

# Village of Grafton

## Annual Report to the Citizens

For the year ending December 31, 2015

Grafton, Wisconsin



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Dear Village of Grafton Residents and Taxpayers:

I am pleased to present the Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2015. This report is intended to provide transparency and accountability of Village information, both financial and non-financial.

The Village of Grafton has received all three of the Government Finance Officers' Association (GFOA) award for local government financial reporting which are:

- Certificate of Achievement for Excellence in Financial Reporting (CAFR), 22 years,
- Distinguished Budget Presentation Award, 24 years, and
- Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR), 6 years.

Participation in the GFOA award programs enhances the Village's residents and taxpayers understanding of Village finances. The sharing of financial information is consistent with the highest standards in governmental financial reporting and the best way to achieve financial transparency. Receiving the above mentioned award and certificates currently have been achieved only by three Wisconsin cities, villages and towns.

The PAFR is designed to provide a summary of the financial activities of the Village. Throughout the year the Village works on budgets, audits, financial policies, financial reviews, financial forecasts and financial management in an effort to better serve the residents and taxpayers through the services and projects that are supported by their tax dollars.

Throughout the year I welcome you to stay informed as to the status of Village services and projects through a variety of methods.

- Webpage at [QualityLifeGrafton.com](http://QualityLifeGrafton.com),
- Facebook account Village of Grafton,
- Twitter account at [GraftonVillage](https://twitter.com/GraftonVillage), and
- Village Voice, a constant contact—based biweekly newsletter.

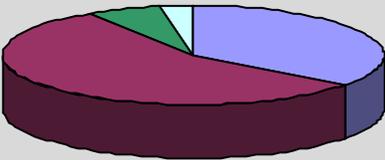
Sincerely,

*Paul Styduhar*

Paul Styduhar  
Director of Administrative Services

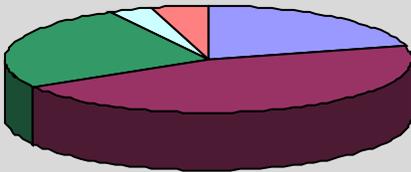
**Residents give high marks for Village services.**

In October, the Village received results of the 2014 community survey. This survey, which is conducted yearly, is an important tool for the Village in providing a snapshot of the thoughts and opinions of the Village residents. For complete survey results, visit the Village’s website at [www.QualityLifeGrafton.com](http://www.QualityLifeGrafton.com)



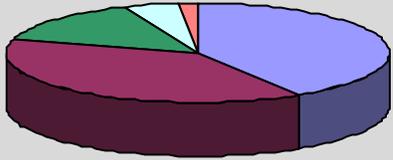
**Quality of Life in Grafton**

Excellent	35.36%
Good	55.51%
Average	6.46%
Fair	2.66%
Poor	0.00%



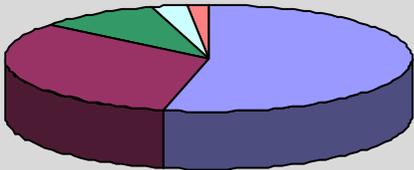
**Effective Communication**

Excellent	20.99%
Good	45.42%
Average	25.57%
Fair	3.44%
Poor	4.58%



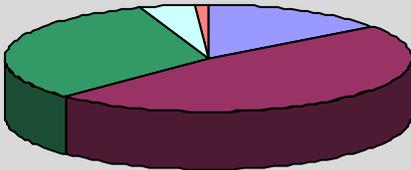
**Public Works Services**

Excellent	37.21%
Good	34.88%
Average	13.18%
Fair	3.88%
Poor	1.55%



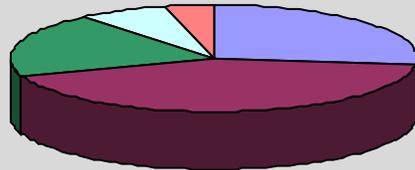
**Police Services**

Excellent	37.72%
Good	31.85%
Average	7.89%
Fair	3.51%
Poor	1.75%



**Recreation Programs**

Excellent	14.63%
Good	47.49%
Average	32.31%
Fair	4.59%
Poor	0.98%



**Snow Plowing/Ice Control**

Excellent	26.82%
Good	42.91%
Average	19.16%
Fair	7.28%
Poor	3.83%

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## Who are the people in your neighborhood?

The Village of Grafton has continued to grow in population and industry. The slow (1.0 percent annual) growth has been consistent in the past 10 years.

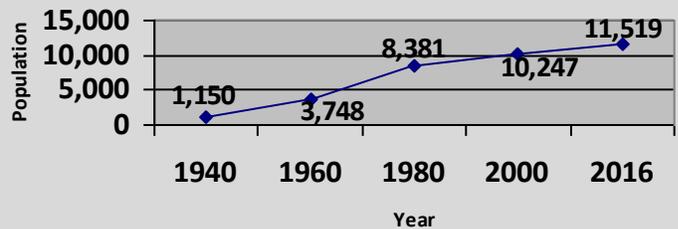
The Village's top 10 employers have not changed from 2015 to 2016. With the addition of the Meijers store, the Village will obtain those employment next year.



### 2015 Estimated Demographics

Total population	11,519
Female population	53.46%
Male population	46.54%
Total housing units	5,362
Unemployment rate	4.5%

### Population growth 1940-2016



### Race (2013)

White*	95.0%
Asian	2.0%
Black or African American	1.5%
Two or More Races	1.1%
Some Other Race	0.6%
American Indian and Alaska Native	0.3%
*Including Hispanic	2.3%

### Major Employers (2015)

Aurora Medical Center	1,067
Pace Industries	500
Grafton School District	338
Kapco	300
Rexnord Corporation	258
Calibre	250
Costco	175
Target	170
Sendik's	155
Kohl's Department Store	150

### Largest Property Taxpayers (2015)

Inland American (Grafton Commons)	\$16,627,400
Costco	14,590,900
Meijer Stores Limited Partnership	12,940,800
Grafton LLC	11,209,300
Tillmann Corp	10,654,700
AMC Holdings LLC	9,375,400
Arrowhead Apartments LLC	8,761,800
Home Depot	8,600,300
Arrowhead Associates LLC	8,200,200
Hudson Corp (Target)	8,165,400

### Equalized Value

## Financial Review of Fiscal Year 2015

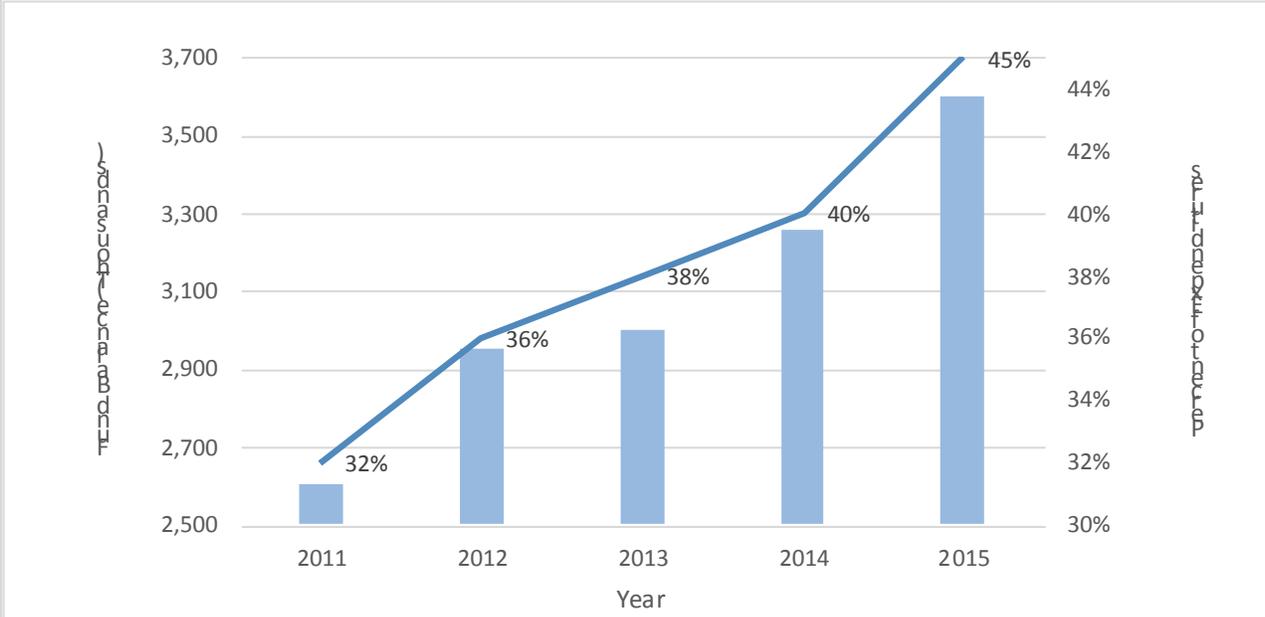
The financial review section features financial information adapted from the Village of Grafton Comprehensive Annual Financial Report (CAFR) for the fiscal year end December 31, 2015. The CAFR is produced by the Village’s Administrative Services Department and contains detailed information regarding the Village’s financial performance. The CAFR is presented in accordance with generally accepted accounting principles and is audited by the firm of Baker Tilly Virchow Krause, LLP. A copy of the [complete CAFR](#) may be obtained from Village Hall or downloaded from the Village website.

The following presents the financial information for the Village in an easy-to-read and understand format. This information is un-audited and is presented on a non-GAAP basis. Non-GAAP means that the statements do not comply with generally accepted accounting principles and include summarizations and combinations of accounting data that would not be allowed by GAAP.

It is the Village’s goal to provide a means of communicating the financial operations of the Village in an easy to understand financial report. The focus of this section is on the funds of interest to most citizens: the General Fund and Proprietary Fund. The General Fund is the Village’s primary operating fund and accounts for revenues and expenditures that are not required to be accounted for in other funds. The Proprietary Fund accounts for the Water and Wastewater Utility. Proprietary Funds typically report operations which show a profit or loss similar to private businesses.

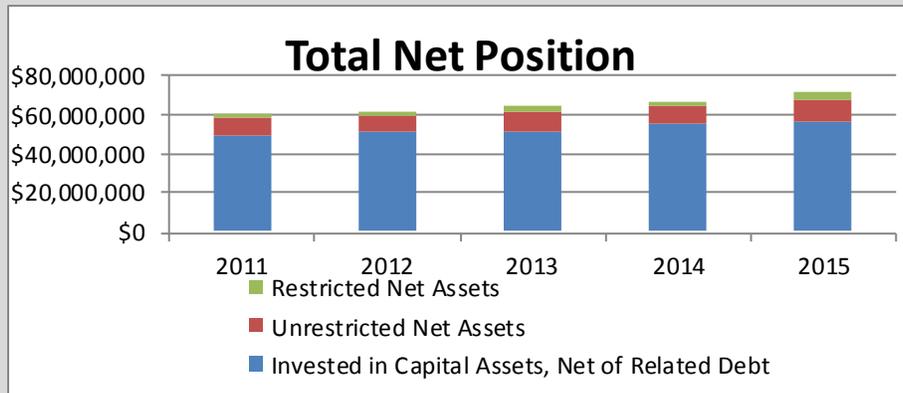
### Fund Balance of the General Fund

Fund Balance is the difference between assets (what the Village owns) and liabilities (what the Village owes). At the end of fiscal year 2015 assigned and unassigned general fund balance (expendable available financial resources) was \$3,701,765 or 45 percent of 2015 expenditures. A key factor in the growth of fund balance was efforts by department heads to remain within their budget constraints and stronger than anticipated development-related revenues. The original 2015 budget identified \$644,734 of applied fund balance to balance the budget. However, there was an actual gain in fund balance in 2015 of \$351,495. The chart depicts a five-year history of the fund balance of the General Fund.



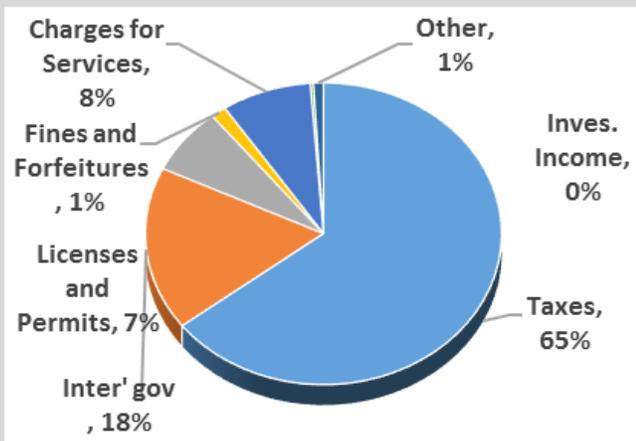
## Net Assets

The total net assets of the Village are categorized by investment in capital assets (i.e. land, buildings, infrastructure, machinery and equipment), net of related debt used to acquire these assets still outstanding, restricted net assets (resources subject to external restrictions on how they may be used) and unrestricted net position (may be used to meet the Village's ongoing obligations to citizens and creditors). The total net position of the Village, as of December 31, 2015, totaled \$71,966,522. The largest portion (\$56,202,071 or 78 percent) is invested in capital assets. The Village's restricted net assets were \$4,217,841, and unrestricted net assets were \$11,546,610.



## General Fund Revenues

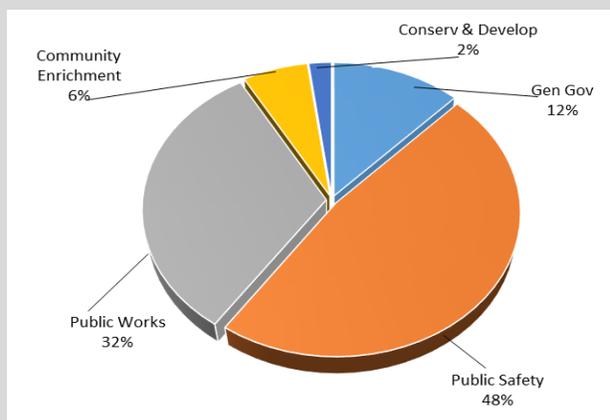
This chart depicts the General Fund revenues of the Village. Total General Fund revenues totaled \$8,170,894 in 2015.



Taxes increased, as a percentage of revenue by 1 percent, in 2015. The decrease is due to an decrease in charges for services (a percentage increase of 1 percent). Other revenue categories remained unchanged.

## General Fund Expenditures

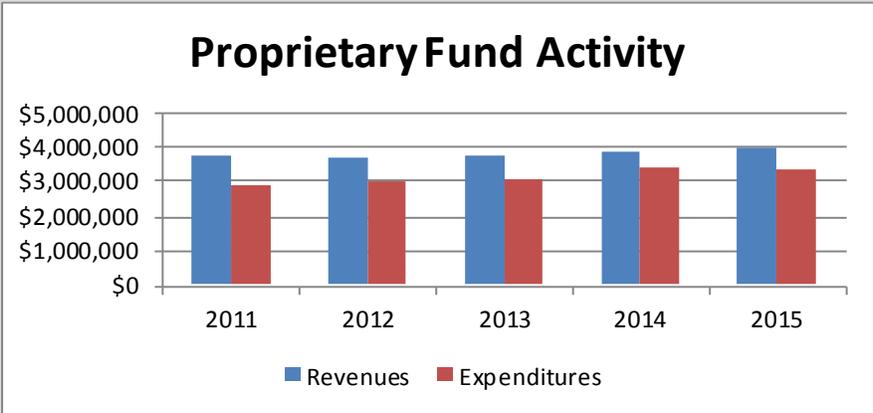
The following chart depicts the General Fund expenditures of the Village. Total General Fund expenditures totaled \$8,030,653 in 2015, a decrease of 0.5 percent from 2014.



In 2015, Public Safety and Public Works activities account for 80 percent of the General Fund expenditures, the same percentage as 2014. However Public Safety expenditures increased 1 percent and Public Works decreased by 1 percent. All other departmental activities remained unchanged.

## Proprietary Fund

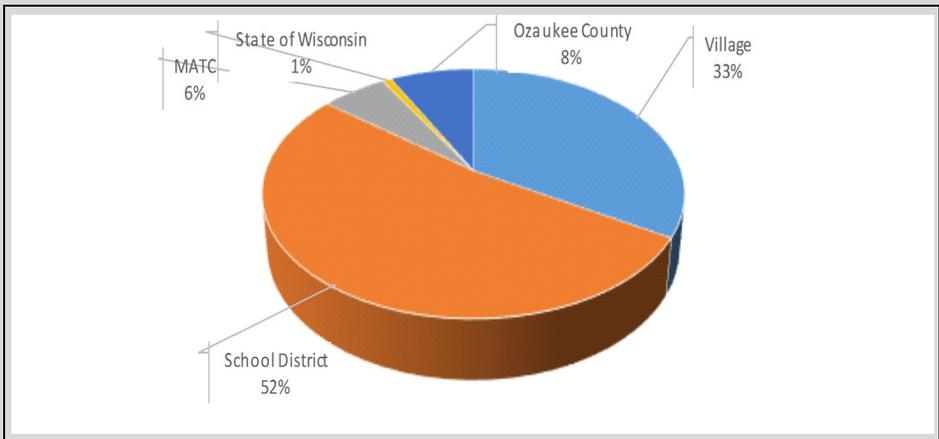
The Village’s Water and Wastewater Utility has generally experienced steady growth. The increase in general operating expenses since 2011, as shown on the graph, was due to major system maintenance. The operating income of the utility in 2015 was \$648,604 as compared with an operating income of \$483,233 in 2014. The net position of the utility is \$34,857,211, consisting mostly of water and wastewater plant infrastructure and facilities.



The above chart depicts a five year history of the operating revenues and expenditures of the Proprietary Fund.

## Property Taxes

Property taxes are based on the assessed value of property and the tax levy of the tax districts located within the Village of Grafton. Besides Village taxes, a property owner also pays taxes to the State of Wisconsin, Ozaukee County, Milwaukee Area Technical College and either the Grafton School District or the Cedarburg School District, depending on the location of the property.



Approximately 33 percent of a property owner’s tax bill stays in the Village with the remaining 67 percent transferred to another tax district (school, county, state, or technical college).

**Residents receive Village services at an affordable price**

In 2015, the average Village of Grafton property owner paid \$148.00 each month for non-utility services (based on assessed home value of \$250,000). The table below illustrates how this property tax amount is divided among various Village departments.

Police protection	\$ 49.17
Capital improvement projects	20.93
Public works and engineering	18.50
General government and administrative services	14.58
Fire protections and emergency medical services	12.75
Library	9.58
Parks and recreation	8.33
Debt service	8.08
Sanitation	6.08
Community development	<u>0.00</u>
	\$148.00

ELECTED OFFICIALS

TITLE  
Village President  
Village Trustee  
Village Trustee  
Village Trustee  
Village Trustee  
Village Trustee  
Village Trustee

NAME  
James Brunnquell  
David Antoine  
Lisa Harbeck  
Thomas Krueger  
David Liss  
Susan Meinecke  
Dean Proefrock

