public charges for services	\$ 44,000	\$ 44,000	\$ 65,957	\$ 21,957
Expenditures				
Current				
Community enrichment services	65,671	65,671	83,035	(17,364)
Excess (Deficit) of Revenues Under Expenditures	(21,671)	(21,671)	(17,078)	4,593
Other Financing Sources				
Transfers In	5,104	5,104	-	(5,104)
Net Change in Fund Balance	\$ (16,567)	\$ (16,567)	(17,078)	\$ (511)
FUND BALANCE - Beginning of Year			17,546	
FUND BALANCE - END OF YEAR			\$ 468	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Library
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 480,216	\$ 480,216	\$ 480,216	\$ -
Intergovernmental	184,005	184,005	184,531	526
Donations	200	200	400	200
Public charges for services	18,000	18,000	15,003	(2,997)
Total Revenues	<u>682,421</u>	<u>682,421</u>	<u>680,150</u>	<u>(2,271)</u>
Expenditures				
Current				
Community enrichment services	682,872	682,872	652,721	30,151
Capital outlay	800	800	1,904	(1,104)
Total Expenditures	<u>683,672</u>	<u>683,672</u>	<u>654,625</u>	<u>29,047</u>
Net Change in Fund Balance	<u>\$ (1,251)</u>	<u>\$ (1,251)</u>	25,525	<u>\$ 26,776</u>
FUND BALANCE - Beginning of Year			62,116	
FUND BALANCE - END OF YEAR			<u>\$ 87,641</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Environmental
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Investment income	\$ 1,500	\$ 1,500	\$ 990	\$ (510)
Expenditures				
Current				
Conservation and development	<u>22,772</u>	<u>22,772</u>	<u>58,740</u>	<u>(35,968)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	(21,272)	(21,272)	(57,750)	(36,478)
Other Financing Uses				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (71,272)</u>	<u>\$ (71,272)</u>	(107,750)	<u>\$ (36,478)</u>
FUND BALANCE - Beginning of Year			<u>168,716</u>	
FUND BALANCE - END OF YEAR			<u>\$ 60,966</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Aquatics
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Public charges for services	\$ 68,800	\$ 68,800	\$ 84,881	\$ 16,081
Miscellaneous income	-	-	2	2
Total Revenues	68,800	68,800	84,883	16,083
Expenditures				
Current				
Community enrichment services	139,740	139,740	144,513	(4,773)
Excess (Deficit) of Revenues Over (Under) Expenditures	(70,940)	(70,940)	(59,630)	11,310
Other Financing Sources				
Transfers in	70,940	70,940	59,630	(11,310)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Fire Department
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 320,913	\$ 320,913	\$ 320,913	\$ -
Intergovernmental revenues	60,432	60,432	64,069	3,637
Public charges for services	175,000	175,000	316,804	141,804
Intergovernmental charges for services	228,901	228,901	160,714	(68,187)
Miscellaneous	-	-	44,107	44,107
Total Revenues	<u>785,246</u>	<u>785,246</u>	<u>906,607</u>	<u>121,361</u>
Expenditures				
Current				
Public safety	807,684	807,684	833,665	(25,981)
Capital outlay	-	-	37,621	(37,621)
Total Expenditures	<u>807,684</u>	<u>807,684</u>	<u>871,286</u>	<u>(63,602)</u>
Net Change in Fund Balance	\$ <u>(22,438)</u>	\$ <u>(22,438)</u>	35,321	\$ <u>57,759</u>
FUND BALANCE - Beginning of Year			<u>377,862</u>	
FUND BALANCE - END OF YEAR			\$ <u>413,183</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund - Room Tax
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ 205,000	\$ 205,000	\$ 265,288	\$ 60,288
Expenditures				
Current				
General government	41,550	41,550	39,442	2,108
Conservation and development	29,286	29,286	37,898	(8,612)
Total expenditures	70,836	70,836	77,340	(6,504)
Excess of Revenues Under Expenditures	134,164	134,164	187,948	53,784
Other Financing Uses				
Transfers out	(130,000)	(130,000)	(130,000)	-
Net Change in Fund Balance	\$ 4,164	\$ 4,164	57,948	\$ 53,784
FUND BALANCE - Beginning of Year			129,302	
FUND BALANCE - END OF YEAR			\$ 187,250	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual

Debt Service Fund - Impact Fees
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Impact fees	\$ 433,693	\$ 433,693	\$ 472,861	\$ 39,168
Investment income	-	-	416	416
Total Revenues	433,693	433,693	473,277	39,584
Other Financing Uses				
Transfers out	(336,487)	(336,487)	(330,817)	5,670
Net Change in Fund Balance	\$ 97,206	\$ 97,206	142,460	\$ 45,254
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ 142,460	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Tax Incremental Financing District No. 2
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 427,523	\$ 427,523	\$ 383,181	\$ (44,342)
Special assessments	22,065	22,065	23,906	1,841
Intergovernmental revenues	5,155	5,155	5,356	201
Investment income	3,560	3,560	2,872	(688)
Total Revenues	458,303	458,303	415,315	(42,988)
Expenditures				
Current				
General government	6,283	6,283	5,913	370
Public works	6,640	6,640	7,332	(692)
Total Expenditures	12,923	12,923	13,245	(322)
Excess of Revenues Over Expenditures	445,380	445,380	402,070	(43,310)
Other Financing Sources (Uses)				
Transfers In	-	-	158,817	158,817
Transfers Out	(445,380)	(445,380)	(560,887)	(115,507)
Total Other Financing Sources (Uses)	(445,380)	(445,380)	(402,070)	43,310
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Tax Incremental Financing District No. 4
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 208,227	\$ 208,227	\$ 178,842	\$ (29,385)
Intergovernmental revenues	11,500	11,500	9,022	(2,478)
Investment income	100	100	336	236
Miscellaneous income	615,873	615,873	609,104	(6,769)
Total Revenues	835,700	835,700	797,304	(38,396)
Expenditures				
Current				
General government	14,500	14,500	21,030	(6,530)
Conservation and development	82,500	82,500	16,776	65,724
Capital outlay	2,000	2,000	-	2,000
Total Expenditures	99,000	99,000	37,806	61,194
Excess (Deficit) of Revenues Under Expenditures	736,700	736,700	759,498	22,798
Other Financing Sources (Uses)				
Transfers in	26,395	26,395	158,613	132,218
Transfers out	(763,095)	(763,095)	(918,111)	(155,016)
Total Other Financing Sources (Uses)	(736,700)	(736,700)	(759,498)	(22,798)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Tax Incremental Financing District No. 5
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 872,241	\$ 872,241	\$ 787,394	\$ (84,847)
Intergovernmental revenues	21,750	21,750	10,391	(11,359)
Investment income	850	850	485	(365)
Total Revenues	894,841	894,841	798,270	(96,571)
Expenditures				
Current				
General government	9,250	9,250	65,597	(56,347)
Conservation and development	5,500	5,500	5,313	187
Total Expenditures	14,750	14,750	70,910	(56,160)
Excess of Revenues Over Expenditures	880,091	880,091	727,360	(152,731)
Other Financing Uses				
Transfers out	(880,091)	(880,091)	(727,360)	152,731
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Equipment
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ 316,143	\$ 316,143	\$ 316,143	\$ -
Intergovernmental revenues	1,750	1,750	2,303	553
Investment income	300	300	589	289
Total Revenues	318,193	318,193	319,035	842
Expenditures				
Capital outlay	356,550	356,550	291,813	64,737
Excess (Deficit) of Revenues				
Under Expenditures	(38,357)	(38,357)	27,222	65,579
Other Financing Sources				
Proceeds from sale of capital assets	17,000	17,000	28,450	11,450
Net Change in Fund Balance	\$ (21,357)	\$ (21,357)	55,672	\$ 77,029
FUND BALANCE - Beginning of Year			139,244	
FUND BALANCE - END OF YEAR			\$ 194,916	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Project Fund - Fire and Rescue Equipment
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 156,092	\$ 156,092	\$ 156,092	\$ -
Intergovernmental charges for services	45,000	45,000	146,707	101,707
Investment income	2,500	2,500	3,095	595
Total Revenues	<u>203,592</u>	<u>203,592</u>	<u>305,894</u>	<u>102,302</u>
Expenditures				
Capital outlay	<u>122,000</u>	<u>122,000</u>	<u>400,985</u>	<u>(278,985)</u>
Excess (Deficit) of Revenues Under Expenditures	<u>81,592</u>	<u>81,592</u>	<u>(95,091)</u>	<u>(176,683)</u>
Other Financing Sources				
Proceeds from sale of capital assets	<u>5,000</u>	<u>5,000</u>	<u>50,701</u>	<u>45,701</u>
Net Change in Fund Balance	\$ <u>86,592</u>	\$ <u>86,592</u>	(44,390)	\$ <u>(130,982)</u>
FUND BALANCE - Beginning of Year			<u>1,413,430</u>	
FUND BALANCE - END OF YEAR			\$ <u>1,369,040</u>	

VILLAGE OF GRAFTON
Ozaukee County, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Permanent Fund - Woodlawn Cemetery Perpetual Care
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Investment income	\$ 185	\$ 185	\$ 231	\$ 46
Miscellaneous income	650	650	2,275	1,625
Total Revenues	<u>835</u>	<u>835</u>	<u>2,506</u>	<u>1,671</u>
Other Financing Uses				
Transfer out	<u>(185)</u>	<u>(185)</u>	<u>(231)</u>	<u>(46)</u>
Net Change in Fund Balance	\$ <u>650</u>	\$ <u>650</u>	2,275	\$ <u>1,625</u>
FUND BALANCE - Beginning of Year			<u>89,790</u>	
FUND BALANCE - END OF YEAR			\$ <u>92,065</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, 2015

	<u>Balance</u> <u>January 1,</u> <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2015</u>
Assets:				
Cash and equivalents	\$ 8,895,457	\$ 8,447,248	\$ (8,895,457)	\$ 8,447,248
Taxes receivable	16,235,219	17,290,003	(16,235,219)	17,290,003
Total Assets	<u>\$ 25,130,676</u>	<u>\$ 25,737,251</u>	<u>\$ (25,130,676)</u>	<u>\$ 25,737,251</u>
Liabilities:				
Due to other taxing units	<u>\$ 25,130,676</u>	<u>\$ 25,737,251</u>	<u>\$ (25,130,676)</u>	<u>\$ 25,737,251</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, 2015**

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance December 31, 2015</u>
General Government:				
Administration	\$ 3,882,256	\$ -	\$ (28,969)	\$ 3,853,287
Elections	21,000	24,600	(21,000)	24,600
Total General Government	<u>3,903,256</u>	<u>24,600</u>	<u>(49,969)</u>	<u>3,877,887</u>
Public Safety:				
Fire department	3,720,154	348,902	(38,010)	4,031,046
Police department	5,219,678	98,578	(70,018)	5,248,238
Emergency government	14,000	-	-	14,000
Building inspection and assessment	35,140	-	-	35,140
Total Public Safety	<u>8,988,972</u>	<u>447,480</u>	<u>(108,028)</u>	<u>9,328,424</u>
Public Works:				
Right of way	9,165,090	-	-	9,165,090
Infrastructure	36,762,388	310,369	(119,656)	36,953,101
Other public works	10,496,301	170,907	(166,078)	10,501,130
Recycling	6,018	-	-	6,018
Total Public Works	<u>56,429,797</u>	<u>481,276</u>	<u>(285,734)</u>	<u>56,625,339</u>
Culture, Recreation and Education				
Library	1,985,878	-	(9,000)	1,976,878
Senior center	561,736	-	-	561,736
Community center	266,937	-	-	266,937
Parks	4,763,480	-	-	4,763,480
Aquatics	1,401,883	-	-	1,401,883
Cemetery	36,684	-	-	36,684
Total Culture, Recreation and Education	<u>9,016,598</u>	<u>-</u>	<u>(9,000)</u>	<u>9,007,598</u>
Conservation and Development				
Planning and development	1,755,259	286,711	-	2,041,970
Grand Total	<u>\$ 80,093,882</u>	<u>\$ 1,240,067</u>	<u>\$ (452,731)</u>	<u>\$ 80,881,218</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, 2015**

	<u>Land and Construction in Progress</u>	<u>Intangible Assets</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment and Furnishings</u>	<u>Infrastructure</u>	<u>Totals</u>
General Government:							
Administration	\$ 1,270,696	\$ -	57,136	\$ 2,415,341	\$ 110,114	\$ -	\$ 3,853,287
Elections	-	-	-	-	24,600	-	24,600
Total General Government	<u>1,270,696</u>	<u>-</u>	<u>57,136</u>	<u>2,415,341</u>	<u>134,714</u>	<u>-</u>	<u>3,877,887</u>
Public Safety:							
Fire department	158,307	-	57,732	1,920,000	1,895,007	-	4,031,046
Police department	37,200	-	144,233	4,179,074	887,731	-	5,248,238
Emergency government	-	-	-	-	14,000	-	14,000
Building inspection and assessment	-	-	-	-	35,140	-	35,140
Total Public Safety	<u>195,507</u>	<u>-</u>	<u>201,965</u>	<u>6,099,074</u>	<u>2,831,878</u>	<u>-</u>	<u>9,328,424</u>
Public Works:							
Right of way	9,165,090	-	-	-	-	-	9,165,090
Infrastructure	-	407,071	-	-	-	36,546,030	36,953,101
Other public works	116,053	-	2,178,353	5,468,052	2,738,672	-	10,501,130
Recycling	-	-	-	-	6,018	-	6,018
Total Public Works	<u>9,281,143</u>	<u>407,071</u>	<u>2,178,353</u>	<u>5,468,052</u>	<u>2,744,690</u>	<u>36,546,030</u>	<u>56,625,339</u>
Culture, Recreation and Education:							
Library	-	-	9,100	1,929,827	37,951	-	1,976,878
Senior center	52,800	-	27,380	476,178	5,378	-	561,736
Community center	25,000	-	-	241,937	-	-	266,937
Parks	1,837,033	-	1,190,807	1,390,561	345,079	-	4,763,480
Aquatics	-	-	178,060	1,192,465	31,358	-	1,401,883
Cemetery	-	-	11,250	5,326	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>439,874</u>	<u>-</u>	<u>9,007,598</u>
Conservation and Development:							
Planning and development	2,027,105	-	14,865	-	-	-	2,041,970
Total Conservation and Development	<u>2,027,105</u>	<u>-</u>	<u>14,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,041,970</u>
Grand Total	<u>\$ 14,689,284</u>	<u>\$ 407,071</u>	<u>3,868,916</u>	<u>\$ 19,218,761</u>	<u>\$ 6,151,156</u>	<u>\$ 36,546,030</u>	<u>\$ 80,881,218</u>

STATISTICAL SECTION

This part of the Village of Grafton's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

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

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

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities				
Net investment in capital assets	\$14,115,078	\$15,390,005	\$13,468,385	\$15,429,261
Restricted	8,765,594	6,278,068	5,392,128	2,007,639
Unrestricted	1,037,751	3,475,017	5,455,613	8,697,902
Total Governmental Activities Net Position	<u>\$23,918,423</u>	<u>\$25,143,090</u>	<u>\$24,316,126</u>	<u>\$26,134,802</u>
Business-type Activities				
Net investment in capital assets	\$24,058,607	\$25,297,847	\$25,328,156	\$27,045,649
Restricted	939,334	968,736	1,202,401	1,291,412
Unrestricted	2,645,946	3,658,025	3,969,611	3,170,894
Total Business-Type Activities Net Position	<u>\$27,643,887</u>	<u>\$29,924,608</u>	<u>\$30,500,168</u>	<u>\$31,507,955</u>
Primary Government				
Net investment in capital assets	\$38,173,685	\$40,687,852	\$38,796,541	\$42,474,910
Restricted	9,704,928	7,246,804	6,594,529	3,299,051
Unrestricted	3,683,697	7,133,042	9,425,224	11,868,796
Total Primary Government Net Position	<u>\$51,562,310</u>	<u>\$55,067,698</u>	<u>\$54,816,294</u>	<u>\$57,642,757</u>

Data Source:
 Village of Grafton Annual Financial Reports

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

2010	2011	2012	2013	2014	2015
\$20,742,649	\$21,828,625	\$22,945,260	\$23,046,407	\$25,406,680	\$26,485,210
1,765,487	1,590,269	848,447	2,209,985	1,811,405	3,302,269
5,159,161	4,500,444	4,432,759	5,612,462	5,645,086	7,321,832
<u>\$27,667,297</u>	<u>\$27,919,338</u>	<u>\$28,226,466</u>	<u>\$30,868,854</u>	<u>\$32,863,171</u>	<u>\$37,109,311</u>
\$27,754,384	\$27,677,745	\$28,162,963	\$28,162,812	\$29,495,218	\$29,716,861
907,585	1,150,616	1,251,824	1,210,735	658,601	915,572
3,095,526	4,039,689	3,940,640	4,484,959	3,876,766	4,224,778
<u>\$31,757,495</u>	<u>\$32,868,050</u>	<u>\$33,355,427</u>	<u>\$33,858,506</u>	<u>\$34,030,585</u>	<u>\$34,857,211</u>
\$48,497,033	\$49,506,370	\$51,108,223	\$51,209,219	\$54,901,898	\$56,202,071
2,673,072	2,740,885	2,100,271	3,420,720	2,470,006	4,217,841
8,254,687	8,540,133	8,373,399	10,097,421	9,521,852	11,546,610
<u>\$59,424,792</u>	<u>\$60,787,388</u>	<u>\$61,581,893</u>	<u>\$64,727,360</u>	<u>\$66,893,756</u>	<u>\$71,966,522</u>

VILLAGE OF GRAFTON, WISCONSIN

CHANGE IN NET POSITION

Table 2

LAST TEN FISCAL YEARS

	2006	2007	2008
Expenses			
Governmental Activities			
General Government	\$832,485	\$870,316	\$975,718
Public Safety	3,434,909	3,761,114	3,799,337
Public Works	4,941,488	6,077,640	3,866,639
Community Enrichment Services	1,331,925	1,469,851	1,489,936
Conservation and Development	1,253,725	1,656,348	5,109,841
Interest and Fiscal Charges	1,297,907	1,592,848	1,694,032
Loss on Retirement of Capital Assets	421,400	97,751	-
Total Governmental Activities	<u>\$13,513,839</u>	<u>\$15,525,868</u>	<u>\$16,935,503</u>
Business Type Activities			
Water	\$1,185,261	\$1,442,713	\$1,326,489
Wastewater	1,554,477	1,673,389	1,618,759
Total Business Type Activities	<u>\$2,739,738</u>	<u>\$3,116,102</u>	<u>\$2,945,248</u>
Total Primary Government Expenses	<u><u>\$16,253,577</u></u>	<u><u>\$18,641,970</u></u>	<u><u>\$19,880,751</u></u>
Program Revenues			
Governmental Activities			
General Government	\$143,734	\$144,191	\$2,206,868
Public Safety	596,713	789,001	1,399,826
Public Works	2,494,846	5,976,546	1,282,137
Community Enrichment Services	422,744	603,133	833,956
Conservation and Development	155,591	173,404	157,837
Total Governmental Activities Program Revenues	<u>\$3,813,628</u>	<u>\$7,686,275</u>	<u>\$5,880,624</u>
Business Type Activities			
Water	\$2,127,542	\$2,516,785	\$1,468,698
Wastewater	2,367,231	2,796,150	1,670,120
Total Business Type Activities Program Revenues	<u>\$4,494,773</u>	<u>\$5,312,935</u>	<u>\$3,138,818</u>
Total Primary Government Revenues	<u><u>\$8,308,401</u></u>	<u><u>\$12,999,210</u></u>	<u><u>\$9,019,442</u></u>
Net (Expense) Revenue			
Governmental Activities	(\$9,700,211)	(\$7,754,593)	(\$10,804,879)
Business Type Activities	1,755,035	2,196,833	193,570
Total Primary Government Net Expense	<u><u>(\$7,945,176)</u></u>	<u><u>(\$5,642,760)</u></u>	<u><u>(\$10,861,309)</u></u>
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes	\$ 6,824,960	\$ 7,267,342	\$ 7,743,849
Grants an Contributions not restricted to specific programs	749,523	775,844	744,923
Investment Income	1,168,128	1,015,814	579,175
Miscellaneous	89,452	219,814	399,755
Gain on disposal/sale of capital asset	-	-	-
Impact Fees	-	-	-
Special Item - Contribution of fire department assets	-	-	-
Transfers	-	-	-
Total Governmental Activities General Revenues	<u>8,832,063</u>	<u>9,278,814</u>	<u>9,467,702</u>
Business Type Activities			
Investment Income	87,969	147,261	162,196
Gains on disposal/sale of capital assets	-	756	970
Miscellaneous	-	-	-
Transfers	-	-	-
Total Business Type Activities General Revenues	<u>87,969</u>	<u>148,017</u>	<u>163,166</u>
Total Primary Government General Revenues	<u><u>\$ 8,920,032</u></u>	<u><u>\$ 9,426,831</u></u>	<u><u>\$ 9,630,868</u></u>
Change in Net Position			
Governmental Activities	\$ (868,148)	\$ 1,503,350	\$ (1,526,964)
Business Type Activities	1,843,004	2,280,721	575,560
Total Primary Government	<u><u>\$ 974,856</u></u>	<u><u>\$ 3,784,071</u></u>	<u><u>\$ (951,404)</u></u>

Data Source: Village of Grafton Annual Financial Reports

VILLAGE OF GRAFTON, WISCONSIN

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

Table 2

2009	2010	2011	2012	2013	2014	2015
\$1,047,936	\$1,287,202	\$1,060,715	\$1,206,024	\$1,106,731	\$1,113,773	\$1,216,629
3,933,738	4,028,675	4,145,259	4,069,235	4,682,409	4,840,222	5,065,908
4,175,123	3,905,416	4,052,703	4,143,976	6,027,858	4,205,192	4,566,199
1,476,475	1,526,436	1,593,125	1,557,193	1,505,768	1,441,183	1,520,100
393,441	492,458	701,307	452,034	196,761	365,718	373,609
1,873,040	1,816,320	1,688,388	1,647,863	2,057,640	1,356,035	1,098,360
-	-	-	-	-	-	-
<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>	<u>\$13,322,123</u>	<u>\$13,840,805</u>
\$1,268,301	\$1,402,617	\$1,191,427	\$1,248,987	\$1,339,615	\$1,460,774	\$1,393,228
1,717,067	1,841,661	1,856,418	1,864,949	1,919,537	2,088,792	2,105,512
<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>\$3,549,566</u>	<u>\$3,498,740</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>	<u>\$16,871,689</u>	<u>\$17,339,545</u>
\$347,399	\$374,557	\$404,276	\$457,109	\$460,136	\$490,324	\$519,922
834,532	480,325	472,908	443,517	857,013	1,195,854	1,122,208
1,040,115	2,589,404	1,499,981	1,356,082	2,857,680	1,263,993	2,020,258
377,387	387,463	371,564	375,098	372,235	422,101	380,776
2,170,643	495,835	474,393	372,047	409,810	726,048	948,058
<u>\$4,770,076</u>	<u>\$4,327,584</u>	<u>\$3,223,122</u>	<u>\$3,003,853</u>	<u>\$4,956,874</u>	<u>\$4,098,320</u>	<u>\$4,991,222</u>
\$2,143,321	\$1,664,582	\$1,954,540	\$1,831,098	\$1,859,023	\$1,738,987	\$2,043,497
2,050,932	2,025,332	2,426,190	2,000,670	2,168,701	2,238,715	2,342,920
<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>\$3,977,702</u>	<u>\$4,386,417</u>
<u>\$8,964,329</u>	<u>\$8,017,498</u>	<u>\$7,603,852</u>	<u>\$6,835,621</u>	<u>\$8,984,598</u>	<u>\$8,076,022</u>	<u>\$9,377,639</u>
(\$8,129,677)	(\$8,728,923)	(\$10,018,375)	(\$10,072,472)	(\$10,620,293)	(\$9,223,803)	(\$8,849,583)
1,208,885	445,636	1,332,885	717,832	768,572	428,136	887,677
<u>(\$6,920,792)</u>	<u>(\$8,283,287)</u>	<u>(\$8,685,490)</u>	<u>(\$9,354,640)</u>	<u>(\$9,851,721)</u>	<u>(\$8,795,667)</u>	<u>(\$7,961,906)</u>
\$ 8,386,808	\$ 8,997,860	\$ 9,107,069	\$ 9,302,767	\$ 9,482,991	\$ 9,558,926	\$ 9,679,687
808,688	634,850	673,909	650,295	934,392	1,299,482	1,009,977
206,895	157,353	160,025	116,622	32,240	41,250	48,430
46,417	186,969	35,584	25,755	21,641	48,221	261,672
223,032	14,173	23,626	13,958	-	-	28,859
-	-	-	-	-	-	-
-	-	-	-	2,521,209	-	-
276,513	270,213	270,203	270,203	270,213	270,241	270,243
<u>9,948,353</u>	<u>10,261,418</u>	<u>10,270,416</u>	<u>10,379,600</u>	<u>13,262,686</u>	<u>11,218,120</u>	<u>11,298,868</u>
41,454	47,808	31,627	19,624	720	14,184	10,247
22,500	17,037	-	20,124	-	-	-
11,461	9,272	16,246	-	-	-	-
<u>(276,513)</u>	<u>(270,213)</u>	<u>(270,203)</u>	<u>(270,203)</u>	<u>(270,213)</u>	<u>(270,241)</u>	<u>(270,243)</u>
<u>(201,098)</u>	<u>(196,096)</u>	<u>(222,330)</u>	<u>(230,455)</u>	<u>(269,493)</u>	<u>(256,057)</u>	<u>(259,996)</u>
<u>\$ 9,747,255</u>	<u>\$ 10,065,322</u>	<u>\$ 10,048,086</u>	<u>\$ 10,149,145</u>	<u>\$ 12,993,193</u>	<u>\$ 10,962,063</u>	<u>\$ 11,038,872</u>
\$ 1,818,676	\$ 1,532,495	\$ 252,041	\$ 307,128	\$ 2,642,388	\$ 1,994,317	\$ 2,449,285
1,007,787	249,540	1,110,555	487,377	503,079	172,079	627,681
<u>\$ 2,826,463</u>	<u>\$ 1,782,035</u>	<u>\$ 1,362,596</u>	<u>\$ 794,505</u>	<u>\$ 3,145,467</u>	<u>\$ 2,166,396</u>	<u>\$ 3,076,966</u>

VILLAGE OF GRAFTON

Table 3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2006	2007	2008	2009
General Fund				
Reserved	\$67,325	\$122,014	\$75,991	\$84,298
Unreserved	1,698,772	2,014,242	2,773,149	2,893,787
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$1,766,097</u>	<u>\$2,136,256</u>	<u>\$2,849,140</u>	<u>\$2,978,085</u>
Other Governmental Funds				
Reserved	\$9,145,997	\$6,683,471	\$5,822,531	\$3,608,095
Unreserved:				
Special Revenue Funds	361,196	389,766	391,086	337,351
Capital Project Funds	4,101,981	2,323,863	3,017,024	5,287,776
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Other Funds	<u>\$13,609,174</u>	<u>\$9,397,100</u>	<u>\$9,230,641</u>	<u>\$9,233,222</u>
Total Governmental Funds				
Reserved	\$9,213,322	\$6,805,485	\$5,898,522	\$3,692,393
Unreserved	6,161,949	4,727,871	6,181,259	8,518,914
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Governmental Funds	<u>\$15,375,271</u>	<u>\$11,533,356</u>	<u>\$12,079,781</u>	<u>\$12,211,307</u>

Data Source:

Village of Grafton Annual Financial Reports

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

VILLAGE OF GRAFTON

Table 3

FUND BALANCES, LAST TEN FISCAL YEARS

LAST TEN FISCAL YEARS

2010	2011	2012	2013	2014	2015
\$88,717	\$ -	\$ -	\$ -	\$ -	\$ -
2,822,248	-	-	-	-	-
-	91,726	90,824	85,069	91,984	97,734
-	-	-	-	-	-
-	-	-	-	-	-
-	226,924	412,748	631,549	644,734	1,320,423
-	2,373,908	2,537,741	2,370,908	2,613,552	2,283,608
<u>\$2,910,965</u>	<u>\$2,692,558</u>	<u>\$3,041,313</u>	<u>\$3,087,526</u>	<u>\$3,350,270</u>	<u>\$3,701,765</u>
\$2,150,117	\$ -	\$ -	\$ -	\$ -	\$ -
657,950	-	-	-	-	-
1,824,312	-	-	-	-	-
-	10,799	8,760	1,471,408	1,653,365	1,524,627
-	1,801,489	971,520	2,320,216	1,913,777	2,582,340
-	570,681	503,469	790,475	1,195,169	801,492
-	1,753,864	1,305,064	1,369,897	1,031,643	1,401,775
-	(400,145)	(400,150)	(912,696)	(1,221,637)	(680,937)
<u>\$4,632,379</u>	<u>\$3,736,688</u>	<u>\$2,388,663</u>	<u>\$5,039,300</u>	<u>\$4,572,317</u>	<u>\$5,629,297</u>
\$2,238,834	\$ -	\$ -	\$ -	\$ -	\$ -
5,304,510	-	-	-	-	-
-	668,392	316,207	1,556,477	1,745,349	104,867
-	1,801,489	971,520	2,320,216	1,913,777	2,582,340
-	570,681	503,469	790,475	1,195,169	801,492
-	1,414,471	1,501,189	2,001,446	1,676,377	4,239,692
-	1,973,763	2,137,591	1,458,212	1,391,915	1,602,671
<u>\$7,543,344</u>	<u>\$ 6,428,796</u>	<u>\$ 5,429,976</u>	<u>\$ 8,126,826</u>	<u>\$ 7,922,587</u>	<u>\$ 9,331,062</u>

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2006	2007	2008	2009
Revenues				
Taxes	\$6,885,401	\$7,329,910	\$7,811,887	\$10,374,018
Intergovernmental	1,586,761	1,602,176	1,994,694	1,850,392
Licenses and Permits	378,364	537,137	837,933	560,550
Fines, Forfeitures and Penalties	126,065	126,490	132,084	128,043
Public Charges for Services	662,589	455,702	605,924	435,799
Intergovernmental Charges for Services	43,076	52,214	53,412	52,388
Special Assessments	216,164	34,303	125,988	114,176
Investment Income	1,168,128	1,015,814	579,175	207,009
Miscellaneous Revenues	431,482	673,517	3,300,103	562,525
Total Revenues	<u>\$11,498,030</u>	<u>\$11,827,263</u>	<u>\$15,441,200</u>	<u>\$14,284,900</u>
Expenditures by Function				
General Government	\$819,649	\$845,376	\$932,041	\$999,338
Public Safety	3,286,619	3,562,378	3,568,300	3,742,891
Public Works	4,172,379	5,190,572	2,827,722	2,428,848
Community Enrichment Services	1,178,477	1,303,740	1,288,536	1,271,073
Conservation and Development	1,361,693	1,485,639	5,165,763	409,349
Capital Outlays	8,956,734	4,006,478	2,465,738	6,818,501
Debt Service				
Principal Retirement	1,168,162	1,665,865	1,880,896	2,629,287
Interest	1,099,423	1,681,307	1,719,210	1,827,165
Fiscal Charges	190,528	92,429	42,369	137,968
Total Expenditures by Function	<u>\$22,233,664</u>	<u>\$19,833,784</u>	<u>\$19,890,575</u>	<u>\$20,264,420</u>
Excess of Revenues Over (under) Expenditures	(10,735,634)	(8,006,521)	(4,449,375)	(5,979,520)
Other Financing Sources (Uses)				
Bond proceeds and Debt Premiums	11,593,128	4,052,480	4,855,000	10,739,126
Payment to Refund Debt	-	-	-	(6,190,000)
Proceeds from Sale of Capital Assets	-	47,997	80,588	1,285,408
Transfers in	1,901,814	2,668,869	2,889,852	3,980,176
Transfers out	(1,901,814)	(2,604,740)	(2,829,639)	(3,703,664)
Total Other Financing Sources	<u>\$11,593,128</u>	<u>\$4,164,606</u>	<u>\$4,995,801</u>	<u>\$6,111,046</u>
Special Item - Contribution of Fire Department Assets	-	-	-	-
Net Change in Fund Balances	<u>\$857,494</u>	<u>(\$3,841,915)</u>	<u>\$546,426</u>	<u>\$131,526</u>
Debt Service as a percentage of non-capital outlay expenditures	23.52%	21.89%	22.72%	20.90%

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

2010	2011	2012	2013	2014	2015
\$9,116,020	\$9,255,400	\$9,498,246	\$9,683,361	\$9,760,244	\$9,882,524
1,817,076	1,849,051	1,738,932	2,068,890	2,216,493	1,995,942
349,367	420,851	418,053	415,286	581,886	585,497
128,648	108,201	123,709	107,511	115,783	114,287
436,416	428,847	704,078	1,029,055	1,022,269	1,048,499
53,513	70,851	114,883	250,341	373,238	422,022
151,664	145,251	37,236	1,394,717	161,517	64,100
153,383	156,055	116,625	31,311	41,249	48,429
618,819	543,734	212,657	678,460	864,917	1,613,348
<u>\$12,824,906</u>	<u>\$12,978,241</u>	<u>\$12,964,419</u>	<u>\$15,658,932</u>	<u>\$15,137,596</u>	<u>\$15,774,648</u>
\$991,421	\$1,003,024	\$1,123,036	\$1,031,254	\$1,069,549	\$1,160,072
3,804,990	3,932,886	3,836,716	4,179,267	4,276,223	4,650,604
2,484,252	2,680,755	2,674,337	2,693,155	2,720,333	2,581,547
1,331,802	1,393,687	1,361,473	1,320,027	1,306,988	1,383,161
501,198	701,976	506,971	291,538	374,598	441,979
4,776,479	854,960	1,071,184	3,747,885	2,161,164	1,888,044
2,807,678	2,266,498	2,072,758	2,280,753	2,576,547	2,675,857
1,896,685	1,624,166	1,895,802	1,415,956	1,252,309	1,116,988
17,750	50,000	-	-	-	-
<u>\$18,612,255</u>	<u>\$14,507,952</u>	<u>\$14,542,277</u>	<u>\$16,959,835</u>	<u>\$15,737,711</u>	<u>\$15,898,252</u>
(5,787,349)	(1,529,711)	(1,577,858)	(1,300,903)	(600,115)	(123,604)
835,000	6,359,977	3,284,606	7,834,552	-	13,112,147
-	(6,260,000)	(2,989,729)	(5,350,680)	-	(11,929,871)
14,173	45,163	13,958	25,750	125,635	79,560
5,142,685	3,790,792	4,624,392	4,474,150	4,403,998	4,663,083
(4,872,472)	(3,520,769)	(4,354,189)	(4,203,937)	(4,133,757)	(4,392,840)
<u>\$1,119,386</u>	<u>\$415,163</u>	<u>\$579,038</u>	<u>\$2,779,835</u>	<u>\$395,876</u>	<u>\$1,532,079</u>
-	-	-	1,217,918	-	-
<u>(\$4,667,963)</u>	<u>(\$1,114,548)</u>	<u>(\$998,820)</u>	<u>\$2,696,850</u>	<u>(\$204,239)</u>	<u>\$1,408,475</u>
34.17%	28.50%	29.46%	27.98%	28.20%	25.80%

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

Fiscal Year	General Government		Public Safety		Public Works		Community Enrichment Services					
2006	\$	819,649	3.7%	\$	3,286,619	14.8%	\$	4,172,379	18.8%	\$	1,178,477	5.3%
2007		845,376	4.3%		3,562,378	18.0%		5,190,572	26.2%		1,303,740	6.6%
2008		932,041	4.7%		3,568,300	17.9%		2,827,722	14.2%		1,288,536	6.5%
2009		999,338	4.9%		3,742,891	18.5%		2,428,848	12.0%		1,271,073	6.3%
2010		991,421	5.3%		3,804,990	20.4%		2,484,252	13.3%		1,331,802	7.2%
2011		1,003,024	4.8%		3,932,886	18.9%		2,680,755	12.9%		1,393,687	6.7%
2012		1,123,036	6.4%		3,836,716	21.9%		2,674,337	15.3%		1,361,473	7.8%
2013		1,031,254	6.1%		4,179,267	24.6%		2,693,155	15.9%		1,320,027	7.8%
2014		1,069,549	6.8%		4,276,223	27.2%		2,720,333	17.3%		1,306,988	8.3%
2015		1,160,072	7.3%		4,650,604	29.3%		2,581,547	16.2%		1,383,161	8.7%

Fiscal Year	Conservation and Development		Capital Outlays		Debt Service		Total Expenditures				
2006	\$	1,361,693	6.1%	\$	8,956,734	40.3%	\$	2,458,113	11.1%	\$	22,233,664
2007		1,485,639	7.5%		4,006,478	20.2%		3,439,601	17.3%		19,833,784
2008		5,165,763	26.0%		2,465,738	12.4%		3,642,475	18.3%		19,890,575
2009		409,349	2.0%		6,818,501	33.6%		4,594,420	22.7%		20,264,420
2010		501,198	2.7%		4,776,479	25.7%		4,722,113	25.4%		18,612,255
2011		701,976	3.4%		854,960	4.1%		10,200,664	49.1%		20,767,952
2012		506,971	2.9%		1,071,184	6.1%		6,958,289	39.7%		17,532,006
2013		291,538	1.7%		3,747,885	22.1%		3,696,709	21.8%		16,959,835
2014		374,598	2.4%		2,161,164	13.7%		3,828,856	24.3%		15,737,711
2015		441,979	2.8%		1,888,044	11.9%		3,792,845	23.9%		15,898,252

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	
2006	\$ 6,885,401	58.2%	\$ 1,586,761	13.4%	\$ 378,364	3.2%	\$ 126,065	1.1%	\$ 662,589	5.6%
2007	7,329,910	47.5%	1,602,176	10.4%	537,137	3.5%	126,490	0.8%	455,702	3.0%
2008	7,811,887	54.7%	1,994,694	14.0%	837,933	5.9%	132,084	0.9%	605,924	4.2%
2009	10,374,018	80.9%	1,850,392	14.4%	560,550	4.4%	128,043	1.0%	435,799	3.4%
2010	9,116,020	70.2%	1,817,076	14.0%	349,367	2.7%	128,648	1.0%	436,416	3.4%
2011	9,255,400	71.4%	1,849,051	14.3%	420,851	3.2%	108,201	0.8%	428,847	3.3%
2012	9,498,246	73.3%	1,738,932	13.4%	418,053	3.2%	123,709	1.0%	704,078	5.4%
2013	9,683,361	61.8%	2,068,890	13.2%	415,286	2.7%	107,511	0.7%	1,029,055	6.6%
2014	9,760,244	64.5%	2,216,493	14.6%	581,886	3.8%	115,783	0.8%	1,022,269	6.8%
2015	9,882,524	62.6%	1,995,942	12.7%	585,497	3.7%	114,287	0.7%	1,048,499	6.6%

Fiscal Year	Inter-Governmental Charges for Services		Special Assessments		Investment Income		Miscellaneous Revenues		Total Revenues	
2006	\$ 43,076	0.4%	\$ 216,164	1.8%	\$ 1,168,128	9.9%	\$ 431,482	3.6%	\$ 11,498,030	
2007	52,214	0.3%	34,303	0.2%	1,015,814	6.6%	673,517	4.4%	\$ 11,827,263	
2008	53,412	0.4%	125,988	0.9%	579,175	4.1%	3,300,103	23.1%	\$ 15,441,200	
2009	52,388	0.4%	114,175	0.9%	206,894	1.6%	562,525	4.4%	\$ 14,284,784	
2010	53,513	0.4%	151,664	1.2%	153,383	1.2%	618,819	4.8%	\$ 12,824,906	
2011	70,851	0.5%	145,251	1.1%	156,055	1.2%	543,734	4.2%	\$ 12,978,241	
2012	114,883	0.9%	37,236	0.3%	116,625	0.9%	212,660	1.6%	\$ 12,964,422	
2013	250,341	1.6%	1,394,717	8.9%	31,310	0.2%	678,460	4.3%	\$ 15,658,931	
2014	373,238	2.5%	161,517	1.1%	41,249	0.3%	864,917	5.7%	\$ 15,137,596	
2015	422,022	2.7%	64,100	0.4%	48,429	0.3%	1,613,348	10.2%	\$ 15,774,648	

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
2006	2007	\$ 190,015	\$ 1,760,675	\$ 6,259,191	\$ 8,491,999	\$ 1,145,638
2007	2008	190,277	1,723,895	6,451,304	9,021,156	1,185,346
2008	2009	203,830	1,819,182	6,689,113	9,016,171	1,264,674
2009	2010	205,575	1,872,661	6,849,282	10,215,840	1,347,715
2010	2011	198,841	1,878,211	6,941,344	10,186,049	1,360,195
2011	2012	202,699	1,947,112	7,128,335	10,196,550	1,237,426
2012	2013	189,803	1,912,175	7,378,783	10,140,502	1,161,989
2013	2014	185,903	1,970,586	7,443,000	10,800,627	1,197,869
2014	2015	194,898	1,990,499	7,499,567	10,749,940	1,210,796
2015	2016	202,471	1,981,746	7,646,558	10,667,904	1,232,988

Levy Year	Collection Year	Tax MATC	Tax Incremental Districts	Gross Tax Levy	Total Collections	Percent Collected
2006	2007	\$ 1,844,288	\$ 756,344	\$ 20,448,150	\$ 20,448,150	100.00%
2007	2008	1,894,692	991,231	21,457,901	21,457,901	100.00%
2008	2009	2,047,377	1,597,508	22,637,855	22,637,855	100.00%
2009	2010	2,130,200	1,946,065	24,567,338	24,567,338	100.00%
2010	2011	2,068,717	1,952,126	24,585,483	24,585,483	100.00%
2011	2012	2,140,920	1,949,643	24,802,685	24,802,685	100.00%
2012	2013	2,192,240	1,852,879	24,828,371	24,828,371	100.00%
2013	2014	2,161,298	1,861,907	25,621,190	25,618,384	99.99%
2014	2015	1,347,466	1,899,548	24,892,714	24,889,372	99.99%
2015	2016	1,357,195	2,426,677	25,515,539	*	*

* 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
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	6,689,113	100.00%
2009	6,849,282	3,824,303	55.84%	3,024,979	6,849,282	100.00%
2010	6,941,344	3,602,806	51.90%	3,338,538	6,941,344	100.00%
2011	7,128,335	3,916,860	54.95%	3,211,475	7,128,335	100.00%
2012	7,378,783	4,051,826	54.91%	3,324,314	7,378,783	100.00%
2013	7,443,000	4,266,797	57.33%	3,175,268	7,442,065	99.99%
2014	7,499,567	4,300,533	57.34%	3,197,920	7,498,453	99.99%
2015	7,646,558	4,167,617	54.50%	*	*	*

*Collections to date or in process

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

VILLAGE OF GRAFTON, WISCONSIN

PROPERTY VALUATIONS

ASSESSED VALUATIONS

LAST TEN FISCAL YEARS

Year	Residential	Commercial	Manufacturing	Agricultural, Swamp & Forest
2006	\$ 788,428,500	\$ 207,142,900	\$ 62,778,600	\$ 790,300
2007	803,383,400	225,505,800	50,867,900	510,400
2008	804,214,300	268,867,500	51,184,400	775,300
2009	827,619,300	268,418,900	43,445,100	1,177,600
2010	795,444,700	302,841,000	42,519,900	1,404,700
2011	833,475,600	294,333,400	42,637,900	987,000
2012	836,284,800	288,739,600	44,854,200	988,800
2013	837,346,700	291,530,400	46,906,600	988,800
2014	773,122,300	293,306,300	46,898,000	1,158,700
2015	779,181,100	298,288,100	51,824,800	1,154,600

Year	Other	Total Real Estate	Personal Property	Total Assessed
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	1,143,127,900
2014	112,500	1,114,597,800	28,530,100	1,143,127,900
2015	110,200	1,130,558,800	26,979,100	1,157,537,900

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

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

Levy Year	Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY	
		Assessed Value	Equalized Value	Assessed Value	Equalized Value
2006	2007	\$ 1,059,315,308	\$ 1,063,150,700	\$ 18,842,100	\$ 18,869,200
2007	2008	1,080,442,500	1,100,767,800	19,561,800	20,448,300
2008	2009	1,125,345,300	1,177,385,800	22,644,100	23,691,300
2009	2010	1,140,835,900	1,183,809,800	26,461,600	27,549,900
2010	2011	1,142,378,900	1,142,819,500	28,846,200	28,857,300
2011	2012	1,171,560,000	1,164,576,600	29,842,200	29,834,400
2012	2013	1,170,993,500	1,092,794,500	27,458,800	25,629,000
2013	2014	1,176,898,600	1,069,370,600	29,173,400	26,073,800
2014	2015	1,114,597,800	1,119,971,400	28,530,100	28,473,600
2015	2016	1,130,558,800	1,166,259,700	26,979,100	26,809,700
TOTAL					
Levy Year	Fiscal Year	Assessed Value	Equalized Value	Ratio of Assessed to Equalized Value	Computer Exemption Equalized Value
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	1,143,127,900	1,148,445,000	1.1010	6,232,400
2014	2015	1,143,127,900	1,148,445,000	0.9951	6,232,400
2015	2016	1,157,537,900	1,193,069,400	0.9732	7,050,100

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>
2006	2007	\$ 0.1762	\$ 1.6962	\$ 6.0298	\$ 9.3501
2007	2008	0.1730	1.6434	6.1501	9.8234
2008	2009	0.1776	1.7061	6.2734	9.6366
2009	2010	0.1761	1.7431	6.3754	10.8310
2010	2011	0.1698	1.7429	6.4413	10.7546
2011	2012	0.1687	1.7595	6.4414	10.4436
2012	2013	0.1584	1.7242	6.6535	10.3609
2013	2014	0.1541	1.7617	6.6541	10.9274
2014	2015	0.1705	1.8852	7.1028	11.5027
2015	2016	0.1749	1.8922	7.3012	11.5217

**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>
2006	2007	\$ 0.1762	\$ 1.6962	\$ 6.0298	\$ 8.8256
2007	2008	0.1730	1.6434	6.1501	9.0736
2008	2009	0.1776	1.7061	6.2734	9.6796
2009	2010	0.1761	1.7431	6.3754	10.2781
2010	2011	0.1698	1.7429	6.4413	10.4225
2011	2012	0.1687	1.7595	6.4414	9.4974
2012	2013	0.1584	1.7242	6.6535	8.9191
2013	2014	0.1541	1.7617	6.6541	9.2032
2014	2015	0.1705	1.8852	7.1028	9.9815
2015	2016	0.1749	1.8922	7.3012	10.1582

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>
\$ 1.7767	\$ 19.0290	\$ 1.4786	\$ 17.5504	\$ 948,348,400
1.8062	19.5961	1.5809	18.0152	969,367,000
1.9201	19.7138	1.6423	18.0715	1,017,388,200
1.9828	21.1084	1.5851	19.5234	1,036,173,100
1.9197	21.0283	1.5832	19.4451	1,040,720,000
1.9346	20.7478	1.5337	19.2141	1,071,086,100
1.9768	20.8738	1.5486	19.3252	1,068,171,100
1.9322	21.4295	1.5143	19.9152	1,075,914,600
1.2762	21.9374	1.6188	20.3186	1,021,824,000
1.2959	22.1859	1.8380	20.3479	1,036,158,900

**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>
\$ 1.7767	\$ 18.5045	\$ 1.4786	\$ 17.0259	\$ 129,809,000
1.8062	18.8463	1.5809	17.2654	130,637,300
1.9201	19.7568	1.6423	18.1145	130,654,100
1.9828	20.5556	1.5851	18.9705	131,124,400
1.9197	20.6962	1.5832	19.1130	130,505,100
1.9346	19.8016	1.5337	18.2679	130,291,600
1.9768	19.4320	1.5486	17.8834	130,281,200
1.9322	19.7053	1.5413	18.1640	130,157,400
1.2762	20.4162	1.6188	18.7974	121,303,900
1.2959	20.8224	1.8380	18.9844	121,379,000

**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>
2006	2007	\$ 0.1756	\$ 1.6901	\$ 6.0083	\$ 9.3167
2007	2008	0.1697	1.6124	6.0338	9.6376
2008	2009	0.1697	1.6308	5.9964	9.2111
2009	2010	0.1697	1.6797	6.1435	10.4370
2010	2011	0.1697	1.7422	6.4388	10.7505
2011	2012	0.1697	1.7698	6.4790	10.5044
2012	2013	0.1697	1.8472	7.1281	11.1000
2013	2014	0.1697	1.9396	7.3261	12.0311
2014	2015	0.1697	1.8765	7.0700	11.4490
2015	2016	0.1697	1.8359	7.0838	11.1810

**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>
2006	2007	\$ 0.1756	\$ 1.6901	\$ 6.0083	\$ 8.7941
2007	2008	0.1697	1.6124	6.0338	8.9019
2008	2009	0.1697	1.6308	5.9964	9.2521
2009	2010	0.1697	1.6797	6.1435	9.9043
2010	2011	0.1697	1.7422	6.4388	10.4185
2011	2012	0.1697	1.7698	6.4790	9.5531
2012	2013	0.1697	1.8472	7.1281	9.5553
2013	2014	0.1697	1.9396	7.3261	10.1313
2014	2015	0.1697	1.8765	7.0700	9.9380
2015	2016	0.1697	1.8359	7.0838	9.8373

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>
\$ 1.7704	\$ 18.9611	\$ 1.4734	\$ 17.4877	\$ 951,745,783
1.7721	19.2256	1.5510	17.6746	988,059,669
1.8353	18.8433	1.5699	17.2734	1,064,387,255
1.9107	20.3407	1.5274	18.8132	1,075,285,660
1.9189	21.0201	1.5826	19.4375	1,041,121,268
1.9459	20.8688	1.5426	19.3262	1,064,880,115
2.1178	22.3628	1.6591	20.7037	997,053,500
2.1274	23.5939	1.6672	21.9267	977,210,254
1.2700	21.8352	1.6110	20.2242	1,026,615,514
1.2573	21.5277	1.7833	19.7444	1,067,730,678

**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>
\$ 1.7704	\$ 18.4385	\$ 1.4734	\$ 16.9651	\$ 130,274,117
1.7721	18.4899	1.5510	16.9389	133,156,431
1.8353	18.8843	1.5699	17.3144	136,689,845
1.9107	19.8079	1.5274	18.2805	136,074,040
1.9189	20.6881	1.5826	19.1055	130,555,432
1.9459	19.9175	1.5426	18.3749	129,530,885
2.1178	20.8181	1.6591	19.1590	121,607,200
2.1274	21.6941	1.6672	20.0269	118,234,146
1.2700	20.3242	1.6113	18.7129	121,829,486
1.2573	20.1840	1.7833	18.4007	125,338,722

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)
2006	\$ 37,095,536	\$ 1,168,198	\$ 35,927,338	\$ 1,082,019,900	\$ 54,100,995
2007	39,203,699	755,543	38,448,156	1,121,216,100	56,060,805
2008	42,986,579	451,144	42,535,435	1,201,077,100	60,053,855
2009	44,491,669	274,202	44,217,467	1,211,359,700	60,567,985
2010	42,183,267	179,045	42,004,222	1,171,676,800	58,583,840
2011	40,311,373	311,598	39,999,775	1,253,337,400	62,666,870
2012	38,211,243	129,424	38,081,819	1,118,660,700	55,933,035
2013	41,065,239	216,797	40,848,442	1,095,444,400	54,772,220
2014	38,142,797	177,646	37,965,151	1,148,445,000	57,422,250
2015	37,404,508	156,655	37,247,853	1,193,069,400	59,653,470

As of December 31	Ratio of Net Debt to Debt Capacity	Population	Net Debt Per Capita	Net Debt Per \$1,000 of Equalized Value
2006	66.41%	11,310	\$ 3,177	\$ 33.20
2007	68.58%	11,380	3,379	34.29
2008	70.83%	11,420	3,725	35.41
2009	73.00%	11,450	3,862	36.50
2010	71.70%	11,470	3,662	35.85
2011	63.83%	11,480	3,484	31.91
2012	68.08%	11,465	3,322	34.04
2013	74.58%	11,464	3,563	37.29
2014	66.12%	11,467	3,311	33.06
2015	62.44%	11,519	3,234	31.22

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		Total Business-Type Activities
	General Obligation Debt	Revenue Bonds	General Obligation Debt		
2006	\$ 34,970,131	\$ -	\$ 2,125,405		\$ 2,125,405
2007	37,352,305	1,550,000	1,851,394		3,382,582
2008	40,321,968	1,550,000	2,664,611		4,196,769
2009	42,145,094	1,495,000	2,346,575		3,824,752
2010	40,169,547	1,435,000	2,013,720		3,432,842
2011	37,994,375	1,370,000	2,316,998		3,672,064
2012	36,207,978	1,305,000	2,003,265		3,294,276
2013	37,038,178	1,235,000	4,027,061		5,217,680
2014	34,429,732	1,160,000	3,713,065		4,837,785
2015	33,814,689	1,085,000	3,589,819		4,674,819

Fiscal Year	Total General Obligation Debt	Total Revenue Bond Debt	Total	Population	Net Debt Per Capita
2006	\$ 37,095,536	\$ -	\$ 37,051,300	11,310	\$3,280
2007	39,203,699	1,550,000	40,753,699	11,380	3,445
2008	42,986,579	1,550,000	44,536,579	11,420	3,764
2009	44,491,669	1,495,000	45,986,669	11,450	3,886
2010	42,183,267	1,435,000	43,618,267	11,470	3,678
2011	40,311,373	1,370,000	41,681,373	11,480	3,511
2012	38,211,243	1,305,000	39,516,243	11,465	3,333
2013	41,065,239	1,235,000	42,300,239	11,464	3,582
2014	38,142,797	1,160,000	39,302,797	11,467	3,326
2015	37,404,508	1,085,000	38,489,508	11,519	3,247

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
2015	\$ 33,814,689	100.00%	\$33,814,689	\$ 31,975,000	10.05%	\$3,213,488
2014	34,429,732	100.00%	34,429,732	33,910,000	10.19%	3,455,429
2013	37,038,178	100.00%	40,697,293	20,369,530	10.09%	2,055,286
2012	36,207,978	100.00%	38,147,460	19,820,458	10.81%	2,142,592
2011	37,994,375	100.00%	40,242,735	21,220,000	10.45%	2,217,490
2010	40,169,547	100.00%	42,125,011	17,635,000	10.15%	1,789,953
2009	42,145,094	100.00%	44,429,599	17,509,129	10.12%	1,771,924
2008	40,321,968	100.00%	42,930,903	19,761,586	9.95%	1,966,278
2007	37,352,305	100.00%	39,142,612	8,538,833	9.60%	819,728
2006	34,970,131	100.00%	37,051,300	9,697,000	9.95%	964,852

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
2015	\$ 12,880,000	62.90%	\$ 8,101,520	\$ 11,765,000	5.68%	\$ 668,252
2014	14,040,000	63.37%	8,897,148	13,505,000	5.64%	761,682
2013	15,085,000	62.52%	9,431,142	15,210,000	5.64%	857,844
2012	14,310,000	65.03%	9,305,793	17,010,000	5.82%	989,982
2011	11,385,000	63.35%	7,212,398	17,250,000	6.11%	1,053,975
2010	12,300,000	62.79%	7,723,170	19,755,000	6.21%	1,226,786
2009	13,220,000	63.57%	8,403,954	22,165,000	6.14%	1,360,931
2008	18,620,000	61.71%	11,490,402	22,165,000	6.08%	1,347,632
2007	20,075,000	62.10%	12,466,575	26,707,000	5.94%	1,586,396
2006	14,745,000	62.25%	9,178,763	28,887,000	6.05%	1,747,664

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
2015	\$89,875,000	1.54%	\$1,384,075	\$180,309,689	26.17%	\$47,182,024
2014	133,620,000	1.54%	2,057,748	230,119,472	22.53%	51,848,952
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

**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	
2015	\$ 3,996,612	\$ 2,163,853	\$ 1,832,759	\$ 75,000	\$ 47,471	\$ 122,471	14.96
2014	3,876,382	2,145,577	1,730,805	75,000	50,471	122,471	14.13
2013	3,753,462	1,903,987	1,849,475	70,000	53,971	123,971	14.92
2012	3,703,764	1,873,431	1,830,333	65,000	57,221	122,221	14.98
2011	3,791,410	1,839,773	1,951,637	65,000	60,471	125,471	15.55
2010	3,616,399	1,875,412	1,740,987	60,000	63,471	123,471	14.10
2009	3,265,933	1,883,535	1,382,398	55,000	66,221	121,221	11.40
2008	3,301,014	1,906,675	1,394,339	-	99,332	99,332	14.04

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

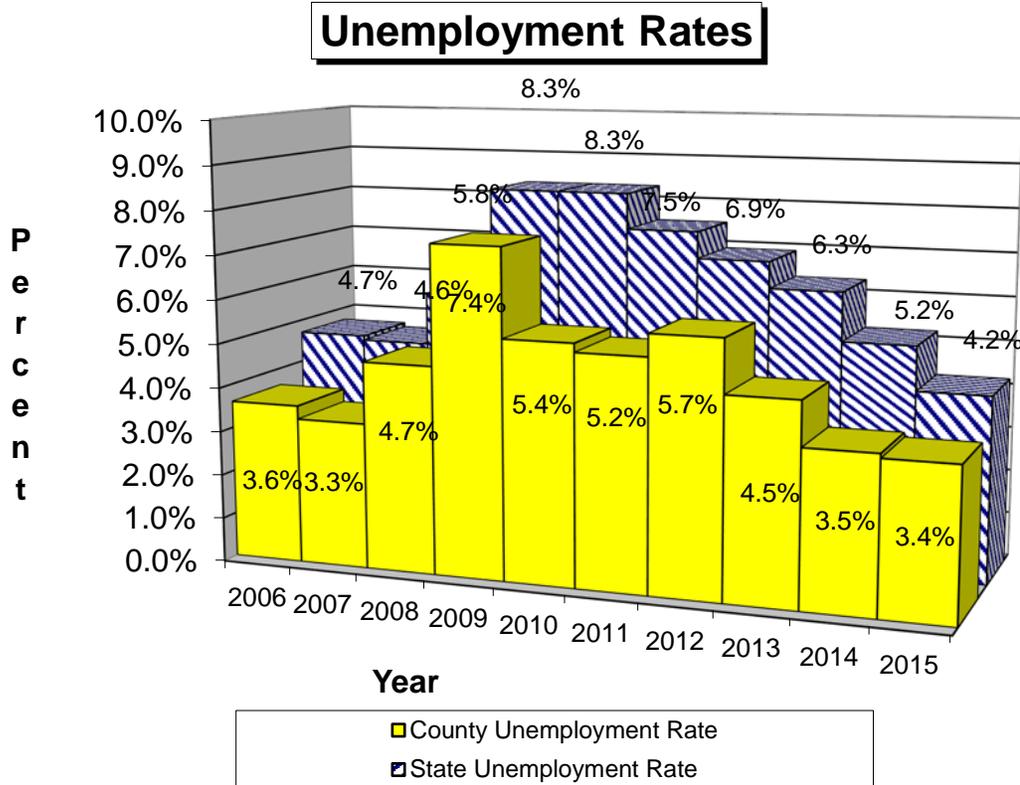
VILLAGE OF GRAFTON, WISCONSIN

DEMOGRAPHIC INFORMATION

**Employment Information
(Ozaukee County)**

Year	Labor Force	Average Employed	Average Unemployed
2006	48,212	46,467	1,745
2007	48,667	47,050	1,617
2008	48,407	46,117	2,290
2009	47,334	43,817	3,517
2010	46,700	43,703	2,997
2011	46,863	44,426	2,437
2012	46,917	44,249	2,668
2013	46,858	44,726	2,132
2014	47,712	46,028	1,684
2015	47,993	46,372	1,621

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 - 2015

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Inland Amercian Grafton Port Washington LLC	Retail	\$ 16,627,400	\$ 329,055	1.29%
Costco	Retail	14,590,900	288,874	1.13%
Meijer Stores Limited Partnership	Retail	12,940,800	256,199	1.00%
Grafton, LLC	Retail	11,209,300	222,260	0.87%
Tillman Corporation	Residential Developer	10,654,700	210,370	0.82%
AMC Holdings, LLC	Hospital	9,375,400	185,606	0.73%
Arrowhead Apartments, LLC	Apartment Buildings	8,761,800	177,993	0.70%
Home Depot	Retail	8,600,300	170,241	0.67%
Arrowhead Associates, LLC	Apartment Buildings	8,200,200	162,172	0.64%
Hudson Corp (Target)	Retail	8,165,400	161,484	0.63%
Total for Ten Largest Taxpayers		\$92,498,800	\$1,835,199	7.19%

TEN LARGEST TAXPAYERS - 2006

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Tillmann Corporation	Residential Developer	\$13,202,900	\$230,758	1.19%
JB Family Limited Partnership	Apartment Building Owner	12,107,000	211,719	1.09%
Home Depot U.S.A. Inc.	Retail	9,549,040	166,986	0.86%
Arowhead Apartments, LLC	Apartment Building Owner	9,454,600	165,335	0.85%
Oak Street (Manchester Plaza)	Commercial Property Owner	9,047,900	158,222	0.81%
Arrowhead Association, LLC	Apartment Building Owner	8,823,100	154,292	0.79%
Dayton Hudson (Target)	Retail	8,549,650	149,510	0.77%
Lerner Grafton Partnership	Retail	6,563,400	114,600	0.59%
Spirit SPE Portfolio (Shopko)	Retail	6,131,950	107,231	0.55%
Leggett Partners LP	Mfg. - Aluminum Die Casts	5,753,480	100,612	0.52%
Total for Ten Largest Taxpayers		\$89,183,020	\$1,559,265	8.02%

VILLAGE OF GRAFTON, WISCONSIN

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

TEN LARGEST EMPLOYERS - 2015

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Aurora Medical Center	Medical Facility	1067
Pace Industries	Mfg. - Aluminum Die Castings	500
Grafton School District	Education	338
Rexnord Corporation - Plastics Div.	Mfg. - Plastic Injection Molding	258
Kapco	Mfg. - Stamping	270
Calibre	Mfg - Springs	250
Costco	Retail	175
Target	Retail	170
Sendiks	Grocer	155
Kohls	Retail	150

TEN LARGEST EMPLOYERS - 2006

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
EST Company (Leggett & Platt)	Mfg. - Aluminum Die Castings	750
Grafton School District	Education	320
Rexnord Corporation - Plastics Div.	Mfg. - Plastic Injection Molding	240
Calibre	Mfg. - Specialty Paint Design	169
Target	Retail	165
Exacto Spring Corporation	Mfg. - Springs	160
Kapco	Mfg. - Metal Stampings	150
Kohl's Department Store	Retail	145
Gold's Pick 'n Save	Grocer	142
Home Depot	Retail	125

*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	
2015	5.13	2015	11,519
2014	5.13	2014	11,490
2013	5.13	2013	11,467
2012	5.13	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
Age (2014)		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 (2014)		Housing Units (2015)	
White*	93.11%	Total Dwelling Units	5,362
Asian	3.50%	Single Family	53.0%
Two or More Races	1.90%	Duplex	9.9%
Black or African American	1.10%	Multi-Family (Apartments)	23.7%
Some Other Race	0.03%	Multi-Family (Condominiums)	13.0%
American Indian and Alaska Native	0.04%		
*Including Hispanic	2.40%		
Major Employers (2015)		Equalized Value of Largest Property Taxpayers (2014)	
Aurora Medical Center	1067	Inland American Grafton Port Washington LLC	\$16,627,400
Pace Industries	500	Costco	14,590,900
Grafton School District	338	Meijer Stores Limited Partnership	12,940,800
Kapco	300	Grafton LLC	11,209,300
Rexnord Corporation - Plastics Div.	258	Tillmann Corporation	10,654,700
Calibre	250	AMC Holdings LLC	9,375,400
Costco	175	Arrowhead Apartments LLC	8,761,800
Target	170	Home Depot	8,600,300
Sendiks	155	Arrowhead Associates LLC	8,200,200
Kohls	150	Dayton Hudson Corp (Target)	8,165,400

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



DEMOGRAPHICS

Building Permits

Year	Number	Value (millions)
2015	852	33.1
2014	932	32.6
2013	880	19.2
2012	836	11.6
2011	767	28.1
2010	801	14.1
2009	747	227.7
2008	1,024	53.9
2007	1,016	45.0

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
2015	45,103	4.1%
2014	44,942	4.5%
2013	44,972	5.7%
2012	44,706	5.2%
2011	44,203	5.4%
2010	43,552	7.4%
2009	42,296	6.9%
2008	47,050	3.3%
2007	46,647	3.6%

Water / Wastewater (2015)

Active Accounts Served	4,899
Water Treated and Distributed (millions of gallons)	365
Sanitary Sewers (miles)	54.79
Water Main (miles)	70.34

Elections (2015)

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

Parks

	Developed Parks	Acres Maintained
2015	17	120
2014	17	120
2013	17	120
2012	17	120
2011	17	120
2010	17	120
2009	17	120
2008	17	120
2007	17	120

Infrastructure

Miles of State Highway System	2.54
Miles of County Highway System	3.28
Miles of Local Roads and Streets	52.97
Miles of Sidewalks	82.93
Number of Street Lights	1,659

School Registration (2015-2016)

Elementary Schools (Grades K-5)	954
John Long Middle School (Grades 6-8)	524
Grafton High School (Grades 9-12)	732

Public Safety

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

Number of Sworn Police Officers

2015	22
2014	22
2013	22
2012	22
2011	22
2010	22
2009	22
2008	22

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	2006	2007	2008
Police			
Citations Issued	4,148	3,155	2,922
Calls for Service	26,937	30,829	29,613
Inspection			
Total Permits Issued	1,059	1,149	1,179
Public Works			
Asphalt Placed by Village Staff	351	339	644
Tons of Salt Used	578	1,867	1,945
Community Activities			
Average Daily Attendance at Senior Center	58	60	55
Family Aquatic Center Total Attendance	25,391	25,213	29,885
Recreation Program Participants	2,470	2,451	2,148
Library			
Annual Circulation	196,380	205,599	223,593
Water and Wastewater			
Water and Wastewater Bills Processed	18,343	18,795	18,910

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

2009	2010	2011	2012	2013	2014	2015
3,807	4,005	4,015	3,908	3,596	3,415	3,334
31,533	31,509	26,705	21,158	21,726	21,208	26,625
739	924	880	836	880	929	853
517	245	406	339	353	451	478
1,386	983	1,155	1,059	2,127	1,827	1,059
57	53	57	59	56	57	57
25,117	30,157	22,836	28,127	19,069	17,759	20,316
2,050	2,127	2,215	2,390	1,983	2,569	3,248
247,746	254,486	246,278	234,253	215,767	213,133	208,863
19,025	18,900	18,948	19,630	19,846	17,853	17,996

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2006-2015**

Table 22

GENERAL FUND

General Government	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	0.75	0.75	0.75	0.75	0.75	0.75
Total Village Administrator's Office	1.67	1.67	1.67	1.67	1.75	1.75	1.75	1.75	1.75	1.75
Department of Administrative Services										
Finance										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accountant	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.63	0.63	0.63
Administrative Assistant I	0.33	0.33	0.33	0.33	0.25	0.25	0.25	0.25	0.25	0.25
Accounting Clerk II	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Secretary	0.00	0.00	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Deputy Clerk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Utility Clerk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.75	0.75
Office Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.35	0.35
Office of the Village Clerk										
Village Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Village Clerk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Dept. of Administrative Services	3.83	3.83	4.08	4.08	4.00	4.25	4.25	5.48	5.48	5.48
Assessing Division										
Assessment Clerk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Office Assistant	0.25	0.25	0.50	0.25	0.25	0.00	0.00	0.00	0.00	0.25
Total Assessing Division	0.75	0.75	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.75
Public Safety										
Police Department										
Administration										
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Captain	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Administrative Assistant I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Court Clerk/Telecommunicator	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.00
Operations										
Sergeant	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Sergeant-School Liaison	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Officer	13.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Communications										
Telecommunicators	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	6.50
Court Clerk/Telecommunicator	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.00
Total Police Department	28.50	28.50	28.50	28.50	28.50	29.50	29.50	29.50	29.50	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	0.25	0.00	0.00	0.00	0.00	0.25
Total Inspection Department	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	2.00

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2006-2015**

Table 22

Public Works	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Works Department										
Administration/Engineering										
Director	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75	0.75	0.75
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 - Mechanic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Crewperson	10.00	11.00	11.00	11.00	9.00	9.00	9.00	9.00	9.00	9.00
Total Public Works Department	15.00	16.00	16.00	16.00	14.00	14.00	13.75	13.75	13.75	14.75
Community Enrichment Services										
Parks and Recreation Department										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretary II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Coordinator/Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.65
Crewperson	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.00
Office Assistant	0.00	0.00	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Senior Center Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.29	0.29	0.45
Total Parks and Recreation Department	3.00	3.00	3.46	3.46	5.46	5.46	5.75	5.75	5.75	4.56
Conservation and Development										
Planning and Development Department										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planner I	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Administrative Secretary II	1.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Planning and Development Department	2.00	2.00	2.00	2.50	2.50	1.50	1.50	1.50	1.50	1.50
TOTAL GENERAL FUND	56.75	57.75	58.71	58.96	58.96	58.71	58.75	59.98	59.98	60.29
SPECIAL REVENUE FUND										
Library										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Head of Youth Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Head of Technical Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Reference Librarian	1.00	1.00	1.00	1.00	1.00	1.00	0.80	0.80	0.83	1.00
Library Assistant II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.90
Library Assistant I	4.69	4.69	4.69	4.69	4.73	4.73	4.73	4.73	3.56	3.56
Library Page	0.28	0.28	0.27	0.27	0.32	0.32	0.32	0.32	0.30	0.30
Shelver/Cleaner	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.19	0.19
Total Library	9.20	9.20	9.19	9.19	9.28	9.28	9.08	9.08	8.88	8.95
Fire Protection and Rescue										
Fire Chief	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Division Chief Inspections	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	0.50	0.50
Total Fire Protection and Rescue	0.00	1.00	1.50	2.50						
Recreation										
Senior Coordinator/Recreation Supervisor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
Total Recreation	0.00	0.35								
Cable Television Division										
Programming Coordinator	0.22	0.22	0.22	0.22	0.22	0.22	0.00	0.00	0.00	0.00
Total Cable Television Division	0.22	0.22	0.22	0.22	0.22	0.22	0.00	0.00	0.00	0.00
TOTAL SPECIAL REVENUE FUND	9.42	9.42	9.41	9.41	9.50	9.50	9.08	9.08	10.38	11.80

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2006-2015**

Proprietary Fund	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Water and Wastewater Utility										
Administration										
Department of Public Works	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25
Utility Director	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60	0.00	0.00
Utility Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Program Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Administrative Secretary II	0.00	0.00	0.00	0.25	0.25	0.25	0.00	0.00	0.00	0.00
Accounting Clerk II	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utility Clerk I	1.00	1.00	1.00	1.00	1.00	1.00	0.25	0.25	0.25	0.25
Office Assistant	0.00	0.00	0.00	0.50	0.50	0.60	0.25	0.25	0.25	0.25
Operations										
Operations Foreman	0.00	1.00	1.00	0.00	1.00	1.00	1.00	0.00	0.00	0.00
Lead Field Operator	1.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Lead Operator - WWTP	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utility Operator	5.00	5.00	5.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00
Total Water and Wastewater Utility	10.50	11.50	9.50	10.75	10.75	10.85	9.35	9.35	9.75	9.75
TOTAL ENTERPRISE FUND	10.50	11.50	9.50	10.75	10.75	10.85	9.35	9.35	9.75	9.75

**TOTAL PERSONAL BY DEPARTMENT
AUTHORIZED PERMANENT POSITIONS 2006-2015**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Office of the Village Administrator	1.67	1.67	1.67	1.67	1.75	1.75	1.75	1.75	1.75	1.75
Department of Administrative Services	2.33	2.33	2.58	2.58	2.50	2.75	2.75	3.98	3.98	3.98
Office of the Village Clerk	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Assessing Division	0.75	0.75	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.75
Police Department	28.50	28.50	28.50	28.50	28.50	29.50	29.50	29.50	29.50	29.50
Inspection Department	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	2.00
Public Works Department	15.00	16.00	16.00	16.00	14.00	14.00	13.75	13.75	13.75	14.75
Parks and Recreation Department	3.00	3.00	3.46	3.46	5.46	5.46	5.75	5.75	5.75	4.56
Planning and Development Department	2.00	2.00	2.00	2.50	2.50	1.50	1.50	1.50	1.50	1.50
Library	9.20	9.20	9.19	9.19	9.28	9.28	9.08	9.08	8.88	8.95
Fire Protection and Rescue Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	2.50
Recreation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
Cable Television Division	0.22	0.22	0.22	0.22	0.22	0.22	0.00	0.00	0.00	0.00
Water and Wastewater Utility	10.50	11.50	9.50	10.75	10.75	10.85	9.35	9.35	9.75	9.75
TOTAL VILLAGE PERSONNEL	76.67	78.67	77.62	79.12	79.21	79.06	77.18	78.41	80.11	81.84

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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
2006	\$ 36,786,186	\$ 10,669,552	\$ 26,116,634
2007	40,104,733	11,424,304	28,680,429
2008	40,260,304	12,057,889	28,205,081
2009	43,275,851	12,917,219	30,358,632
2010	44,429,750	13,392,646	31,037,104
2011	45,606,666	14,405,134	31,201,532
2012	46,702,549	15,391,744	31,310,805
2013	49,765,078	16,340,204	33,424,874
2014	51,559,632	17,281,580	34,278,052
2015	52,717,023	18,405,641	34,311,382

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
2006	\$ 15,967,690	\$ 3,441,021	\$ 12,526,669	\$ 20,818,496	\$ 7,228,531	\$ 13,589,965
2007	17,396,772	3,720,972	13,675,800	22,707,961	7,703,332	15,004,629
2008	17,956,790	3,956,117	14,003,339	22,303,514	8,101,772	14,201,742
2009	19,176,817	4,240,257	14,936,560	24,099,034	8,676,962	15,422,072
2010	19,533,210	4,569,702	14,963,508	24,896,540	8,822,944	16,073,596
2011	20,028,700	4,966,450	15,062,250	25,577,966	9,438,684	16,139,282
2012	20,533,610	5,341,450	15,192,160	26,168,939	10,050,294	16,118,645
2013	21,730,214	5,659,456	16,070,758	28,034,864	10,680,748	17,354,116
2014	22,047,281	6,060,120	15,987,161	29,512,351	11,221,460	18,290,891
2015	22,759,318	6,528,782	16,230,536	29,957,705	11,876,859	18,080,846

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

<u>Year</u>	<u>Net Utility Plant</u>	<u>Other Property and Investments</u>	<u>Current and Accrued Assets</u>	<u>Deferred Debits</u>	<u>Deferred Outflows of Resources</u>	<u>Total Assets and Deferred Outflows of Resources</u>
2006	\$ 26,116,634	\$ 939,334	\$ 3,391,654	\$ 5,457	-	\$ 30,453,080
2007	28,680,429	1,134,436	4,186,199	47,181	-	34,050,245
2008	29,474,387	1,212,502	4,260,665	44,449	-	34,992,003
2009	30,718,548	1,301,701	3,589,743	41,605	-	35,651,597
2010	31,037,104	912,624	3,527,795	38,929	-	35,516,452
2011	31,201,532	1,155,384	4,461,746	36,140	-	36,854,802
2012	31,310,805	1,256,322	4,464,660	33,352	-	37,065,139
2013	33,424,874	1,214,941	5,445,036	-	100,165	40,135,016
2014	34,278,052	662,557	4,498,163	-	90,231	39,529,003
2015	34,311,382	919,279	4,489,241	-	179,125	39,737,814

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
2006	\$ 1,832,581	\$ 705,986	\$ 270,625	\$ 2,809,192	\$ 27,643,887
2007	2,952,798	723,170	284,969	3,236,767	29,924,608
2008	3,824,752	449,183	217,900	4,491,835	30,500,168
2009	3,432,841	628,689	82,112	4,143,642	31,507,955
2010	3,100,754	637,286	20,917	3,758,957	31,757,495
2011	3,338,509	648,243	-	3,986,752	32,868,050
2012	3,105,602	604,110	-	3,709,712	33,355,427
2013	4,905,455	1,357,792	-	6,263,247	33,858,506
2014	4,480,955	1,017,463	-	5,498,418	34,030,585
2015	4,249,988	1,017,463	-	5,041,816	34,857,211

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
2006	\$ 3,033,516	\$ 2,633,440	\$ 400,076	\$ 87,969	\$ 106,298	\$ 381,747
2007	3,219,542	2,980,788	238,754	148,017	135,314	251,457
2008	3,138,818	2,782,492	356,326	163,166	162,756	356,731
2009	3,224,479	2,811,600	412,879	64,973	174,787	303,065
2010	3,568,594	2,881,703	686,891	57,080	162,675	581,296
2011	3,759,783	2,904,647	855,136	47,873	143,198	759,811
2012	3,684,140	2,974,499	709,641	39,748	139,437	609,952
2013	3,752,742	3,058,370	694,372	4,720	200,782	498,310
2014	3,862,198	3,378,965	483,233	17,184	170,601	329,816
2015	3,986,365	3,337,561	648,804	10,247	161,179	497,872

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
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	(60,213.00)	575,560	30,500,168
2009	981,234	(276,512)	1,007,787	31,507,955
2010	138,357	(470,113)	249,540	31,757,495
2011	620,947	(270,203)	1,110,555	32,868,050
2012	147,628	(270,203)	487,377	33,355,427
2013	274,982	(270,213)	503,079	33,858,506
2014	112,504	(270,241)	172,079	34,030,585
2015	400,052	(270,243)	627,681	34,857,211

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)
2006	\$ 3,033,516	\$ 2,633,440	\$ 400,076
2007	3,219,542	2,980,788	238,754
2008	3,138,818	2,782,492	356,326
2009	3,224,479	2,811,600	412,879
2010	3,568,594	2,881,703	686,891
2011	3,759,783	2,904,647	855,136
2012	3,684,140	2,974,499	709,641
2013	3,752,742	3,058,370	694,372
2014	3,862,198	3,378,965	483,233
2015	3,986,365	3,337,561	648,804

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)
2006	\$ 1,448,817	\$ 1,131,371	\$ 317,446	\$ 1,584,699	\$ 1,502,069	\$ 82,630
2007	1,573,057	1,378,721	194,336	1,646,485	1,602,067	44,418
2008	1,468,698	1,258,350	210,348	1,670,120	1,524,142	145,978
2009	1,513,428	1,201,856	311,572	1,711,051	1,609,744	101,307
2010	1,617,355	1,218,300	399,055	1,951,239	1,663,403	287,836
2011	1,667,735	1,146,083	521,652	2,092,048	1,758,564	333,484
2012	1,727,198	1,207,668	519,530	1,956,942	1,766,831	190,111
2013	1,663,860	1,272,062	391,798	2,088,882	1,786,308	302,574
2014	1,711,885	1,412,943	298,942	2,150,313	1,966,022	184,291
2015	1,746,364	1,344,430	401,934	2,240,001	1,993,131	246,870

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**WATER SALES
LAST TEN FISCAL YEARS**

Year	Residential			Commercial**			Industrial		
	Average Number of Customers	Gallons Sold*	Revenue	Average Number of Customers	Gallons Sold*	Revenue	Average Number of Customers	Gallons Sold*	Revenue
2006	4,254	239,290	765,286	229	66,985	156,336	69	52,991	110,290
2007	4,283	239,833	757,802	237	69,288	170,591	68	48,403	91,410
2008	4,324	224,873	751,721	253	77,025	171,744	67	39,615	89,810
2009	4,352	234,130	778,993	263	70,640	175,042	66	30,991	68,298
2010	4,364	221,219	843,582	271	52,101	192,864	65	49,420	74,683
2011	4,378	243,120	855,625	275	87,361	230,475	65	27,557	71,400
2012	4,380	240,242	894,529	280	92,978	252,153	66	29,605	75,096
2013	4,393	214,889	835,839	289	101,151	244,835	66	23,622	67,370
2014	4,501	199,794	857,115	305	88,494	256,301	68	27,720	80,027
2015	4,420	201,955	881,156	272	85,747	262,794	67	27,173	87,300

*000 Omitted

**Category includes multi-family classification

***Does not include unmetered bulk water sales

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

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

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

Year	<u>Public Authorities</u>			Private Fire Protection Revenues	Public Fire Protection Revenues	Total Gallons Sold*	Total Revenue From Sale of Water***
	Average Number of Customers	Gallons Sold*	Revenue				
2006	26	5,652	17,395	28,565	275,642	364,918	1,353,514
2007	28	6,375	19,228	30,335	276,440	363,899	1,345,806
2008	27	5,490	18,161	35,425	278,795	347,003	1,345,656
2009	24	9,396	25,385	34,032	284,036	346,522	1,373,364
2010	25	5,390	20,558	34,866	328,367	328,130	1,494,920
2011	23	4,665	19,999	36,460	328,488	362,703	1,542,447
2012	24	5,986	19,180	37,278	329,681	368,811	1,607,917
2013	24	5,644	18,510	37,354	330,468	345,306	1,534,376
2014	25	5,161	18,064	37,385	331,807	321,169	1,580,699
2015	24	8,997	19,113	37,596	333,164	323,872	1,621,123

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**WASTEWATER REVENUES
LAST TEN FISCAL YEARS**

Year	Residential			Commercial			Industrial		
	Average Number of Customers	Gallons Metered*	Revenue	Average Number of Customers	Gallons Metered*	Revenue	Average Number of Customers	Gallons Metered*	Revenue
2006	4,080	205,749	\$ 1,030,228	224	67,076	\$ 274,100	63	38,715	126,907
2007	4,107	211,625	1,092,271	223	63,808	291,709	63	28,078	127,012
2008	4,147	220,844	1,110,688	242	73,154	269,666	64	22,229	143,117
2009	4,063	205,869	1,114,150	242	65,634	297,949	59	22,229	136,576
2010	4,094	208,349	1,296,716	248	62,947	350,521	60	24,313	154,532
2011	4,122	200,673	1,300,347	249	66,851	549,657	59	19,444	101,079
2012	4,128	185,342	1,234,705	252	84,931	467,389	59	18,225	107,363
2013	4,153	208,523	1,347,900	256	96,315	462,547	59	13,202	97,802
2014	4,141	195,551	1,369,629	264	82,787	481,588	59	16,759	123,503
2015	4,163	194,630	1,407,774	270	88,611	496,035	60	17,242	132,494

*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**

Public Authorities						
<u>Year</u>	<u>Average Number of Customers</u>	<u>Gallons Metered*</u>	<u>Revenue</u>	<u>Other Sewerage Revenues</u>	<u>Total Gallons Metered*</u>	<u>Total Sewerage Revenues</u>
2006	21	5,447	\$ 21,806	\$ 98,434	316,987	\$ 1,551,475
2007	21	5,229	26,013	92,954	308,740	1,629,959
2008	22	3,977	20,503	94,171	320,204	1,638,145
2009	17	6,467	20,715	82,540	300,199	1,651,930
2010	17	3,218	23,924	88,358	298,827	1,914,051
2011	17	3,071	24,131	82,632	290,039	2,057,846
2012	18	4,135	25,015	85,910	292,633	1,920,382
2013	19	4,156	25,671	98,872	322,196	2,032,792
2014	17	4,335	28,096	107,932	299,432	2,110,748
2015	17	10,224	27,203	107,932	310,707	2,171,438

VILLAGE OF GRAFTON, WISCONSIN

Table 29

ENTERPRISE FUNDS

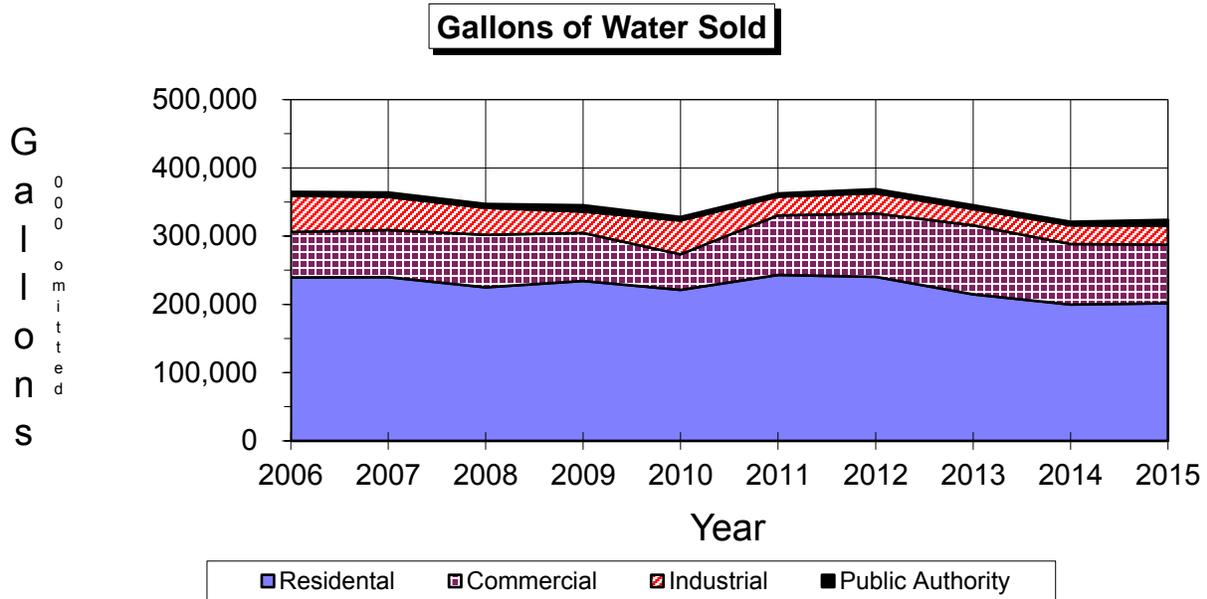


Table 29

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

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Total Water Sold* (000 Omitted)</u>	<u>Water Pumped (000 Omitted)</u>	<u>Annual Inflow at Wastewater Treatment Plant (000 Omitted)</u>
2006	366,954	465,848	513,890
2007	366,176	448,274	562,707
2008	347,003	467,280	641,409
2009	346,522	474,611	573,791
2010	329,120	417,700	547,159
2011	363,811	426,221	577,811
2012	372,331	416,212	514,457
2013	376,023	403,051	592,596
2014	321,506	363,834	518,200
2015	325,541	365,125	508,160

* 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	2006	2007	2008
Police			
Stations	1	1	1
Public Works			
Streets (Miles)	50.74	50.74	50.74
Sidewalks (Miles)	82.00	82.00	82.00
Number of Streetlights	1,653	1,653	1,653
Community Enrichment Services			
Number of Parks	17	17	17

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

2009	2010	2011	2012	2013	2014	2015
1	1	1	1	1	1	1
50.74	50.74	50.74	52.95	53.02	53.02	53.02
82.00	82.00	82.00	82.64	82.64	82.64	82.64
1,653	1,653	1,653	1,659	1,659	1,659	1,659
17	17	17	17	17	17	17