

PRELIMINARY OFFICIAL STATEMENT DATED MAY 23, 2024

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

New Issue

Rating Application Made: Moody's Investors Service, Inc.

VILLAGE OF GRAFTON, WISCONSIN (Ozaukee County)

\$5,695,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A

BID OPENING: June 3, 2024, 10:00 A.M., C.T.

CONSIDERATION: June 3, 2024, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$5,695,000* General Obligation Promissory Notes, Series 2024A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Grafton, Wisconsin (the "Village"), for public purposes, including paying the cost of street projects, construction of a park pavilion, water projects, and sewer projects. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: June 13, 2024

MATURITY: June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$190,000	2032	\$240,000	2039	\$310,000
2026	280,000	2033	255,000	2040	320,000
2027	300,000	2034	265,000	2041	330,000
2028	300,000	2035	270,000	2042	350,000
2029	225,000	2036	275,000	2043	360,000
2030	230,000	2037	285,000	2044	375,000
2031	235,000	2038	300,000		

***MATURITY ADJUSTMENTS:** The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: June 1, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on June 1, 2034 and thereafter are subject to call for prior optional redemption on June 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: \$5,623,812.50.

MAXIMUM BID: \$6,150,600.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$113,900 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Associated Trust Company, National Association.

BOND COUNSEL AND

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. *This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Official Statement describes the conditions under which the Village is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Notes, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT..... 1</p> <p>THE NOTES..... 1</p> <p style="padding-left: 20px;">GENERAL 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION 1</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES 2</p> <p style="padding-left: 20px;">SECURITY 2</p> <p style="padding-left: 20px;">RATING 2</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE..... 3</p> <p style="padding-left: 20px;">LEGAL MATTERS 3</p> <p style="padding-left: 20px;">TAX EXEMPTION..... 4</p> <p style="padding-left: 20px;">ORIGINAL ISSUE DISCOUNT..... 4</p> <p style="padding-left: 20px;">BOND PREMIUM 5</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED COMPANIES 6</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS 6</p> <p style="padding-left: 20px;">RISK FACTORS..... 6</p> <p>VALUATIONS..... 9</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES..... 9</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS..... 10</p> <p style="padding-left: 20px;">2023 EQUALIZED VALUE BY CLASSIFICATION .. 10</p> <p style="padding-left: 20px;">TREND OF VALUATIONS..... 10</p> <p style="padding-left: 20px;">LARGER TAXPAYERS..... 11</p> <p>DEBT 12</p> <p style="padding-left: 20px;">DIRECT DEBT 12</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY 12</p> <p style="padding-left: 20px;">FUTURE FINANCING..... 12</p> <p style="padding-left: 20px;">DEBT LIMIT 12</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT ... 13</p> <p style="padding-left: 20px;">SCHEDULE OF SEWERAGE SYSTEM REVENUE DEBT..... 16</p> <p style="padding-left: 20px;">OVERLAPPING DEBT 17</p> <p style="padding-left: 20px;">DEBT RATIOS..... 17</p>	<p>TAX LEVIES AND COLLECTIONS 18</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS 18</p> <p style="padding-left: 20px;">PROPERTY TAX RATES 19</p> <p style="padding-left: 20px;">LEVY LIMITS 19</p> <p style="padding-left: 20px;">REVENUE FROM THE STATE 20</p> <p>THE ISSUER 21</p> <p style="padding-left: 20px;">VILLAGE GOVERNMENT..... 21</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS 21</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS..... 22</p> <p style="padding-left: 20px;">LITIGATION 22</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY..... 23</p> <p style="padding-left: 20px;">FUNDS ON HAND 24</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS 25</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION..... 26</p> <p>GENERAL INFORMATION..... 27</p> <p style="padding-left: 20px;">LOCATION 27</p> <p style="padding-left: 20px;">LARGER EMPLOYERS 27</p> <p style="padding-left: 20px;">BUILDING PERMITS 28</p> <p style="padding-left: 20px;">U.S. CENSUS DATA 29</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA..... 29</p> <p>FINANCIAL STATEMENTS..... A-1</p> <p>FORM OF LEGAL OPINION B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM C-1</p> <p>FORM OF CONTINUING DISCLOSURE CERTIFICATE D-1</p> <p>NOTICE OF SALE..... E-1</p> <p>BID FORM</p>
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VILLAGE OF GRAFTON VILLAGE BOARD

		<u>Term Expires</u>
Daniel Delorit	Village President	April 2025
Dave Armstrong	Village Trustee	April 2025
Mary Pat Fenton	Village Trustee	April 2025
Amy Luft	Village Trustee	April 2026
Jim Miller	Village Trustee	April 2025
Andrew Schwartz	Village Trustee	April 2026
Lisa Uribe Harbeck	Village Trustee	April 2026

ADMINISTRATION

Jesse Thyges, Village Administrator
Paul Styduhar, Director of Administrative Services/Treasurer
Kaity Olsen, Village Clerk

PROFESSIONAL SERVICES

Michael P. Herbrand, Village Attorney, Grafton, Wisconsin
Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other office located in Roseville, Minnesota)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Grafton, Wisconsin (the "Village") and the issuance of its \$5,695,000* General Obligation Promissory Notes, Series 2024A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on June 3, 2024.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Village's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 13, 2024. The Notes will mature on June 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2025, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Authorizing Resolution.

The Village has selected Associated Trust Company, National Association, Green Bay, Wisconsin to act as paying agent (the "Paying Agent"). The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after June 1, 2034 shall be subject to optional redemption prior to maturity on June 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Village. If only part of the Notes having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including paying the cost of street projects, construction of a park pavilion, water projects, and sewer projects.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$5,695,000	
Estimated Interest Earnings	47,137	
Cash on Hand	<u>710,000</u>	
Total Sources		\$6,452,137
Uses		
Estimated Underwriter's Discount	\$71,188	
Cost of Issuance	91,700	
Deposit to Borrowed Money Fund	6,284,875	
Rounding Amount	<u>4,374</u>	
Total Uses		\$6,452,137

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Village will be irrevocably pledged. The Village will levy a direct, annual, irrevocable tax on all taxable property in the Village sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the Village is currently rated "Aa2" by Moody's Investors Service, Inc. ("Moody's"). The Village has requested an underlying rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Village nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Village shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the Village shall execute and deliver a Continuing Disclosure Certificate, under which the Village will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the Village are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Village to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Village has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Village comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Village, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Village under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2023 have been audited by Baker Tilly US, LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor") The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

Taxes: The Notes will be general obligations of the Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Village in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the Village, the taxable value of property within the Village, and the ability of the Village to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the Village and to the Notes. The Village can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the Village or the taxing authority of the Village.

Ratings; Interest Rates: In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the Village with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the Village, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the Village may have an adverse effect on the value of the Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The Village is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the Village will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

2023 Equalized Value	\$2,013,893,300
2023 Equalized Value Reduced by Tax Increment Valuation	\$1,809,646,300
2023 Assessed Value	\$1,643,111,100

2023 EQUALIZED VALUE BY CLASSIFICATION

	2023 Equalized Value¹	Percent of Total Equalized Value
Residential	\$1,428,554,500	70.935%
Commercial	484,839,800	24.075%
Manufacturing	70,138,000	3.483%
Agricultural	20,100	0.001%
Undeveloped	83,700	0.004%
Ag Forest	75,000	0.004%
Personal Property	<u>30,182,200</u>	<u>1.499%</u>
Total	<u><u>\$2,013,893,300</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2019	\$1,216,965,300	\$1,490,727,800	5.72%
2020	1,520,395,700	1,542,468,400	3.47%
2021	1,553,891,900	1,594,930,600	3.40%
2022	1,594,709,600	1,790,522,300	12.26%
2023	1,643,111,100	2,013,893,300	12.48%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2023 Equalized Value ¹	Percent of Village's Total Equalized Value
BMA PW60 Grafton Commons LLC	Commercial Real Estate	\$35,948,568	1.79%
Village Pointe Commons LLC	Senior Residential Facility	34,613,826	1.72%
Meijer Store Limited Partnership	Retail	23,341,443	1.16%
1505 Grafton LLC	Multi-Family Residential/Retail	21,159,771	1.05%
Costco Wholesale Corp.	Retail	16,791,523	0.83%
Tillman Corp.	Multi-Family Residential & Developer	13,875,681	0.69%
Arrowhead Apartments LLC	Multi-Family Residential	13,413,608	0.67%
Exchangeright Net Leased Portfolio	Commercial Real Estate	12,327,675	0.61%
AMC Holdings, LLC	Hospital	12,289,679	0.61%
Arrowhead Associates LLC	Multi-Family Residential	<u>12,236,976</u>	<u>0.61%</u>
Total		\$195,998,750	9.73%
Village's Total 2023 Equalized Value ²		\$2,013,893,300	

Source: The Village.

¹ Calculated by dividing the 2023 Assessed Values by the 2023 Aggregate Ratio of assessment for the Village.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u><u>\$24,107,056</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u><u>\$8,068,959</u></u>
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DEBT PAYMENT HISTORY

The Village has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The Village has no current plans for additional financing in the next 12 months.

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$2,013,893,300
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ²	<u>\$100,694,665</u>
Less: General Obligation Debt*	<u><u>(24,107,056)</u></u>
Unused Debt Limit*	<u><u>\$76,587,609</u></u>

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Notes.

² The Village has adopted a Debt Policy, which provides that non-TID debt is to be targeted at 55% of the statutory debt limit and total debt is to be targeted at 85% of the statutory debt limit.

Village of Grafton, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 06/13/2024)

	Corporate Purpose Bonds Series 2013A		State Trust Fund Loan		Corporate Purpose Bonds Series 2015A		Taxable Corporate Purpose Bonds Series 2015B		Corporate Purpose Bonds Series 2016A	
Dated	06/20/2013		10/01/2013		08/04/2015		08/04/2015		06/08/2016	
Amount	\$9,235,000		\$1,000,000		\$9,615,000		\$3,510,000		\$4,040,000	
Maturity	06/01		03/15		06/01		06/01		06/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	4,811	0	0	0	49,544	0	22,929	0	25,581
2025	200,000	7,323	99,168	7,577	1,310,000	84,350	575,000	37,089	395,000	47,213
2026	205,000	2,511	102,887	3,858	1,690,000	48,488	885,000	14,160	430,000	38,963
2027					995,000	13,681			155,000	33,113
2028									155,000	30,013
2029									160,000	26,663
2030									165,000	23,006
2031									170,000	19,238
2032									170,000	15,413
2033									175,000	11,313
2034									180,000	6,875
2035									185,000	2,313
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
	405,000	14,645	202,056	11,435	3,995,000	196,063	1,460,000	74,178	2,340,000	279,700

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Village of Grafton, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 06/13/2024)

	Promissory Notes Series 2017A		Bank Note		Promissory Notes Series 2018A		Promissory Notes Series 2019A		Taxable Refunding Bonds Series 2019B	
Dated	09/14/2017		12/28/2017		07/12/2018		08/22/2019		08/22/2019	
Amount	\$2,240,000		\$340,000		\$1,210,000		\$1,270,000		\$4,090,000	
Maturity	06/01		06/01		06/01		06/01		06/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	6,450	0	4,667	0	5,700	0	6,600	0	32,208
2025	245,000	10,450	340,000	4,641	185,000	8,625	130,000	11,900	500,000	59,665
2026	250,000	5,500			195,000	2,925	130,000	9,300	750,000	47,603
2027	150,000	1,500					130,000	6,700	900,000	31,065
2028							135,000	4,050	1,040,000	10,920
2029							135,000	1,350		
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
	645,000	23,900	340,000	9,308	380,000	17,250	660,000	39,900	3,190,000	181,460

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Village of Grafton, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/13/2024)

Dated Amount	Corporate Purpose Bonds Series 2023A		Promissory Notes Series 2024A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	06/22/2023 \$5,025,000	06/13/2024 \$5,695,000*	06/13/2024 \$5,695,000*	06/13/2024 \$5,695,000*						
Maturity	06/01		06/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	104,900	0	0	0	263,389	263,389	24,107,056	.00%	2024
2025	225,000	204,175	190,000	283,868	4,394,168	766,875	5,161,043	19,712,887	18.23%	2025
2026	230,000	192,800	280,000	185,366	5,147,887	551,473	5,699,360	14,565,000	39.58%	2026
2027	240,000	181,050	300,000	176,499	2,870,000	443,607	3,313,607	11,695,000	51.49%	2027
2028	250,000	168,800	300,000	167,649	1,880,000	381,431	2,261,431	9,815,000	59.29%	2028
2029	270,000	155,800	225,000	160,044	790,000	343,856	1,133,856	9,025,000	62.56%	2029
2030	285,000	141,925	230,000	153,515	680,000	318,446	998,446	8,345,000	65.38%	2030
2031	300,000	127,300	235,000	146,877	705,000	293,414	998,414	7,640,000	68.31%	2031
2032	310,000	113,600	240,000	140,096	720,000	269,109	989,109	6,920,000	71.29%	2032
2033	325,000	100,900	255,000	132,635	755,000	244,848	999,848	6,165,000	74.43%	2033
2034	195,000	90,500	265,000	124,340	640,000	221,715	861,715	5,525,000	77.08%	2034
2035	205,000	82,500	270,000	115,726	660,000	200,539	860,539	4,865,000	79.82%	2035
2036	215,000	74,100	275,000	106,622	490,000	180,722	670,722	4,375,000	81.85%	2036
2037	220,000	65,400	285,000	96,748	505,000	162,148	667,148	3,870,000	83.95%	2037
2038	230,000	56,400	300,000	86,008	530,000	142,408	672,408	3,340,000	86.15%	2038
2039	235,000	47,100	310,000	74,493	545,000	121,593	666,593	2,795,000	88.41%	2039
2040	250,000	37,400	320,000	62,443	570,000	99,843	669,843	2,225,000	90.77%	2040
2041	260,000	27,200	330,000	49,848	590,000	77,048	667,048	1,635,000	93.22%	2041
2042	270,000	16,600	350,000	36,500	620,000	53,100	673,100	1,015,000	95.79%	2042
2043	280,000	5,600	360,000	22,388	640,000	27,988	667,988	375,000	98.44%	2043
2044			375,000	7,594	375,000	7,594	382,594	0	100.00%	2044
	4,795,000	1,994,050	5,695,000	2,329,253	24,107,056	5,171,140	29,278,196			

* Preliminary, subject to change.

**Village of Grafton, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 06/13/2024)**

**Sewerage System Revenue Bonds
(CWFL)
Series 2020**

Dated	05/13/2020
Amount	\$9,496,020
Maturity	05/01

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	71,007	0	71,007	71,007	8,068,959	.00%	2024
2025	441,027	138,133	441,027	138,133	579,160	7,627,932	5.47%	2025
2026	448,790	130,302	448,790	130,302	579,092	7,179,142	11.03%	2026
2027	456,688	122,334	456,688	122,334	579,022	6,722,454	16.69%	2027
2028	464,726	114,226	464,726	114,226	578,952	6,257,728	22.45%	2028
2029	472,905	105,974	472,905	105,974	578,880	5,784,823	28.31%	2029
2030	481,228	97,578	481,228	97,578	578,806	5,303,595	34.27%	2030
2031	489,698	89,034	489,698	89,034	578,732	4,813,897	40.34%	2031
2032	498,317	80,339	498,317	80,339	578,656	4,315,580	46.52%	2032
2033	507,087	71,492	507,087	71,492	578,579	3,808,493	52.80%	2033
2034	516,012	62,489	516,012	62,489	578,500	3,292,482	59.20%	2034
2035	525,093	53,327	525,093	53,327	578,420	2,767,388	65.70%	2035
2036	534,335	44,004	534,335	44,004	578,339	2,233,053	72.33%	2036
2037	543,739	34,517	543,739	34,517	578,256	1,689,314	79.06%	2037
2038	553,309	24,863	553,309	24,863	578,172	1,136,005	85.92%	2038
2039	563,047	15,039	563,047	15,039	578,086	572,957	92.90%	2039
2040	572,957	5,042	572,957	5,042	577,999	0	100.00%	2040
	8,068,959	1,259,699	8,068,959	1,259,699	9,328,658			

OVERLAPPING DEBT¹

Taxing District	Equalized Value²	% In Village	Total G.O. Debt³	Village's Proportionate Share
Ozaukee County	\$17,715,829,700	11.3678%	\$18,985,000	\$2,158,177
Cedarburg Area School District	3,829,025,943	4.9822%	51,135,000	2,547,648
Grafton Area School District ⁴	2,727,027,428	66.8539%	45,985,000	30,742,766
Milwaukee Area Technical College District	118,936,724,216	1.6932%	75,280,000	<u>1,274,641</u>
Village's Share of Total Overlapping Debt				<u><u>\$36,723,232</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$2,013,893,300	Debt/ Per Capita 12,351⁵
Total General Obligation Debt*	\$24,107,056	1.20%	\$1,951.83
Village's Share of Total Overlapping Debt	<u>36,723,232</u>	<u>1.82%</u>	<u>\$2,973.30</u>
Total*	\$60,830,288	3.02%	\$4,925.13

*Preliminary, subject to change.

¹ Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

⁴ Includes the \$11,140,000 General Obligation Promissory Notes anticipated to close June 10, 2024.

⁵ Estimated 2023 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2019/20	\$7,868,021	100%	\$5.98
2020/21	8,093,819	100%	5.76
2021/22	8,368,778	100%	5.87
2022/23	8,608,100	100%	5.33
2023/24	8,915,496	In Process	4.93

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Total
2019/20	\$11.26	\$1.70	\$5.98	\$18.94
2020/21	10.65	1.60	5.76	18.01
2021/22	10.09	1.50	5.87	17.46
2022/23	8.59	1.40	5.33	15.32
2023/24	8.16	1.30	4.93	14.39

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

¹ The Schools tax rate reflects the composite rate of all local school districts and technical college district.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the Village. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Village that can be used for any public purpose. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Village beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the Village is expected to receive approximately \$594,000 in shared revenue and supplemental shared revenue from the State, an increase from the approximately \$291,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1896 and is governed by a Village President and six other Village Board members. The Village President is a voting member. All are elected to two-year terms. The appointed Village Administrator, Director of Administrative Services/Treasurer and Village Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 81 full-time, 16 part-time, and 17 seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the fiscal year ended December 31, 2022 ("Fiscal Year 2022") and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$498,489, \$523,089, and \$601,826, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2023, the Village reported a liability of \$2,293,246 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.04328756% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the Village is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Village is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Village were to seek approval for a higher increase through a referendum). Ultimately, the Village can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Village, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining unit represents employees of the Village:

Bargaining Unit	Expiration Date of Current Contract
Labor Association of Wisconsin & Grafton Police Officer's Association - Local No. 305	December 31, 2024

OTHER POST EMPLOYMENT BENEFITS

The Village does not provide any other post employment benefits.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the Village or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the Village to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the Village to file for relief under Chapter 9. If, in the future, the Village were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Village could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Village is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Village could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the Village; (b) to any particular assets of the Village, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the Village were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

FUNDS ON HAND (as of March 31, 2024)

Fund	Total Cash and Investments
General Fund	\$7,298,510
Park and Open Space Fund	311,448
Revolving Loan Fund	446,087
Woodlawn Cemetery Capital Fund	37,726
Park and Recreation Facilities Fund	86,261
Aquatics Fund	147
Library Fund	461,155
Room Tax Fund	42,467
Debt Service	410,691
Impact Fee Fund	696,088
TID No. 3	1,474,683
TID No. 4	1,111,187
TID No. 5	692,133
Capital Projects	115,737
Capital Equipment	610,879
Tax Fund	2,621,236
Woodlawn Cemetery	121,040
Utility- DNR Replacement Fund	2,132,408
Utility Fund	4,103,892
Fire Protection & Rescue	576,723
Fire & Rescue Capital Equipment	1,304,677
Recreation	11,722
ARPA Fiscal Recovery Fund	546,412
Ozaukee County Fire/ EMS ARPA Grant	145,746
Library Capital Donation Fund	<u>15,033</u>
Total Funds on Hand	<u><u>\$25,374,088</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the Village's enterprise funds have been as follows as of December 31 each year:

	2021 Audited	2022 Audited	2023 Audited
Water			
Total Operating Revenues	\$1,991,467	\$1,983,352	\$2,058,515
Less: Operating Expenses	<u>(1,393,339)</u>	<u>(1,464,740)</u>	<u>(1,733,074)</u>
Operating Income	\$598,128	\$518,612	\$325,441
Plus: Depreciation	594,769	594,495	661,828
Interest Income	<u>(125)</u>	<u>(17,178)</u>	<u>98,277</u>
Revenues Available for Debt Service	<u><u>\$1,192,772</u></u>	<u><u>\$1,095,929</u></u>	<u><u>\$1,085,546</u></u>
Wastewater			
Total Operating Revenues	\$3,913,844	\$3,913,378	\$4,050,761
Less: Operating Expenses	<u>(2,411,410)</u>	<u>(2,496,722)</u>	<u>(2,518,366)</u>
Operating Income	\$1,502,434	\$1,416,656	\$1,532,395
Plus: Depreciation	1,095,177	1,072,856	1,096,494
Interest Income	<u>(93)</u>	<u>(24,186)</u>	<u>108,074</u>
Revenues Available for Debt Service	<u><u>\$2,597,518</u></u>	<u><u>\$2,465,326</u></u>	<u><u>\$2,736,963</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete statements are available upon request. Appendix A includes the 2023 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2020 Audited	2021 Audited	2022 Audited	2023 Audited	2024 Adopted Budget ¹
Revenues					
Property taxes & other taxes	\$4,977,395	\$5,066,909	\$5,433,148	\$5,961,469	\$6,380,134
Payments in lieu of taxes	188,118	181,705	210,508	212,141	214,088
Licenses and permits	678,341	676,535	811,604	621,583	638,425
Fines and forfeitures	52,391	55,293	54,452	42,517	36,914
Public charges for services	551,695	601,940	528,502	515,200	545,925
Intergovernmental charges for services	66,222	130,498	173,852	352,911	170,417
Intergovernmental	1,448,796	1,269,956	1,125,390	1,375,571	1,377,197
Donations	3,320	5,388	1,355	255	0
Interest on investments	161,288	(9,559)	(50,551)	456,922	430,000
Miscellaneous	101,178	109,184	114,155	100,361	75,231
Total Revenues	\$8,228,744	\$8,087,849	\$8,402,415	\$9,638,930	\$9,868,331
Expenditures					
Current:					
General government	\$1,071,556	\$993,859	\$1,015,891	\$1,153,027	\$1,314,254
Public safety	3,748,275	3,889,216	4,130,512	4,125,600	4,552,660
Public works	2,780,812	2,837,552	3,018,666	3,340,536	3,764,398
Community enrichment services	515,074	529,951	579,817	622,934	696,824
Conservation and development	168,343	174,564	175,038	192,084	184,930
Total Expenditures	\$8,284,060	\$8,425,142	\$8,919,924	\$9,434,181	\$10,513,066
Excess of revenues over (under) expenditures	(\$55,316)	(\$337,293)	(\$517,509)	\$204,749	(\$644,735)
Other Financing Sources (Uses)					
Transfers in	277,338	276,614	278,351	324,259	284,513
Transfers (out)	(85,266)	(107,439)	(80,557)	(97,259)	(134,960)
Total Other Financing Sources (Uses)	192,072	169,175	197,794	227,000	149,553
Net changes in Fund Balances	\$136,756	(\$168,118)	(\$319,715)	\$431,749	(\$495,182)²
General Fund Balance January 1	\$3,382,334	\$3,519,090	\$3,350,972	\$3,031,257	\$3,463,006
General Fund Balance December 31	\$3,519,090	\$3,350,972	\$3,031,257	\$3,463,006	\$2,967,824
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$82,966	\$71,303	\$83,404	\$95,676	
Assigned	744,181	772,446	456,825	495,182	
Unassigned	2,691,943	2,507,223	2,491,028	2,872,148	
Total	\$3,519,090	\$3,350,972	\$3,031,257	\$3,463,006	

¹ The 2024 budget was adopted on November 20, 2023.

² The budgeted use of fund balance in 2024 will be used to cover one-time project expenditures and to stabilize the property tax levy.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 12,094 and a current estimated population of 12,351 comprises an area of 5.4 square miles and is located approximately 20 miles north of the City of Milwaukee, Wisconsin.

LARGER EMPLOYERS¹

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Aurora Medical Center	Healthcare	1,470
Kapco, Inc.	Metal stamping	538
Pace Industries	Aluminum die casting manufacturer	360 ²
School District of Grafton	Elementary and secondary education	314
Costco	Retail	220
Portal Industries Inc.	Non-profit supporting disabled individuals	200
Meijer	Retail	179
Exacto Spring Corporation	Wholesale	160
Target	Retail	150
Pick'n Save	Grocery store	148

Source: The Village.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

² Pace Industries announced that it will be laying off 90 employees in phases, beginning June 15, 2024 or soon thereafter with 45.

BUILDING PERMITS

	2020	2021	2022	2023	2024 ¹
<u>New Single Family Homes</u>					
No. of building permits	55	79	85	62	15
Valuation	\$14,296,305	\$27,002,958	\$29,271,993	\$22,140,598	\$6,483,871
<u>New Multiple Family Buildings</u>					
No. of building permits	4	0	16	7	2
Valuation	\$4,260,000	\$0	\$10,370,000	\$3,500,000	\$1,000,000
<u>New Commercial/Industrial</u>					
No. of building permits	2	0	0	3	0
Valuation	\$2,125,000	\$0	\$0	\$1,095,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	200	195	224	194	59
Valuation	\$29,572,183	\$38,132,064	\$53,254,182	\$31,588,855	\$11,057,489

Source: The Village.

¹ As of March 31, 2024.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	11,459
2020 U.S. Census Population	12,094
Percent of Change 2010 - 2020	5.54%
2023 Estimated Population	12,351

Income and Age Statistics

	The Village	Ozaukee County	State of Wisconsin	United States
2022 per capita income	\$45,593	\$55,948	\$40,130	\$41,261
2022 median household income	\$83,500	\$92,258	\$72,458	\$75,149
2022 median family income	\$102,759	\$117,113	\$92,974	\$92,646
2022 median gross rent	\$1,109	\$1,103	\$992	\$1,268
2022 median value owner occupied units	\$285,400	\$344,900	\$231,400	\$281,900
2022 median age	43.8 yrs.	43.8 yrs.	39.9 yrs.	38.5 yrs.

	State of Wisconsin	United States
Village % of 2022 per capita income	113.61%	110.50%
Village % of 2022 median family income	110.52%	110.92%

Housing Statistics

	<u>The Village</u>		
	2020	2022	Percent of Change
All Housing Units	5,632	5,846	3.80%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2022 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Ozaukee County	Ozaukee County	State of Wisconsin	
2020	46,181	5.5%	6.4%	
2021	47,504	3.1%	3.9%	
2022	47,855	2.4%	2.9%	
2023 ¹	48,253	2.6%	3.0%	
2024, March ¹	47,626	2.7%	3.5%	

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Notes, the Village represents that there have been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

Village of Grafton Wisconsin



Annual Comprehensive Financial Report

For the Year Ending December 31, 2023

Grafton, Wisconsin

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023



GRAFTON
QUALITY LIFE. NATURALLY.

ELECTED OFFICIALS

TITLE	NAME
Village President	Daniel Delorit
Village Trustee	Dave Armstrong
Village Trustee	Clark Evans
Village Trustee	Mary Pat Fenton
Village Trustee	Lisa Harbeck
Village Trustee	Amy Luft
Village Trustee	Jim Miller

APPOINTED OFFICIALS

TITLE	NAME
Village Administrator	Jesse Thyres
Assistant Village Administrator/ Community Development Director	Jessica Wolff
Chief of Police	Jeff Caponera
Parks and Recreation Director	Chad Hoier
Library Director	Amanda Kloppmann
Building Inspector	James Micech
Village Clerk	Kaity Olsen
Fire Chief	William Rice
Director of Administrative Services	Paul Styduhar
Director of Public Works/ Village Engineer	Amber Thomas

OFFICIAL ISSUING REPORT

Director of Administrative Services	Paul Styduhar
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REPORT PREPARED BY

Director of Administrative Services	Paul Styduhar
Accountant	Monica Stern
Accounting Clerk	Nicole Aleknovicus
Human Resources Generalist	Ashley Voigt

Published, April 18, 2024

Village of Grafton

Table of Contents
December 31, 2023

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	7
Certificate of Achievement for Excellence in Financial Reporting	8
FINANCIAL SECTION	
Independent Auditors' Report	9
Management's Discussion and Analysis (Required Supplementary Information).....	13
Basic Financial Statements	27
Government-Wide Financial Statements:	
Statement of Net Position	28
Statement of Activities.....	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	34
Statement of Net Position – Proprietary Funds.....	35
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	37
Statement of Fiduciary Net Position – Custodial Fund	39
Statement of Changes in Fiduciary Net Position – Custodial Fund	40
Index to Notes to Financial Statements	41
Notes to Financial Statements	42
Required Supplementary Information	80
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund...	81
Schedule of Proportionate Share of the Net Pension Liability (Asset) – Wisconsin Retirement System	82
Schedule of Employer Contributions – Wisconsin Retirement System.....	82
Notes to Required Supplementary Information	83
Supplementary Information	84
Combining Balance Sheet – Nonmajor Governmental Funds	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	87
Budgetary Comparison Schedule – General Fund	89
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Debt Service.....	92
Capital Projects Fund.....	93
Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual – Capital Projects Fund – Tax Incremental Financing District No. 3	94

Village of Grafton

Supplementary Information (continued)

Schedule of Operating Revenues and Expenses – Water Utility	95
Schedule of Operating Revenues and Expenses – Wastewater Utility	97
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Park and Open Space	99
Revolving Loan.....	100
Woodlawn Cemetery Capital.....	101
Park and Recreational Facilities.....	102
Recreation	103
Library	104
Environmental	105
Aquatics.....	106
American Rescue Plan Act	107
Fire Department	108
Fire Department County ARPA Grant.....	109
K-9.....	110
Room Tax.....	111
Impact Fees.....	112
Tax Incremental Financing District No. 4	113
Tax Incremental Financing District No. 5	114
Equipment	115
Fire and Rescue Equipment.....	116
Woodlawn Cemetery Perpetual Care.....	117
Schedule of Capital Assets Used in the Operation of Governmental Funds by Function and Activity	118
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds by Function and Activity	119

STATISTICAL SECTION

Statistical Section Summary	120
Table 1 – Net Position by Component	121
Table 2 – Change in Net Position	123
Table 3 – Fund Balances, Governmental Funds	125
Table 4 – Change in Fund Balances, Governmental Funds	127
Table 5 – Comparative Tax Levies for All Direct and Overlapping Governments and Total Collections	129
Table 6 – Property Tax Levies and Collections	130
Table 7 – Assessed Valuations	131
Table 8 – Assessed and Equalized Value of Taxable Property	132
Table 9 – Comparative Tax Rates for All Direct and Overlapping Governments per \$1,000 of Assessed Value	133
Table 10 – Comparative Tax Rates for All Direct and Overlapping Governments per \$1,000 of Equalized Value	135
Table 11 – Principal Taxpayers Current Year and Nine Years Ago	137

STATISTICAL SECTION (CONTINUED)

Table 12 – Water Sales 139

Table 13 – Wastewater Revenues 141

Table 14 – Ten Largest Water and Wastewater Customers 143

Table 15 – Ratio of Net General Obligation Debt to Equalized Value 144

Table 16 – Ratio of Outstanding Debt by Type 145

Table 17 – Computation of Overlapping Debt 146

Table 18 – Demographic Statistics 147

Table 19 – Demographic Information 148

Table 20 – Principal Employers Current Year and Nine Years Ago 149

Table 21 – Authorized Permanent Positions 150

Table 22 – Operating Indicators by Function/Program 153

Table 23 – Capital Asset Statistics by Function/Program 155



GRAFTON
QUALITY LIFE. NATURALLY.

April 18, 2024

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

The Annual Comprehensive Financial Report for the Village of Grafton, Wisconsin, (Village) for the year ended December 31, 2023, is hereby submitted. This report consists of management's representations concerning the finances of the Village. 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 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's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village'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 US, LLP, a firm of certified public accountants and consultants, have audited the Village's financial statements. The objectives of the independent audit are to provide reasonable assurance about whether the financial statements of the Village for the year ended December 31, 2023, as a whole are free from 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's financial statements for the fiscal year ended December 31, 2023, 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.

GAAP requires 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'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 (“Board”) 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 Board exercises authority over the Grafton Water and Wastewater Utility (“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 5.275 square miles in size and has a population of 12,351. The Village was incorporated in 1896.

The Board, 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 two years but are overlapping so that the Village is provided with a continuity of knowledge in 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 (Administrator), has the responsibility of administering programs in accordance with policies established by the Board and within the guidelines of the annual budget adopted by the Board.

The annual budget serves as the foundation for the Village’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 Utility.

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

ECONOMIC CONDITION AND OUTLOOK

December 2023 unemployment rates as compared to December 2022 unemployment rates have decreased in Ozaukee County but increased on a state wide level. Ozaukee County’s

2023 unemployment rate decreased to 2.3 percent compared to the 2022 unemployment rate of 2.5 percent. The Ozaukee County 2023 rate is lower than the Wisconsin and Federal 2023 unemployment rates of 3.3 and 3.6 percent, respectively.

The Village's equalized tax base increased in valuation from 2022 to 2023 by approximately \$223.4 million, or an overall increase of 12.5 percent. Of the 12.5 percent increase, approximately 3.6 percent represented an offsetting increase in values due to new construction, with an increase in value of existing properties representing 8.9 percent. In 2023, the Village had \$32 million of valuation in building permits, the same amount as in 2022. New residential construction totaled \$22 million in 2023, a decrease of \$10 million compared to 2022. There were three new commercial properties with a value of \$1.1 million and seven new multi-family construction properties of \$3.5. There was no new commercial or multifamily construction in 2022.

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 of January 1, 2023, 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 \$72.3 million. In 2009, the Village approved an amendment to the original plan enabling the district to receive donated funds from TID No. 5 – Grafton Commons.

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. As of January 1, 2023, 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 \$69.8 million. In 2010, the Village approved an amendment to the original plan enabling the district to receive donated funds from TID No. 5 – Grafton Commons.

TID No. 5 – Grafton Commons was created on April 20, 2006, to provide infrastructure improvements, traffic circulation, and streetscape improvements necessary to stimulate private investment and commercial development on the east side of the Village. As of January 1, 2023, the tax incremental district equalized value increase from the tax incremental base value in 2006 was \$62.1 million. In 2009 the Village approved an amendment to the original plan 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 Utility currently has six deep wells with a capacity of 5,610,240 gallons per day. The reliable supply capacity with the Village's highest producing well out-of-service is 4,217,760 gallons per day. The 2023 average daily water pumped was 1,250,000 gallons per day or approximately 22 percent of the total supply capacity.

Several major capital improvements were recommended in the 2022 Water System Master Plan Study (Plan) for the duration of the 20-year planning cycle. The Village's east side pressure zone will require an additional 100,000 gallons of water storage volume or pumping capacity (500 gallons per minute) to meet the needs of the east pressure zone by the end of the planning cycle. Recommended east side pressure zone capital improvements may include construction of an additional inter-zone transfer station on the existing east/west pressure zone boundary on the Village's northeast side and an air stripper and associated booster pump system and clear well for Well 6.

The Plan identified a need for an additional 300,000 gallons of water storage capacity or pumping capacity (1,500 gallons per minute) in the Village's west side pressure zone. An additional 150,000 gallons of water storage capacity has been met through two separate inter-municipal, emergency water supply connections with the City of Cedarburg. An additional 150,000 gallons of storage capacity will be needed within the zone by the end of the planning cycle. Future west side high pressure zone capital improvements may include construction of a 500,000-gallon elevated water tower.

The Utility continues to manage a water main infrastructure replacement program for sections of poor condition and critical mainline pipe. In addition, construction of transmission water main improvements to support Village growth and development is closely monitored.

The Utility's wastewater treatment plant (WWTP) currently discharges treated wastewater effluent directly to the Milwaukee River. The facility's current discharge permit was issued on February 26, 2021; modified with an effective date of March 1, 2021 and expires on December 31, 2025.

The existing WWTP has a current average daily design capacity of 2,520,000 gallons per day. In 2023, the average daily influent flow to the WWTP was 1,444,700 gallons per day or 57 percent of the daily design flow capacity. The facilities continue to achieve exceptional removal efficiencies of all major pollutant types. An extensive "Facilities Planning Study" was completed in June 2019 and approved by the WDNR in November 2019. The Study serves as a planning guide for future facilities replacement and expansion through the year 2038. A multi-million-dollar WWTP Headworks replacement project was begun in 2020 and completed in 2021. The Public Service Commission of Wisconsin classifies the Utility as an AB utility. An AB classification is for utilities with a customer base in excess of 4,000. Grafton had an average water customer base of 5,367 in 2023.

MAJOR INITIATIVES FOR THE YEAR

Demand remains very high with construction of 66 new single family residential units in 2023 and approval of 452 apartment units in two high-end developments on the east side of the Village. Commercial and industrial development activity is also strong with construction of a new multi-tenant commercial building on Port Washington Road (Chipotle, Five Guys, and T Mobile) and completion of the 29,000 square foot building expansion at Philipp Litho in the South Commercial District.

FOR THE FUTURE

In 2023, the Village experienced continued growth in the amount of new residential development compared to recent years. The Village expects that trend to remain stable into 2024 with the start of construction of a new 100-acre subdivision and a 24-unit condo development this fall. Commercial and industrial activity is also expected to continue through 2024 with plans for a new Chick-fil-A under review on Port Washington Road. The Village also approved an 11-acre three megawatt solar energy system for Aurora Hospital.

FINANCIAL MANAGEMENT

Budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the 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.

Financial Planning. The Village has a formal Five-Year Capital Improvement Program (Program) for replacement of public infrastructure, upgrades and equipment, including vehicles. This program includes an analysis of tax levy and debt service impacts. The Program is intended to support the policy makers in making prudent decisions with a focus on capital projects and equipment as it relates to the long-term financial health of the Village. The policy maker's philosophy has historically been stability in budgets, taxes and user charges.

Financial Policies. The Village has adopted a number of formal financial policies related to General Fund Balance, Capital Program, debt administration as well as budget development to provide guidance for the Village's financial management. These policies are reflected in the financial statements. For example, the debt policy was adopted to ensure that long-term debt is utilized in a fiscally prudent manner by recognizing the impact of Tax Incremental Districts need for debt balanced with non-TID needs. Another example of financial policy decisions reflected in the financial statements is management of tax levy among funds to retain compliance with State Tax Levy Limit requirements in order to maximize the State Expenditure Restraint Program while preserving future property tax levy capacity.

AWARDS AND ACKNOWLEDGEMENTS

Over the past year, the Village received three awards. The Village received the "Certificate of Achievement for Excellence in Financial Reporting" for the 2022 Annual Comprehensive Financial Report, the "Distinguished Budget Presentation Award" for the 2023 Program Budget and the "Popular Annual Financial Reporting (PAFR) Award Program for the 2022 PAFR from the Government Finance Officers Association.

We wish to thank the Village President and the 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 US, LLP. Special appreciation is also given to Nicole Aleknavicius, Accounting Clerk and Ashley Voigt, Human Resources Generalist, whose contributions made the preparation and completion of this Annual Comprehensive Financial Report possible.

Respectfully submitted,

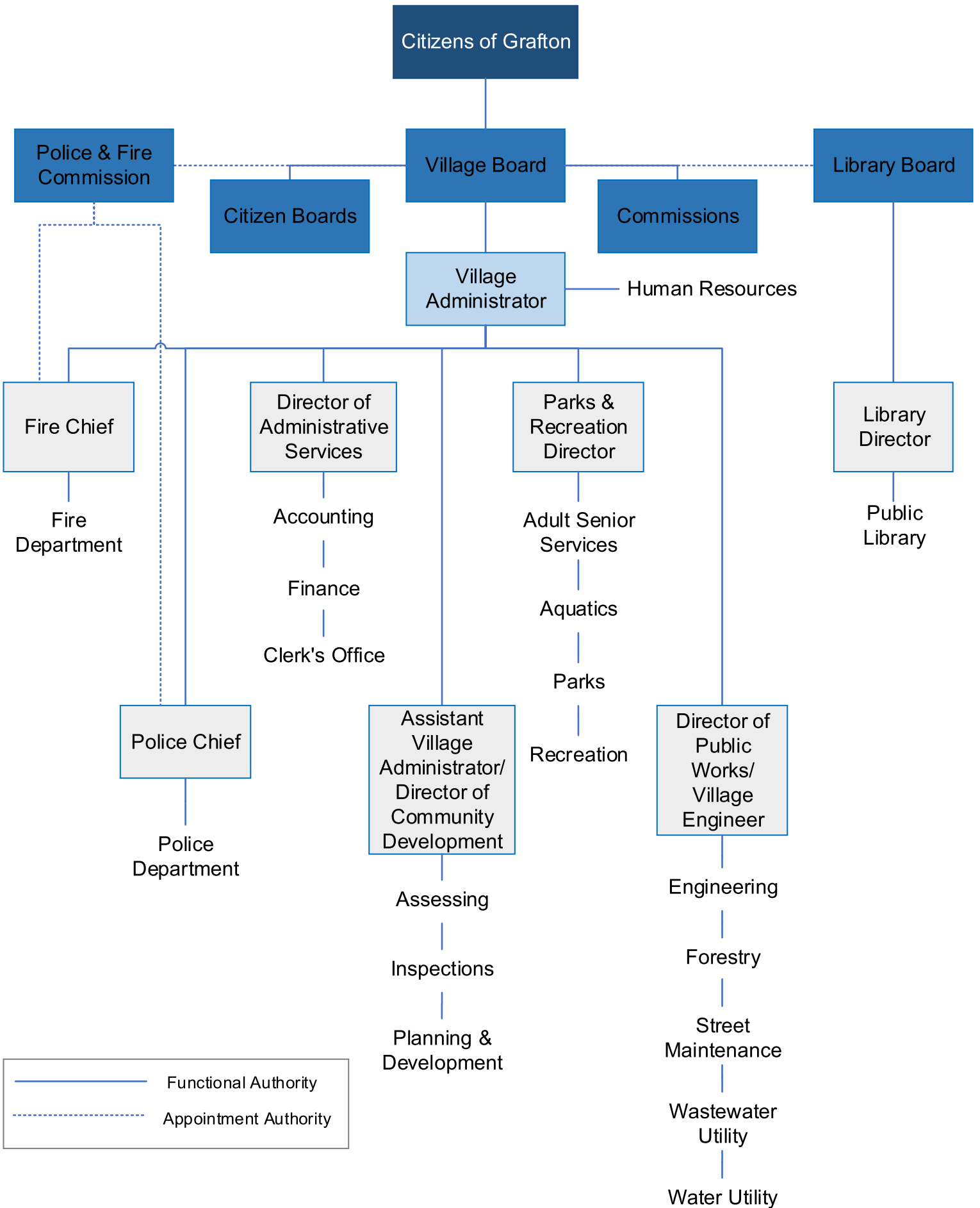
Paul Styduhar

Paul Styduhar
Director of Administrative Services

Monica Stern

Monica Stern
Village Accountant

Village of Grafton Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Grafton
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Board of Trustees of
Village of Grafton

Opinions

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, 2023 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.

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, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village of Grafton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Grafton's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Grafton's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 is presented for purposes of additional analysis and is 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 is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises of the Introductory Section and Statistical Section listed in the accompanying table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Baker Tilly US, LLP

Milwaukee, Wisconsin
April 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (Unaudited)

This section of the Village of Grafton's annual comprehensive financial report provides the reader with management's narrative overview and analysis of the Village for the fiscal year ended December 31, 2023. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, and (4) identify any changes in the Village's financial plan (approved budget).

The financial discussion and analysis presented in this section is intended to be used in conjunction with the accompanying financial statements. Additional information is provided in the transmittal letter which can be found on pages 1 – 6 of this report.

Financial Highlights

- The assets and deferred outflows of the Village exceeded its liabilities and deferred inflows by \$109,425,270 (*net position*) as of December 31, 2023. Of this amount, \$10,593,119 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- As of December 31, 2023, the Village's governmental funds reported combined ending fund balances of \$8,302,104 a decrease of \$365,408 in comparison to the prior year. Of this balance, \$3,904,197, is available for spending at the government's discretion (*committed, assigned and unassigned fund balance*).
- At the end of the current fiscal year, \$2,872,148 of unassigned fund balance is for the general fund, equal to approximately 27 percent of total general fund expenditures.

Overview of the Financial Statements

Management's Discussion and Analysis serves as an introduction to the Village's basic financial statements. The basic financial statements include: 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 Village's basic financial statements include two government-wide financial statements, the Statement of Net Position and the Statement of Activities. These financial statements are designed to provide the reader with a broad overview of the Village's finances. Financial reporting at this level uses a perspective similar to that found in the private sector utilizing full accrual accounting and the elimination or reclassification of internal activities.

The *Statement of Net Position* presents information on all of the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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, as a whole, is improving or deteriorating.

The *Statement of Activities* presents information showing how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of the timing of related cash flows.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or a significant portion of their costs from fees and charges. Governmental activities include general government, public safety, public works, community enrichment services, and conservation and development. Business-type activities include the water and sewer utilities.

The government-wide financial statements are presented on pages 28-30 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant (major) funds rather than the Village as a whole. Major funds are separately reported while other funds are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the focus of fund financial statements is on the short-term use of spendable resources and balances of spendable resources available at the end of the year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, comparison of the information for governmental funds presented in the fund financial statements with similar information for governmental activities presented in the government-wide statements may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In 2023, the Village utilized 24 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), all of which are considered to be major funds.

Data from the remaining 20 non-major 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 elsewhere in this report.

The basic governmental fund financial statements are presented on pages 28-31 of this report.

Proprietary Funds

Proprietary funds are reported in the fund financial statements and generally report services for which the Village charges customers a fee. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary fund statements provide financial information consistent with the focus provided by the government-wide financial statements, but with more detail. The proprietary fund financial statements provide separate information for Water and Sewer Utilities, both of which are major funds.

The basic proprietary fund financial statements are presented on pages 35-38 of this report.

Custodial Funds

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

The basic custodial fund financial statements can be found on pages 39-40 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 41 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. Other required supplementary information can be found on pages 80-83 of this report. Combining and individual fund statements and schedules can be found on page 85-118 of this report.

Government-wide Financial Analysis

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as whole.

The Village's net position as of December 31, 2023 was \$109,425,270. The following provides a summary of the Village's net position.

VILLAGE OF GRAFTON NET POSITION December 31, 2023 and 2022 (amounts expressed thousands)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$22,717	\$26,087	\$8,220	\$6,016	\$30,937	\$32,102
Capital assets	67,362	63,359	58,515	54,053	125,877	117,412
Total Assets	90,079	89,446	66,735	60,069	156,814	149,514
Deferred outflows of resources	8,223	6,498	677	564	8,900	7,062
Long-term liabilities outstanding	14,405	14,505	16,064	12,567	30,469	27,072
Other liabilities	5,590	5,858	2,151	2,098	7,741	7,955
Total Liabilities	19,995	20,363	18,215	14,664	38,210	35,027
Deferred Inflows of resources	16,984	19,326	1,095	1,411	18,079	20,737
Net position:						
Net Investment in capital assets	52,725	46,651	41,590	39,756	94,315	86,407
Restricted	2,386	6,604	2,132	2,259	4,518	8,863
Unrestricted	6,212	2,999	4,381	2,542	10,593	5,541
Total net position	\$ 61,323	\$ 56,254	\$ 48,103	\$ 44,557	\$ 109,426	\$ 100,811

Net position of the Village increased by \$8,613,476 (8.5%) due mainly to an increase in capital assets consisting mainly of street infrastructure and a parks pavilion and amenities.

Net position of the Village's governmental activities totaled \$61,322,556 as of December 31, 2023. Governmental activities for the year increased net position by \$5,068,121 mainly due to an increase in capital assets of \$4,003,693. The Village's unrestricted net position for governmental activities, that part of net position that can be used to finance day-to-day activities, was \$6,212,313. Restricted net position for governmental activities included \$1,241,141 for fire and rescue equipment, \$522,092 for revolving loans and \$622,528 for other specific purposes.

The net position of business-type activities totaled \$48,102,714, and increase of \$3,545,355 primarily due to an increase in capital assets. The Village can use the

unrestricted net position of \$4,380,806 to finance the continuing operations of the water and sewer utilities.

Following is a summary of the changes in Net Position of the Village:

CHANGES IN NET POSITION
FOR THE Years Ended December 31, 2023 AND 2022
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 2,443	\$ 2,765	\$ 6,109	\$ 5,897	\$ 8,552	\$ 8,662
Operating grants/contributions	1,116	1,037	-	-	1,116	1,037
Capital grants/contributions	3,256	533	2,231	121	5,487	654
General Revenues						
Taxes	11,807	11,833	-	-	11,807	11,833
Grants & contributions not restricted to specific programs	1,822	1,424	-	-	1,822	1,424
Investment income (loss)	812	36	206	(41)	1,018	(5)
Other	493	233	-	-	493	233
Total revenues	<u>21,749</u>	<u>17,861</u>	<u>8,546</u>	<u>5,977</u>	<u>30,295</u>	<u>23,838</u>
Expenses						
General government	1,258	1,133	-	-	1,258	1,133
Public safety	6,991	6,136	-	-	6,991	6,136
Public works	5,314	4,386	-	-	5,314	4,386
Community enrichment services	2,185	1,875	-	-	2,185	1,875
Conservation and development	584	745	-	-	584	745
Interest and fiscal charges	514	538	-	-	514	538
Water	-	-	1,813	1,495	1,813	1,495
Wastewater	-	-	3,022	2,723	3,022	2,723
Total expenses	<u>16,846</u>	<u>14,813</u>	<u>4,835</u>	<u>4,218</u>	<u>21,681</u>	<u>19,031</u>
Change in net position before transfers	4,903	3,048	3,711	1,759	8,614	4,807
Transfers	165	160	(165)	(160)	-	-
Increase in net position	5,068	3,208	3,546	1,599	8,614	4,807
Net position - beginning of year	56,254	53,046	44,557	42,958	100,811	96,004
Net position - end of year	<u>\$61,323</u>	<u>\$56,254</u>	<u>\$48,103</u>	<u>\$44,557</u>	<u>\$109,426</u>	<u>\$100,811</u>

Governmental Activities

Governmental activities for 2023 increased the Village's net position by \$5,068,121.

Governmental expenses included \$2,231,688 in depreciation expense allocated as follows: \$52,288 to general government; \$453,288 to public safety; \$1,459,148 to public works; \$263,064 to community enrichment services and \$3,900 to conservation and development. Depreciation expense represents 13.2% of the total expenses for governmental activities.

General revenues increased \$1,203,866 from 2022 primarily due investment income and operating grants related to the American Rescue Plan Act.

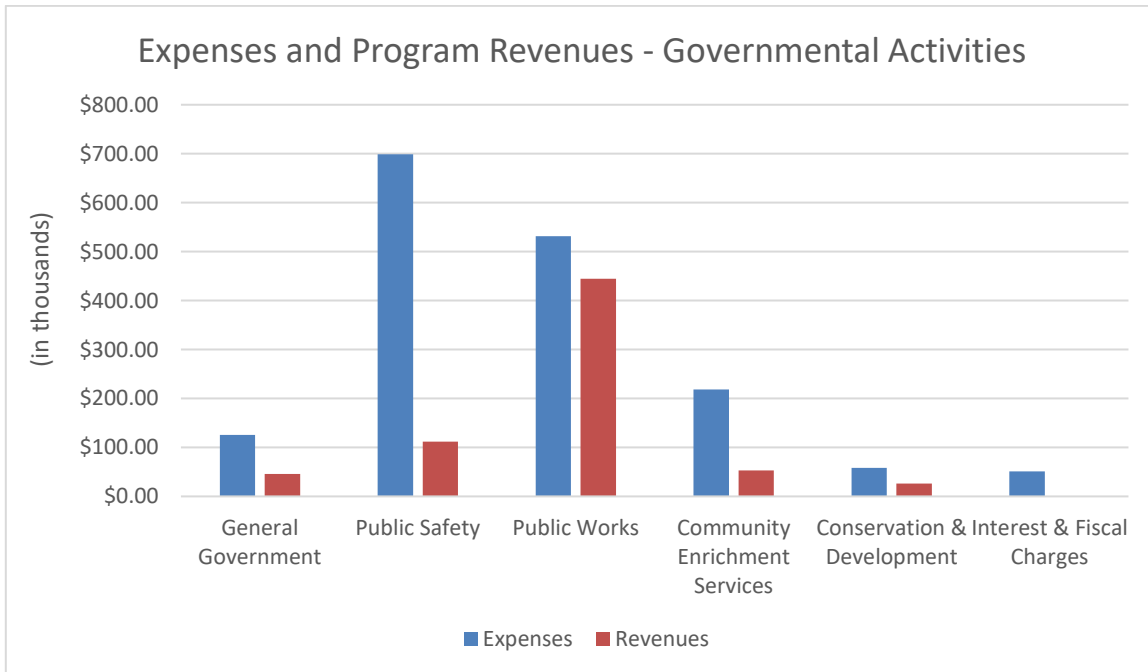
Some of the significant changes in revenues and expenses were as follows:

Revenues:

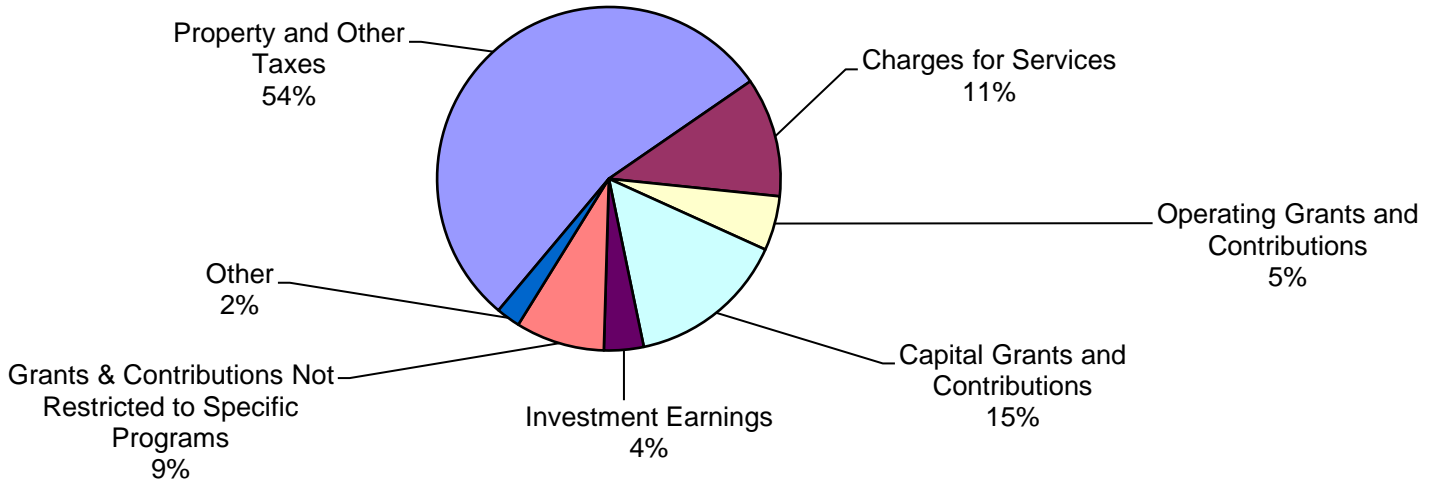
- Intergovernmental grants increased \$294,980 primarily related to the American Rescue Plan Act recognized in 2023.
- Investment earnings were \$797,765 compared to \$36,243 in 2022. This is due to the increase in market values of investments due to higher interest rates. The Village intends to hold these investments to maturity.

Expenses:

- Public safety expenses increased \$854,643 (13.9%). Police department expenses increased \$241,296 primarily due to wage and benefit and workers compensation insurance increases. Fire department expenses increased \$236,317 due to wage and benefit increases and the addition of three new Firefighter/Paramedic positions. The majority of the remaining increase was related to pension expenses.
- Public works expenses increased \$927,795 (21.2%) primarily due to expenses related to capital project and equipment purchases.
- Community Enrichment Services increased \$310,036 (16.5%).
- Conservation and Development decreased \$161,668 (21.7%).



Program and General Revenues by Source - Governmental Activities



Business-Type Activities

Business-type activities, which include the operations of the water and wastewater utilities, provided an increase to the Village’s net position of \$3,545,355. Program revenues exceeded expenses by \$3,504,031 and net general revenues (investment income and transfers out) were \$41,224.

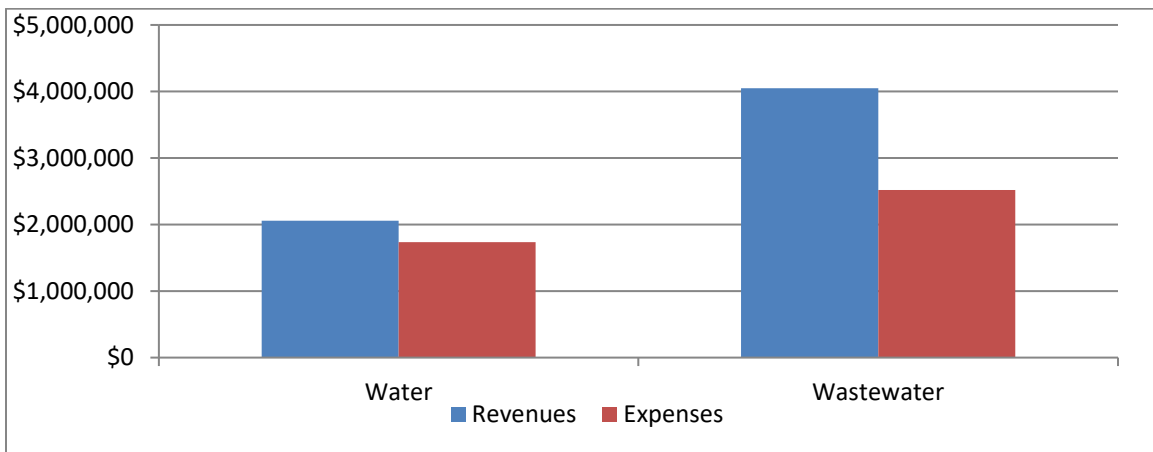
Program revenues from charges for services, excluding capital grants and contributions, increased by \$212,546 in 2023. Capital grants and contributions increased by \$2,109,897. Some of the significant changes in revenues were as follows:

- Water utility operating revenues totaled \$2,058,515 for 2023, an increase of \$75,163 (3.8%) from 2022 primarily due to the increase in number of customers from new development.
- Capital contributions increased \$2,109,897 primarily due to the Village’s acceptance of infrastructure related to residential development received in 2023.
- Wastewater utility operating revenues totaled \$4,050,761 for 2023, an increase of \$137,383 (3.5%) contributions of infrastructure accepted from developers in 2023.

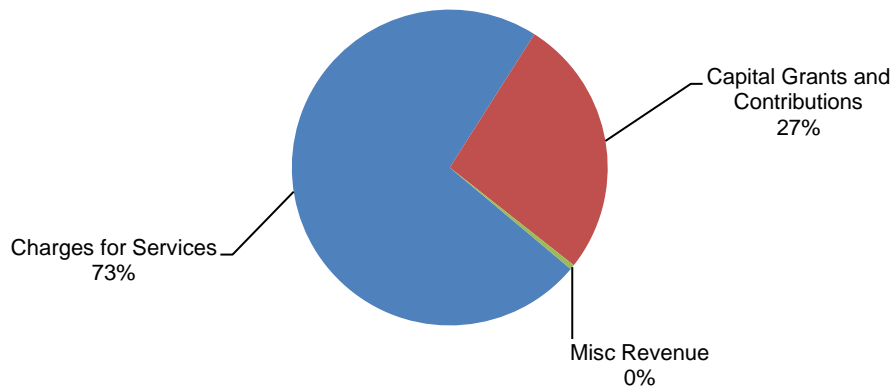
Operating expenses, excluding depreciation, totaled \$2,493,118 an increase of \$199,007 (8.6%) from 2022. Depreciation expense totaled \$1,758,322, an increase of \$90,971 (5.5%) from 2022. Some of the significant changes in expenses were as follows:

- Water utility operating expenses, excluding depreciation, increased \$200,972 (23.0%) mainly related to increased costs of pumping, transmission and distribution, and administrative costs.
- Wastewater utility operating expenses, excluding depreciation, decreased a negligible \$2,000 from 2022.

Operating Revenues and Expenses – Business-type Activities



Revenues by Source - Business-type Activities



Fund Financial Analysis

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Fund financial reporting focuses on short-term spendable resources and balances of spendable resources available at year-end.

Governmental Funds

As of December 31, 2023, the Village's governmental funds had a combined ending fund balance of \$8,302,104. Of this balance \$1,573,672 was committed or assigned for specific purposes and \$2,330,525 was unassigned. The remainder of the fund balance is restricted or non-spendable to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$177,882), 2) to pay for capital equipment and projects (\$1,498,389), 3) for long term receivables from participants of the Village's economic development revolving loan fund (\$522,092), 4) to generate income to pay for the perpetual care of the municipal cemetery (\$118,915), and 5) for eligible ARPA expenses (\$50,342).

General Fund

The General Fund is the primary operating fund of the Village and supports the majority of the day-to-day services provided by the Village. As of December 31, 2023, the total fund balance of the general fund was \$3,463,006 of which \$2,872,148 was unassigned. This unassigned fund balance represents approximately 27% of 2024 budgeted general fund expenditures while total general fund balance represents approximately 32.5% of that same amount.

The fund balance of the general fund increased \$431,749 during 2023. The 2023 annual program budget for the Village's general fund identified the appropriation of \$456,825 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 1.7% or \$167,490 and actual revenues were more than budgeted revenues in the general fund by \$638,915 or approximately 7%.

Some of the significant changes in General Fund revenues were as follows:

- Property tax revenues increased by \$529,954 (9.4%) from the prior year. This increase was due to an additional allocation of tax levy of \$524,088 to the General Fund from other funds and the allowable State of Wisconsin tax levy increase.
- Revenues from Operating grants and contributions increased by \$235,287 (19%), primarily due to an increase in general transportation aids of \$186,110
- Investment income increased from a loss of \$50,551 in 2022 to income of \$456,922 in 2023 primarily as a result of the increase in interest rates. All of the Village's investments are recorded at market value. The Village intends to hold these investments to maturity.

Some of the significant changes in General Fund expenditures and transfers out were as follows:

- General Government expenses increased \$137,136 (13.5%) primarily due to expenses related to the possible development of a Tax Incremental District (\$55,187) and increases in wages and benefits (\$57,298).

- Public works expenses increased \$321,870 (10.7%) primarily due to an increase in contractual services for garbage and recycling (\$201,125) and purchases of road salt (\$78,953).

Debt Service Fund

The Debt Service fund balance of \$177,882 as of December 31, 2023 reflects a increase of \$87,705 from 2022. This increase was due to a premium of \$72,530 received as part of the 2023 debt issuance to be utilized for the first interest payment due on the new debt issued in 2023. Debt service payments in 2023 increased \$143,615. New debt in the amount of \$1,080,000 was issued for street reconstruction.

Capital Projects Fund

Capital Projects expenditures for 2023 totaled \$1,267,728. Major expenditures for the year were for road and sidewalk replacement projects.

Proprietary Funds

See pages 35-38 for information related to the Village's water and wastewater utilities.

General Fund Budgetary Highlights

The difference between the original adopted budget and the final amended budget for 2023 resulted from a \$66,016 transfer from contingency to departmental budgets for the effect of implementing provisions of the 2023 salary ordinance relative to non-represented staff and changes in employee benefit elections.

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2023 was \$125,877,234 (net of accumulated depreciation), an increase of \$8,465,490 (7.2%). Additions of \$16,115,964 were offset by net disposals of \$4,680,973 and depreciation expense of \$3,990,010. Capital assets include land, intangible assets, construction in progress, buildings, building improvements, machinery and equipment, vehicles and infrastructure.

Major changes in capital assets of governmental activities included the following:

- \$1,769,966 for development of a new park;
- \$2,911,564 in contributed infrastructure from developers;
- \$1,153,061 for various street and stormwater projects.

Major changes in capital assets of business type activities included the following:

- \$2,155,353 replacement of water and sewer infrastructure in conjunction with the 2023 street replacement program;
- \$1,128,400 of costs for projects under construction as of December 31, 2023;
- \$2,085,563 in contributed infrastructure from developers.

	Activities		Activities		Total	
	2023	2022	2023	2022	2023	2022
Land, including easements	\$ 17,864,250	\$ 17,864,250	\$ 600,591	\$ 600,591	\$ 18,464,841	\$ 18,464,841
Buildings, improvements and equipment	35,813,936	33,940,547	82,252,074	76,135,629	118,066,010	110,076,176
Infrastructure	47,588,297	43,949,708	-	-	47,588,297	43,949,708
Leased Vehicles	279,840	231,215	-	-	279,840	231,215
Construction in progress	116,690	114,739	1,136,613	1,294,447	1,253,303	1,409,186
Total Capital Assets	101,663,013	96,100,459	83,989,278	78,030,667	185,652,291	174,131,126
Less Accumulated Depreciation	(34,300,560)	(32,741,699)	(25,474,497)	(23,977,683)	(59,775,057)	(56,719,382)
Capital Assets net of Depreciation	\$ 67,362,453	\$ 63,358,760	\$ 58,514,781	\$ 54,052,984	\$ 125,877,234	\$117,411,744

Additional information on the Village's capital assets can be found in Note 3, pages 59-61 of this report.

Long-term Debt

At the end of the current year, the Village had total debt outstanding of \$35,611,241. This amount includes \$31,895,836 of general obligation debt backed by the full faith, credit and resources of the Village. Listed below is a comparison of some of the long-term debt.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds and notes	\$14,416,712	\$16,589,848	\$8,290,937	\$5,129,932	\$22,707,649	\$21,719,780
Revenue Bonds	-	-	8,502,359	8,566,700	8,502,359	8,566,700
Leases	157,183	174,395	-	-	157,183	\$174,395
Financed purchases	172,371	226,554	356,274	-	528,645	\$226,554
Total	\$ 14,746,266	\$ 16,990,797	\$ 17,149,570	\$ 13,696,632	\$ 31,895,836	\$ 30,687,429

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 is \$100,694,665, which exceeds the Village'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, 2023, the Village's outstanding debt equaled approximately 35.2% of the state authorized debt limit.

Additional information of the Village's long-term debt can be found in Note III on pages 64-67 and also in the statistical section on pages 144-146.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate as of December 31, 2023, for Ozaukee County, which includes the Village, was 2.30%. This compares with an unemployment rate of 3.30% for the State of Wisconsin and a national unemployment rate of 3.7%.
- The rate of inflation increased by 3.3% in 2023, while the 2023 equalized tax rate for taxes collected for 2023 operations decreased 9.25%. However, the tax levy decreased by 0.52%.
- The Village received a total of \$1,226,192 as part of the American Rescue Plan Act (ARPA). Of the total amount received \$691,623 has been spent on ARPA sanctioned projects. The Board has identified and prioritized projects for the remaining \$534,569.

Requests for Information

This financial report is designed to provide a general overview of the Village'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, Wisconsin, can be found at the Village's website, <http://www.QualityLifeGrafton.com>.

BASIC FINANCIAL STATEMENTS

Village of Grafton

Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 9,454,221	\$ 3,010,653	\$ 12,464,874
Receivables:			
Taxes	12,037,793	125,447	12,163,240
Delinquent personal property taxes	1,713	-	1,713
Accounts (net)	484,928	1,238,014	1,722,942
Loans	11,420	-	11,420
Leases	533,913	702,349	1,236,262
Inventories	-	37,012	37,012
Prepaid items	192,396	14,157	206,553
Restricted assets, cash and investments	-	3,092,836	3,092,836
Capital assets:			
Land	17,415,907	448,472	17,864,379
Construction in progress	116,690	1,136,613	1,253,303
Intangible assets	448,343	152,119	600,462
Other capital assets, net of depreciation	49,381,513	56,777,577	106,159,090
Total assets	<u>90,078,837</u>	<u>66,735,249</u>	<u>156,814,086</u>
Deferred Outflows of Resources			
Pension related items	7,929,379	676,395	8,605,774
Deferred loss on refunding	293,539	828	294,367
Total deferred outflows of resources	<u>8,222,918</u>	<u>677,223</u>	<u>8,900,141</u>
Liabilities			
Accounts payable and accrued expenses	845,873	582,269	1,428,142
Deposits	366,287	7,400	373,687
Due from other governments	19,407	-	19,407
Unearned revenues	680,316	97,103	777,419
Noncurrent liabilities, due within one year	3,678,236	1,464,634	5,142,870
Noncurrent liabilities, due in more than one year	14,404,620	16,063,751	30,468,371
Total liabilities	<u>19,994,739</u>	<u>18,215,157</u>	<u>38,209,896</u>
Deferred Inflows of Resources			
Pension related items	4,431,384	392,252	4,823,636
Deferred revenue	12,553,076	702,349	13,255,425
Total deferred inflows of resources	<u>16,984,460</u>	<u>1,094,601</u>	<u>18,079,061</u>
Net Position			
Net investment in capital assets	52,724,482	41,945,774	94,670,256
Restricted for:			
Debt service	124,024	-	124,024
Fire and rescue equipment	1,241,141	-	1,241,141
Revolving loans	522,092	-	522,092
Tax incremental financing	329,247	-	329,247
Grants	50,342	-	50,342
Equipment replacement	-	2,132,408	2,132,408
Cemetery, nonexpendable	118,915	-	118,915
Unrestricted	6,212,313	4,024,532	10,236,845
Total net position	<u>\$ 61,322,556</u>	<u>\$ 48,102,714</u>	<u>\$ 109,425,270</u>

See notes to financial statements

Village of Grafton

Statement of Activities

Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 1,258,263	\$ 234,080	\$ 14,010	\$ 212,141
Public safety	6,990,817	1,000,847	115,376	2,482
Public works	5,313,895	612,969	790,283	3,041,421
Community enrichment services	2,185,091	339,899	191,765	-
Conservation and development	583,707	255,495	4,070	-
Interest and fiscal charges	514,002	-	-	-
Total governmental activities	16,845,775	2,443,290	1,115,504	3,256,044
Business-Type Activities				
Water utility	1,813,881	2,058,515	-	1,305,655
Wastewater utility	3,022,315	4,050,761	-	925,396
Total business-type activities	4,836,196	6,109,276	-	2,231,051
Total	\$ 21,681,971	\$ 8,552,566	\$ 1,115,504	\$ 5,487,095

General Revenues

Taxes:

Property taxes levied for general purposes

Property taxes levied for debt service

Property taxes levied for TID districts

Other

Grants and contributions not restricted to specific programs

Investment income

Miscellaneous

Total general revenues

Change in net position before transfers

Transfers

Change in net position

Net Position, Beginning**Net Position, Ending***See notes to financial statements*

Net Revenues (Expenses) and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (798,032)	\$ -	\$ (798,032)
(5,872,112)	-	(5,872,112)
(869,222)	-	(869,222)
(1,653,427)	-	(1,653,427)
(324,142)	-	(324,142)
(514,002)	-	(514,002)
<u>(10,030,937)</u>	<u>-</u>	<u>(10,030,937)</u>
-	1,550,289	1,550,289
-	1,953,842	1,953,842
<u>-</u>	<u>3,504,131</u>	<u>3,504,131</u>
<u>(10,030,937)</u>	<u>3,504,131</u>	<u>(6,526,806)</u>
8,348,102	-	8,348,102
260,000	-	260,000
2,736,521	-	2,736,521
462,776	-	462,776
1,821,900	-	1,821,900
811,730	206,351	1,018,081
492,902	-	492,902
<u>14,933,931</u>	<u>206,351</u>	<u>15,140,282</u>
<u>4,902,994</u>	<u>3,710,482</u>	<u>8,613,476</u>
<u>165,127</u>	<u>(165,127)</u>	<u>-</u>
5,068,121	3,545,355	8,613,476
<u>56,254,435</u>	<u>44,557,359</u>	<u>100,811,794</u>
<u>\$ 61,322,556</u>	<u>\$ 48,102,714</u>	<u>\$ 109,425,270</u>

See notes to financial statements

Village of Grafton

Balance Sheet - Governmental Funds
December 31, 2023

	General	Debt Service	Capital Projects	Capital Projects TID No. 3	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 4,034,015	\$ 177,882	\$ 109,070	\$ 660,643	\$ 4,472,611	\$ 9,454,221
Receivables:						
Taxes	6,531,686	300,000	100,000	1,047,012	4,059,095	12,037,793
Delinquent personal property taxes	1,713	-	-	-	-	1,713
Accounts (net)	171,250	-	3,000	-	310,678	484,928
Leases	533,913	-	-	-	-	533,913
Loans	-	-	-	-	11,420	11,420
Due from other funds	3,401	-	-	-	-	3,401
Advances to other governmental funds	-	-	1,836,178	-	-	1,836,178
Prepaid items	93,963	-	-	-	98,433	192,396
Total assets	\$ 11,369,941	\$ 477,882	\$ 2,048,248	\$ 1,707,655	\$ 8,952,237	\$ 24,555,963
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)						
Liabilities						
Accounts payable and accrued liabilities	\$ 491,055	\$ -	\$ 102,417	\$ 77	\$ 198,466	\$ 792,015
Deposits	365,387	-	900	-	-	366,287
Due to other governments	345	-	-	-	19,062	19,407
Due to other funds	-	-	-	-	3,401	3,401
Advances from other governmental funds	-	-	-	1,181,914	654,264	1,836,178
Unearned revenue	-	-	-	-	680,316	680,316
Total liabilities	856,787	-	103,317	1,181,991	1,555,509	3,697,604
Deferred Inflows of Resources						
Deferred revenue	7,046,969	300,000	100,000	1,047,012	4,059,095	12,553,076
Unavailable revenue	3,179	-	-	-	-	3,179
Total deferred inflows of resources	7,050,148	300,000	100,000	1,047,012	4,059,095	12,556,255
Fund Balances (Deficit)						
Nonspendable	95,676	-	1,836,178	-	98,433	2,030,287
Restricted	-	177,882	-	-	2,189,738	2,367,620
Committed	-	-	-	-	878,004	878,004
Assigned	495,182	-	8,753	-	191,733	695,668
Unassigned (deficit)	2,872,148	-	-	(521,348)	(20,275)	2,330,525
Total fund balances (deficit)	3,463,006	177,882	1,844,931	(521,348)	3,337,633	8,302,104
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 11,369,941	\$ 477,882	\$ 2,048,248	\$ 1,707,655	\$ 8,952,237	\$ 24,555,963

See notes to financial statements

Village of Grafton

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2023

Total Fund Balance of Governmental Funds \$ 8,302,104

Amounts reported for governmental activities in the Statement of Net Position are different because:

Assets are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land and construction in progress	17,415,907
Intangible assets	448,343
Construction in progress	116,690
Other capital assets, net of accumulated depreciation	49,381,513

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

Grant receivable	3,179
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Deferred outflows of resources related to pensions do not related to current financial resources and are not reported in the governmental funds.

	7,929,379
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Deferred inflows of resources related to pensions do not related to current financial resources and are not reported in the governmental funds.

	(4,431,384)
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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	(185,244)
Unamortized debt refunding losses	293,539

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	(14,746,266)
Net pension liability	(2,116,541)
Landfill post-closure liability	(449,485)
Compensated absences	(585,320)
Accrued interest payable	(53,858)

Net Position of Governmental Activities \$ 61,322,556

See notes to financial statements

Village of Grafton

 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Capital Projects TID No. 3	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 5,947,504	\$ 260,000	\$ 150,000	\$ 996,177	\$ 3,990,942	\$ 11,344,623
Payments in lieu of taxes	212,141	-	-	-	-	212,141
Other taxes	13,965	-	-	-	462,776	476,741
Charges for services:						
Licenses and permits	621,583	-	-	-	-	621,583
Fines and forfeitures	42,517	-	-	-	-	42,517
Public charges for services	515,200	-	6,000	-	786,749	1,307,949
Intergovernmental charges for services	352,911	-	-	-	312,090	665,001
Operating grants and contributions:						
Intergovernmental	1,375,571	-	28,464	10,426	935,557	2,350,018
Impact fees	-	-	-	-	507,503	507,503
Donations	255	-	-	-	901	1,156
Capital grants and contributions:						
Special assessments and interest	-	-	15,175	-	-	15,175
Investment income	456,922	7,342	21,313	19,544	292,644	797,765
Miscellaneous	100,361	-	-	4,800	413,031	518,192
Total revenues	9,638,930	267,342	220,952	1,030,947	7,702,193	18,860,364
Expenditures						
Current:						
General government	1,153,027	-	-	3,833	16,506	1,173,366
Public safety	4,125,600	-	-	-	2,064,461	6,190,061
Public works	3,340,536	-	-	-	144,939	3,485,475
Community enrichment services	622,934	-	-	-	1,126,202	1,749,136
Conservation and development	192,084	-	-	484	404,401	596,969
Capital outlay	-	-	1,240,876	73	2,442,592	3,683,541
Debt service:						
Principal	-	3,253,136	-	-	120,020	3,373,156
Interest and fiscal charges	-	367,001	26,852	-	14,502	408,355
Total expenditures	9,434,181	3,620,137	1,267,728	4,390	6,333,623	20,660,059
Excess (deficiency) of revenues over (under) expenditures	204,749	(3,352,795)	(1,046,776)	1,026,557	1,368,570	(1,799,695)
Other Financing Sources (Uses)						
Leases issued	-	-	-	-	48,625	48,625
Proceeds from sale of capital assets	-	-	-	-	51,242	51,242
Transfers in	324,259	3,367,970	-	953,024	97,259	4,742,512
Transfers out	(97,259)	-	(156,550)	(2,043,630)	(2,279,946)	(4,577,385)
Debt issued	-	-	1,080,000	-	-	1,080,000
Premium on debt issued	-	72,530	16,763	-	-	89,293
Total other financing sources (uses)	227,000	3,440,500	940,213	(1,090,606)	(2,082,820)	1,434,287
Net change in fund balance	431,749	87,705	(106,563)	(64,049)	(714,250)	(365,408)
Fund Balance (Deficit), Beginning	3,031,257	90,177	1,951,494	(457,299)	4,051,883	8,667,512
Fund Balance (Deficit), Ending	\$ 3,463,006	\$ 177,882	\$ 1,844,931	\$ (521,348)	\$ 3,337,633	\$ 8,302,104

See notes to financial statements

Village of Grafton

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2023

Net Change in Fund Balances, Total Governmental Funds \$ (365,408)

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	3,683,541
Some items reported as capital outlay expenditures in the fund financial statements are operating expenses in the government-wide statements	(194,266)
Some items reported as operating expenditures in the fund financial statements are capitalized in the government-wide financial statements	53,399
Depreciation is reported in the government-wide statements	(2,231,688)
Net book value of capital assets retired	(218,855)
Capital assets contributed	2,911,562

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.

Leases issued	(48,625)
Debt issued	(1,080,000)
Principal retired	3,373,156

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	(89,293)
Amortization of discounts	(628)
Amortization of premiums	48,891
Amortization of refunding losses	(133,746)

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.

Grant receivables	(74,398)
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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	(21,878)
Net pension liability	(5,248,392)
Deferred outflows of resources related to pensions	1,858,245
Deferred inflows of resources related to pensions	2,866,668
Accrued interest on debt	(20,164)

Change in Net Position of Governmental Activities \$ 5,068,121

See notes to financial statements

Village of GraftonStatement of Net Position - Proprietary Funds
December 31, 2023

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 1,602,007	\$ 1,408,646	\$ 3,010,653
Receivables:			
Taxes	34,716	90,731	125,447
Customers	345,427	818,127	1,163,554
Leases	137,731	-	137,731
Other	4,818	69,642	74,460
Inventory	37,012	-	37,012
Prepaid items	6,040	8,117	14,157
Total current assets	<u>2,167,751</u>	<u>2,395,263</u>	<u>4,563,014</u>
Noncurrent assets:			
Restricted asset, cash and investments	125,888	2,966,948	3,092,836
Leases receivable	564,618	-	564,618
Capital assets:			
Land	42,533	405,939	448,472
Intangible assets	101,168	50,951	152,119
Construction in progress	8,213	1,128,400	1,136,613
Plant in service	34,685,795	47,566,279	82,252,074
Accumulated depreciation	<u>(10,128,026)</u>	<u>(15,346,471)</u>	<u>(25,474,497)</u>
Total noncurrent assets	<u>25,400,189</u>	<u>36,772,046</u>	<u>62,172,235</u>
Total assets	<u>27,567,940</u>	<u>39,167,309</u>	<u>66,735,249</u>
Deferred Outflows of Resources			
Pension related items	280,071	396,324	676,395
Deferred loss on refunding	609	219	828
Total deferred outflows of resources	<u>280,680</u>	<u>396,543</u>	<u>677,223</u>
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	151,130	278,527	429,657
Accrued payroll and related liabilities	7,470	7,440	14,910
Accrued interest	30,523	107,179	137,702
Deposits	7,400	-	7,400
Unearned revenue	97,103	-	97,103
Current portion of long-term liabilities	252,170	1,212,464	1,464,634
Total current liabilities	<u>545,796</u>	<u>1,605,610</u>	<u>2,151,406</u>
Noncurrent Liabilities:			
Noncurrent portion of long-term liabilities	<u>1,858,210</u>	<u>14,205,541</u>	<u>16,063,751</u>
Total liabilities	<u>2,404,006</u>	<u>15,811,151</u>	<u>18,215,157</u>
Deferred Inflows of Resources			
Pension related items	163,212	229,040	392,252
Deferred lease revenue	702,349	-	702,349
Total deferred inflows of resources	<u>865,561</u>	<u>229,040</u>	<u>1,094,601</u>
Net Position			
Net investment in capital assets	22,744,543	19,201,231	41,945,774
Restricted:			
Equipment replacement	-	2,132,408	2,132,408
Unrestricted	1,834,510	2,190,022	4,024,532
Total net position	<u>\$ 24,579,053</u>	<u>\$ 23,523,661</u>	<u>\$ 48,102,714</u>

See notes to financial statements

Village of GraftonStatement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2023

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Operating Revenues	\$ 2,058,515	\$ 4,050,761	\$ 6,109,276
Operating Expenses			
Operation and maintenance	1,043,155	1,394,014	2,437,169
Depreciation expense	661,828	1,096,494	1,758,322
Taxes	28,091	27,858	55,949
Total operating expenses	<u>1,733,074</u>	<u>2,518,366</u>	<u>4,251,440</u>
Operating income	<u>325,441</u>	<u>1,532,395</u>	<u>1,857,836</u>
Nonoperating Revenues (Expenses)			
Investment income	98,277	108,074	206,351
Interest on long-term debt	(43,411)	(306,912)	(350,323)
Amortization of loss on refunding	(7,302)	(2,632)	(9,934)
Amortization of debt premiums	6,520	24,014	30,534
Debt issuance costs	(33,690)	(64,396)	(98,086)
Gain (loss) on disposal	(2,924)	(154,023)	(156,947)
Total nonoperating revenues (expenses)	<u>17,470</u>	<u>(395,875)</u>	<u>(378,405)</u>
Income before capital contributions and transfers	<u>342,911</u>	<u>1,136,520</u>	<u>1,479,431</u>
Capital Contributions	1,305,655	925,396	2,231,051
Transfers In	55,693	55,693	111,386
Transfers Out	<u>(206,420)</u>	<u>(70,093)</u>	<u>(276,513)</u>
Change in net position	1,497,839	2,047,516	3,545,355
Net Position, Beginning	<u>23,081,214</u>	<u>21,476,145</u>	<u>44,557,359</u>
Net Position, Ending	<u>\$ 24,579,053</u>	<u>\$ 23,523,661</u>	<u>\$ 48,102,714</u>

See notes to financial statements

Village of GraftonStatement of Cash Flows - Proprietary Funds
Year Ended December 31, 2023

	Water Utility	Wastewater Utility	Total
Cash Flows From Operating Activities			
Received from customers	\$ 1,880,922	\$ 3,999,593	\$ 5,880,515
Received from municipality	216,300	-	216,300
Paid to suppliers	(611,594)	(1,044,026)	(1,655,620)
Paid to employees for services	(346,401)	(378,918)	(725,319)
Net cash flows from operating activities	<u>1,139,227</u>	<u>2,576,649</u>	<u>3,715,876</u>
Cash Flows From Noncapital Financing Activities			
Tax equivalent paid to municipality	(206,420)	(9,880)	(216,300)
Transfers to governmental funds	-	(4,520)	(4,520)
Transfer from governmental funds	55,693	-	55,693
Net cash flows from noncapital financing activities	<u>(150,727)</u>	<u>(14,400)</u>	<u>(165,127)</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,873,807)	(3,542,178)	(5,415,985)
Contributions received for construction	-	925,396	925,396
Proceeds from debt issued	1,404,696	3,029,723	4,434,419
Advances from other funds	-	356,274	356,274
Debt issuance costs	(33,690)	(64,396)	(98,086)
Principal payments on debt	(181,560)	(1,011,091)	(1,192,651)
Interest on debt	(14,242)	(243,469)	(257,711)
Net cash flow from capital and related financing activities	<u>(698,603)</u>	<u>(549,741)</u>	<u>(1,248,344)</u>
Cash Flows From Investing Activities			
Marketable securities sold	1,465,210	5,072,955	6,538,165
Marketable securities purchased	(1,465,210)	(5,072,955)	(6,538,165)
Investment income	98,277	108,074	206,351
Net cash flow from investing activities	<u>98,277</u>	<u>108,074</u>	<u>206,351</u>
Net change in cash and equivalents	388,174	2,120,582	2,508,756
Cash and Investments, Beginning	<u>1,339,721</u>	<u>2,255,012</u>	<u>3,594,733</u>
Cash and Investments, Ending	<u>\$ 1,727,895</u>	<u>\$ 4,375,594</u>	<u>\$ 6,103,489</u>

See notes to financial statements

Village of Grafton

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2023

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities:			
Operating income	\$ 325,441	\$ 1,532,395	\$ 1,857,836
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	661,828	1,096,494	1,758,322
Depreciation charged to other funds	39,089	(39,089)	-
Changes in assets, liabilities and deferred inflows and outflows related to operations:			
Customer receivables	(2,629)	(8,432)	(11,061)
Other receivables	43,334	(45,359)	(2,025)
Inventory	46,728	-	46,728
Prepaid expenses	10,166	6,201	16,367
Due from other funds	1,585	2,623	4,208
Accounts payable and accrued liabilities	16,315	42,398	58,713
Other current liabilities	127	(124)	3
Pension related deferrals and assets	42,053	(10,458)	31,595
Unearned lease revenue	(44,810)	-	(44,810)
	<u>\$ 1,139,227</u>	<u>\$ 2,576,649</u>	<u>\$ 3,715,876</u>
Net cash flow from operating activities			
	<u>\$ 1,139,227</u>	<u>\$ 2,576,649</u>	<u>\$ 3,715,876</u>
Reconciliation of Cash and Investments to the Statement of Net Position, Proprietary Funds			
Unrestricted cash and investments	\$ 1,602,007	\$ 1,408,646	\$ 3,010,653
Restricted cash and investments	125,888	2,966,948	3,092,836
	<u>\$ 1,727,895</u>	<u>\$ 4,375,594</u>	<u>\$ 6,103,489</u>
Noncash Investing, Capital and Related Financing Activities			
Amortization of loss on refunding	\$ (7,302)	\$ (2,632)	\$ (9,934)
Amortization of debt premiums	\$ 6,520	\$ 24,014	\$ 30,534
Construction related accounts payable	\$ 92,179	\$ 142,385	\$ 234,564
Financed purchase	\$ -	\$ 421,320	\$ 421,320
Contributed capital	\$ 1,305,655	\$ -	\$ 1,305,655

See notes to financial statements

Village of Grafton

Statement of Fiduciary Net Position - Custodial Fund

Tax Collection Fund

December 31, 2023

Assets

Cash and equivalents	\$ 11,112,251
Taxes receivable	<u>6,290,837</u>
Total assets	<u>17,403,088</u>

Liabilities

Due to other taxing units	<u>17,403,088</u>
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Net Position

Total net position	<u><u>\$ -</u></u>
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See notes to financial statements

Village of Grafton

Statement of Changes in Fiduciary Net Position - Custodial Fund

Tax Collection Fund

Year Ended December 31, 2023

Additions

Tax collections	<u>\$ 16,066,778</u>
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Deductions

Payments to overlaying districts	<u>16,066,778</u>
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Change in net position	-
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Net Position, Beginning	<u>-</u>
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Net Position, Ending	<u><u>\$ -</u></u>
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See notes to financial statements

Village of Grafton

Index to Notes to Financial Statements
December 31, 2023

	Page
1. Summary of Significant Accounting Policies	42
Reporting Entity	42
Government-Wide and Fund Financial Statements	43
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	45
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	46
Deposits and Investments	46
Receivables	48
Inventories and Prepaid Items	48
Restricted Assets	49
Capital Assets	49
Deferred Outflows of Resources	50
Compensated Absences	50
Long-Term Obligations/Conduit Debt	51
Leases	51
Deferred Inflows of Resources	51
Equity Classifications	51
Pension	53
Water and Wastewater Rates	53
2. Stewardship, Compliance and Accountability	53
Excess Expenditures and Other Financing Uses Over Budget	53
Deficit Balances	53
Limitations on the Village's Tax Levy	54
3. Detailed Notes on All Funds	55
Deposits and Investments	55
Receivables	58
Restricted Assets	58
Capital Assets	59
Interfund Receivables/Payables, Advances and Transfers	61
Long-Term Obligations	64
Lease Disclosures	68
Landfill Post-Closure Liability	69
Net Position/Fund Balances	70
4. Other Information	72
Employees' Retirement System	72
Risk Management	77
Commitments and Contingencies	77
Developer Incentives	78
Effect of New Accounting Standards on Current-Period Financial Statements	78
Joint Ventures	79
Agreements with the Town of Grafton	79

Village of Grafton

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Grafton, Wisconsin (the Village) 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).

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 three methods, discrete presentation, blended or fiduciary. 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.

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 2023 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.

Village of Grafton

Notes to Financial Statements
December 31, 2023

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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.

Village of Grafton

Notes to Financial Statements
December 31, 2023

The Village reports the following major governmental funds:

General Fund

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

Debt Service Fund is 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 Funds

Capital Projects Fund is 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 is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Enterprise Funds

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.

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are 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
American Rescue Plan Act Fund	Fire Department
Fire Department County ARPA Grant	K-9
Room Tax	

Debt Service Fund

Debt Service Fund is 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

Village of Grafton

Notes to Financial Statements
December 31, 2023

Capital Projects Funds

Capital Projects Funds are 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. 4
Equipment

Tax Incremental District No. 5
Fire and Rescue Equipment

Permanent Fund

Permanent Fund is 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:

Custodial Fund

Custodial Fund is used to account for and report assets controlled by the Village and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund

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 utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

Village of Grafton

Notes to Financial Statements
December 31, 2023

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 to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time 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.

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 and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.

Village of Grafton

Notes to Financial Statements
December 31, 2023

- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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 Director of Administrative Services for the Village the ability to deposit Village assets in Federal Deposit Insurance Corporation (FDIC) insured institutions up to the combined state and FDIC insured amount. It also allows deposits to exceed the combined state and FDIC insured amounts if the amount over the insured limit are (1) 100% collateralized with securities that are obligations of the U.S. Government or its agencies that are fully guaranteed by the U.S. Government or 2) collateralized with a similar state approved alternative. The policy addresses credit risk by requiring the securities have a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investor Service or similar nationally recognized rating agency or if that security is senior to or on a parity with, a security of the same issuer which has such a rating.

No policy exists for the following risks:

Interest rate risk

Concentration of credit risk

Investments highly sensitive to interest rate changes

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 methods and inputs as outlined in Note 3. 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, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Village of Grafton

Notes to Financial Statements
December 31, 2023

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 county government 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 fiduciary net position.

Property tax calendar - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Real Estate Taxes	
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	March 31, 2024
Third installment due	May 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale, 2023 delinquent real estate taxes	August 2024

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.

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.

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.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Village of Grafton

Notes to Financial Statements
December 31, 2023

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.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), 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 acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. 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	3-20 Years
Infrastructure	25-100 Years
Water utility system	4-77 Years
Wastewater utility system	4-77 Years

Lease assets are typically amortized over the lease term.

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.

Village of Grafton

Notes to Financial Statements
December 31, 2023

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets 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.

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 balances as of December 31, 2023 were \$525,023, \$23,227 and \$32,714 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 options. Employees were given the choice to transfer the balance into a medical leave bank which can only be used for FMLA related issues or conditions defined in the Emergency Family and Medical Leave Expansion Act 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 transfer unutilized paid time off into the medical leave bank. 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 do not have any liability related to this benefit. The balance in the governmental activities as of December 31, 2023 was \$60,297.

Village of Grafton

Notes to Financial Statements
December 31, 2023

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 \$4,789,532, made up of two issues.

Leases

The Village is a lessor because it leases capital assets to other entities. As a lessor, the Village reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The Village continues to report and depreciate the capital assets being leased as capital assets of the primary government.

The Village is a lessee because it leases capital assets from other entities. As a lessee, the Village reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the Village recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

Deferred Inflows of Resources

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

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/amortization 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.

Village of Grafton

Notes to Financial Statements
December 31, 2023

- 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.
- 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 Director of Administrative Services 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 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 \$2,872,148. That amount of unassigned fund balance in the general fund is approximately 27% of budgeted 2024 general fund expenditures.

Village of Grafton

Notes to Financial Statements
December 31, 2023

See Note 3 for further information.

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by the 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.

Water and Wastewater Rates

Water rates for the utility were approved by the Public Service Commission of Wisconsin on February 14, 2018. Wastewater rates effective September 20, 2020 were approved by the Village Board on September 20, 2020.

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special Revenue Fund - Room Tax	\$ 280,000	\$ 323,925	\$ 43,925
Special Revenue Fund - Revolving Loan	2,400	3,960	1,560
Special Revenue Fund - Recreation	83,869	94,617	10,748
Special Revenue Fund - Park and Recreational Facilities	1,000,000	1,863,970	863,970
Special Revenue Fund - Aquatics	220,138	220,501	363
Capital Projects Fund - TID #3	3,150	4,390	1,240

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.

Deficit Balances

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

As of December 31, 2023, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Debt Service Fund, Impact Fees	\$ 13,070	Expenditures exceeded revenues
Capital Projects Fund - TID # 3	521,348	Expenditures exceeded revenues
Special Revenue Fund - Park and Recreational Facilities	6,446	Expenditures exceeded revenues

Village of Grafton

Notes to Financial Statements
December 31, 2023

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

As of December 31, 2023, the Debt Service Impact Fee Fund had a deficit fund balance of \$13,070. The deficit fund balance is due to insufficient impact fee revenue to cover the debt service requirement being transferred. The Village believes that future impact fee revenue will generate enough to cover the current deficit. If necessary in the future, the Village will transfer other funds to make the fund whole.

As of December 31, 2023, the Tax Increment Financing District No. 3 had a deficit fund balance of \$521,348. The deficit fund balance is mainly due to insufficient increment being generated to fund the debt service requirements. Donations for TID No. 3 are being received from TID No. 5 when available. A cash flow analysis has been completed that indicates TID No. 3 will close with a positive fund balance.

As of December 31, 2023, the Park and Recreation Facilities Fund had a deficit fund balance of \$6,446. The deficit fund balance is due to project costs associated with the River Bend Park project. The Village believes that future impact fee revenue and donations will generate enough to cover the current deficit. If necessary in the future, the Village will transfer other funds to make the fund whole.

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 net new construction or 0%. 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
December 31, 2023

3. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 19,182,236	\$ 19,537,624	Custodial credit Credit, custodial credit - investments, interest rate, investment highly sensitive to interest rate changes, concentration of credit
U.S. Agencies	2,517,232	2,517,232	Credit, custodial credit - investments, interest rate, investment highly sensitive to interest rate changes, concentration of credit
Certificates of deposit, negotiable	3,133,488	3,133,488	Credit, custodial credit - investments, interest rate, investment highly sensitive to interest rate changes, concentration of credit
State and local bonds	863,054	863,054	Credit
LGIP	966	966	Custodial credit - investments, interest rate, investment highly sensitive to interest rate changes
U.S. Treasuries	971,278	971,277	
Petty cash	1,707	-	N/A
Total deposits and investments	<u>\$ 26,669,961</u>	<u>\$ 27,023,641</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 12,464,874		
Restricted cash and investments	3,092,836		
Per statement of net position, custodial fund:			
Tax Collection Fund	<u>11,112,251</u>		
Total deposits and investments	<u>\$ 26,669,961</u>		

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

Village of Grafton

Notes to Financial Statements
December 31, 2023

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.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Market value

Investment Type	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Certificates of deposit, negotiable	\$ -	\$ 3,133,488	\$ -	\$ 3,133,488
U.S. Agencies	-	2,517,232	-	2,517,232
State and local bonds	-	863,054	-	863,054
U.S. Treasuries	-	971,278	-	971,278
Total	<u>\$ -</u>	<u>\$ 7,485,052</u>	<u>\$ -</u>	<u>\$ 7,485,052</u>

Level 2 market values determined using a quotation service and are not derived from quoted prices each day.

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, 2023, \$865,553 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	865,553
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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, 2023, the Village's investments were exposed to custodial credit risk as follows:

U.S. Treasuries

Neither insured nor registered and held by counterparty	\$	971,278
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State and Local Bonds

Neither insured nor registered and held by counterparty	\$	863,054
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U.S. Agencies

Neither insured nor registered and held by counterparty	\$	2,517,232
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Village of Grafton

Notes to Financial Statements
December 31, 2023

Credit Risk

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

The Village held investments in U.S. Agencies which was rated by Moody's/Standard & Poor's at Aaa/AA+.

The Village held investments in State and Local bonds which are rated by Moody's/Standard & Poor's ranging from A1 to Aa2 and AA to AA- respectively.

The Village also held investments in the following external pools which are not rated:

LGIP

Concentration of Credit Risk

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

At December 31, 2023, the Village's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Loan Banks	U.S. Agency	24.89 %

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, 2023, the Village's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
U.S. Agencies	\$ 2,517,232	\$ 782,405	\$ 1,734,827
U.S. Treasuries	971,278	971,278	-
Certificate of deposits, negotiable	3,133,488	1,507,963	1,625,525
State and local bonds	863,054	701,139	161,915
Total	<u>\$ 7,485,052</u>	<u>\$ 3,962,785</u>	<u>\$ 3,522,267</u>

Investments Highly Sensitive to Interest Rate Changes

At December 31, 2023, the Village held \$3,133,488 and \$971,278 in certificate of deposits, negotiable and U.S. Treasuries, respectively. With all fixed income securities, as interest rates rise, the values will fall. The longer the time to maturity, the more sensitive the value will be to a change in interest rates. The longest time to maturity on any holdings is five years maturing November 30, 2026. The market value of this investment at December 31, 2023, was \$249,451.

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

Village of Grafton

Notes to Financial Statements
December 31, 2023

Receivables

All of the receivables on the balance sheet are expected to be collected within one year.

Revenues of the Village are reported net of the allowance for uncollectible accounts. Total allowance for uncollectible accounts is as follows:

Allowance for uncollectibles related to ambulance receivables	\$	35,993
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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	\$ 11,872,966	\$ -
Grants received prior to meeting all eligibility requirements	680,316	-
Grant revenue not received	-	3,179
Lease revenue receivable for subsequent years	533,913	-
Recycling fees	<u>146,197</u>	<u>-</u>
 Total unearned/unavailable revenue for governmental funds	 <u>\$ 13,233,392</u>	 <u>\$ 3,179</u>
 Unearned revenue included in liabilities	 \$ 680,316	
Unearned revenue included in deferred inflows	<u>12,553,076</u>	
 Total unearned revenue for governmental funds	 <u>\$ 13,233,392</u>	

At the end of the current fiscal year, the various components of unearned revenue in the proprietary funds were lease revenue received prior to service date in the amount of \$97,103 shown as a liability and lease revenue receivable in subsequent years in the amount of \$702,349 shown as a deferred inflow of resources.

Restricted Assets

The following represent the balances of the restricted assets:

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.

Construction Account

Used to report resources set aside to fund future capital projects.

Following is a list of restricted assets at December 31, 2023:

Construction account	\$ 960,428
Equipment replacement account	<u>2,132,408</u>
 Total	 <u>\$ 3,092,836</u>

Village of Grafton

Notes to Financial Statements
December 31, 2023

Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 17,415,907	\$ -	\$ -	\$ 17,415,907
Intangible assets, easements	448,343	-	-	448,343
Construction in progress	114,739	86,174	84,223	116,690
Total capital assets not being depreciated	<u>17,978,989</u>	<u>86,174</u>	<u>84,223</u>	<u>17,980,940</u>
Capital assets being depreciated:				
Buildings and improvements	24,089,925	1,971,733	-	26,061,658
Equipment and vehicles	9,850,622	421,235	519,579	9,752,278
Infrastructure	43,949,708	4,010,692	372,103	47,588,297
Total capital assets being depreciated	<u>77,890,255</u>	<u>6,403,660</u>	<u>891,682</u>	<u>83,402,233</u>
Total capital assets	<u>95,869,244</u>	<u>6,489,834</u>	<u>975,905</u>	<u>101,383,173</u>
Less accumulated depreciation for:				
Buildings and improvements	(11,044,792)	(580,212)	-	(11,625,004)
Equipment and vehicles	(5,771,224)	(603,153)	488,835	(5,885,542)
Infrastructure	(15,868,863)	(985,924)	183,992	(16,670,795)
Total accumulated depreciation	<u>(32,684,879)</u>	<u>(2,169,289)</u>	<u>672,827</u>	<u>(34,181,341)</u>
Net capital assets being depreciated	<u>45,205,376</u>	<u>4,234,371</u>	<u>218,855</u>	<u>49,220,892</u>
Total governmental activities capital assets, excluding lease assets	<u>\$ 63,184,365</u>	<u>\$ 4,320,545</u>	<u>\$ 303,078</u>	<u>\$ 67,201,832</u>
Lease assets, net (Note 3)				<u>\$ 160,621</u>
Total governmental activities capital assets, net as reported in the statement of net position				<u>\$ 67,362,453</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 52,288
Public Safety	390,889
Public Works	1,459,148
Community Enrichment Services	263,064
Conservation and Development	3,900
Total governmental activities depreciation expense	<u>\$ 2,169,289</u>

Village of Grafton

Notes to Financial Statements
December 31, 2023

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated / amortized:				
Land	\$ 42,533	\$ -	\$ -	\$ 42,533
Intangible assets, easements	101,168	-	-	101,168
Construction in progress	<u>354,222</u>	<u>1,285,839</u>	<u>1,631,848</u>	<u>8,213</u>
Total capital assets not being depreciated / amortized	<u>497,923</u>	<u>1,285,839</u>	<u>1,631,848</u>	<u>151,914</u>
Capital assets being depreciated:				
Property and equipment	<u>31,294,404</u>	<u>3,428,146</u>	<u>36,755</u>	<u>34,685,795</u>
Total capital assets being depreciated	<u>31,294,404</u>	<u>3,428,146</u>	<u>36,755</u>	<u>34,685,795</u>
Total capital assets	<u>31,792,327</u>	<u>4,713,985</u>	<u>1,668,603</u>	<u>34,837,709</u>
Less accumulated depreciation for:				
Property and equipment	<u>(9,460,940)</u>	<u>(700,917)</u>	<u>33,831</u>	<u>(10,128,026)</u>
Total accumulated depreciation	<u>(9,460,940)</u>	<u>(700,917)</u>	<u>33,831</u>	<u>(10,128,026)</u>
Net capital assets being depreciated	<u>21,833,464</u>	<u>2,727,229</u>	<u>2,924</u>	<u>24,557,769</u>
Net water capital assets	<u>\$ 22,331,387</u>	<u>\$ 4,013,068</u>	<u>\$ 1,634,772</u>	<u>\$ 24,709,683</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Wastewater				
Capital assets not being depreciated / amortized:				
Land	\$ 405,939	\$ -	\$ -	\$ 405,939
Intangible assets, easements	50,951	-	-	50,951
Construction in progress	<u>940,225</u>	<u>1,796,734</u>	<u>1,608,559</u>	<u>1,128,400</u>
Total capital assets not being depreciated / amortized	<u>1,397,115</u>	<u>1,796,734</u>	<u>1,608,559</u>	<u>1,585,290</u>
Capital assets being depreciated:				
Property and equipment	<u>44,841,225</u>	<u>3,206,359</u>	<u>481,305</u>	<u>47,566,279</u>
Total capital assets being depreciated	<u>44,841,225</u>	<u>3,206,359</u>	<u>481,305</u>	<u>47,566,279</u>
Total capital assets	<u>46,238,340</u>	<u>5,003,093</u>	<u>2,089,864</u>	<u>49,151,569</u>
Less accumulated depreciation for:				
Property and equipment	<u>(14,516,743)</u>	<u>(1,057,405)</u>	<u>227,677</u>	<u>(15,346,471)</u>
Total accumulated depreciation	<u>(14,516,743)</u>	<u>(1,057,405)</u>	<u>227,677</u>	<u>(15,346,471)</u>
Net capital assets being depreciated	<u>30,324,482</u>	<u>2,148,954</u>	<u>253,628</u>	<u>32,219,808</u>
Net wastewater capital assets	<u>\$ 31,721,597</u>	<u>\$ 3,945,688</u>	<u>\$ 1,862,187</u>	<u>\$ 33,805,098</u>
Business-type activities capital assets, net of accumulated depreciation	<u>\$ 54,052,984</u>	<u>\$ 7,958,756</u>	<u>\$ 3,496,959</u>	<u>\$ 58,514,781</u>

Village of Grafton

Notes to Financial Statements
December 31, 2023

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 661,828
Wastewater	<u>1,096,494</u>
Total business-type activities depreciation expense	<u>\$ 1,758,322</u>

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

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds, Park and Recreation Facilities	\$ <u>3,401</u>
Total, fund financial statements		3,401
Less fund eliminations		<u>(3,401)</u>
Total internal balances, government-wide statement of net position		<u>\$ -</u>

All amounts are due within one year.

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

Advances

The Capital Projects Fund is advancing funds to other funds. The amount advanced is 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 fees from developments.

Village of Grafton

Notes to Financial Statements
December 31, 2023

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
	Debt Service Fund, Impact Fees	\$ 654,264	\$ 654,264
Capital Projects Fund			
Capital Projects Fund	Capital Project Fund, TID No. 3	<u>1,181,914</u>	1,181,914
	Total, fund financial statements	1,836,178	
	Less fund eliminations	<u>(1,836,178)</u>	
	Total, interfund advances, government-wide statement of net position	<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
December 31, 2023

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Permanent Fund, Cemetery Perpetual Care	\$ 7,974	Transfer of investment income
General Fund	Wastewater Utility	60,213	Administrative charges
General Fund	Special Revenue Fund, K-9	39,772	Combine funds
Debt Service Fund	Special Revenue Fund, Room Tax	150,000	Debt service requirements
Debt Service Fund	Debt Service Fund, Impact Fee	210,009	Debt service requirements
Debt Service Fund	Capital Project Fund, TID No. 3	2,043,630	Debt service requirements
Debt Service Fund	Capital Project Fund, TID No. 4	807,781	Debt service requirements
Debt Service Fund	Capital Projects Fund	156,550	Debt service requirements
Capital Project Fund, TID No. 3	Capital Project Fund, TID No. 5	953,024	Donation from TID No. 5
Special Revenue Fund, Recreation	General Fund	24,042	Support of fund
Special Revenue Fund, Aquatics	General Fund	73,217	Support of fund
Water Utility	Special Revenue Fund, American Rescue Plan Act	55,693	Finance infrastructure assets purchases
Wastewater Utility	Special Revenue Fund, American Rescue Plan Act	55,693	Finance infrastructure assets purchases
General Fund	Water Utility	206,420	Property tax equivalent
General Fund	Wastewater Utility	9,880	Property tax equivalent
Total, fund financial statements		4,853,898	
Less fund eliminations		(4,465,999)	
Less government-wide eliminations		<u>(222,772)</u>	
Total transfers, government-wide statement of activities		<u>\$ 165,127</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 276,513	
Business-type activities	Governmental activities	<u>(111,386)</u>	
Total government-wide financial statements		<u>\$ 165,127</u>	

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

Village of Grafton

Notes to Financial Statements
December 31, 2023

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 16,249,848	\$ 1,080,000	\$ 3,253,136	\$ 14,076,712	\$ 3,326,712
General obligation notes from direct borrowings and direct placements	340,000	-	-	340,000	-
Unamortized discount	(2,523)	-	(628)	(1,895)	-
Unamortized premium	146,737	89,293	48,891	187,139	-
Total bonds and notes payable	<u>16,734,062</u>	<u>1,169,293</u>	<u>3,301,399</u>	<u>14,601,956</u>	<u>3,326,712</u>
Other liabilities:					
Landfill post-closure liability	449,485	-	-	449,485	50,000
Vested compensated absences	563,442	135,346	113,468	585,320	179,031
Financed purchase	226,554	-	54,183	172,371	55,788
Net pension liability	-	2,116,541	-	2,116,541	-
Total other liabilities	<u>1,239,481</u>	<u>2,251,887</u>	<u>167,651</u>	<u>3,323,717</u>	<u>284,819</u>
Total governmental activities long-term liabilities, excluding lease liabilities	<u>\$ 17,973,543</u>	<u>\$ 3,421,180</u>	<u>\$ 3,469,050</u>	<u>\$ 17,925,673</u>	<u>\$ 3,611,531</u>
Lease liabilities (Note 3)				<u>\$ 157,183</u>	<u>\$ 66,705</u>
Total governmental activities long-term liabilities				<u>\$ 18,082,856</u>	<u>\$ 3,678,236</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 4,740,191	\$ 3,945,000	\$ 691,865	\$ 7,993,326	\$ 873,326
General obligation notes from direct borrowings and direct placements	389,741	-	92,130	297,611	95,555
Revenue bonds from direct borrowings and direct placements	8,566,700	344,315	408,656	8,502,359	433,400
Unamortized premium	31,599	145,104	30,534	146,169	-
Total bonds and notes payable	<u>13,728,231</u>	<u>4,434,419</u>	<u>1,223,185</u>	<u>16,939,465</u>	<u>1,402,281</u>
Other liabilities:					
Vested compensated absences	46,530	13,662	4,251	55,941	18,648
Financed purchase	-	421,320	65,046	356,274	43,705
Net pension liability	-	176,705	-	176,705	-
Total other liabilities	<u>46,530</u>	<u>611,687</u>	<u>69,297</u>	<u>588,920</u>	<u>62,353</u>
Total business-type activities long-term liabilities	<u>\$ 13,774,761</u>	<u>\$ 5,046,106</u>	<u>\$ 1,292,482</u>	<u>\$ 17,528,385</u>	<u>\$ 1,464,634</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2023, was \$100,694,665. Total general obligation debt outstanding at year-end was \$22,707,649.

Village of Grafton

Notes to Financial Statements
December 31, 2023

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. Debt in the governmental funds will be retired by resources derived from various sources, including property tax levies, special assessments, impact fees and tax increments.

<u>Governmental Activities</u>					Balance
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2023</u>
GO Bond	05/17/2012	06/01/2024	2.39%	\$ 2,055,000	\$ 215,000
GO Bond	06/20/2013	06/01/2026	1.80	7,671,701	1,196,712
GO Bond	08/04/2015	06/01/2026	2.83	3,510,000	1,775,000
GO Bond	08/04/2015	06/01/2027	2.42	9,375,000	4,880,000
GO Bond	06/08/2016	06/01/2026	2.18	1,130,000	730,000
GO Promissory Note, direct	12/28/2017	06/01/2025	2.75	340,000	340,000
GO Bond	07/12/2018	06/01/2026	3.00	1,210,000	560,000
GO Refunding Bond	08/22/2019	06/01/2028	2.00	4,090,000	3,640,000
GO Bond	06/22/2023	06/01/2033	4.18	1,080,000	1,080,000
Total governmental activities, general obligation debt					<u>\$ 14,416,712</u>

<u>Business-Type Activities</u>					Balance
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2023</u>
GO Bond	06/20/2013	06/01/2026	1.80%	\$ 1,563,299	\$ 363,326
State Trust Fund Loan, direct	10/01/2013	03/15/2026	3.75	1,000,000	297,611
GO Bond	08/04/2015	06/01/2027	2.42	240,000	60,000
GO Bond	06/08/2016	06/01/2035	2.18	2,910,000	1,955,000
GO Promissory Note	09/14/2017	06/01/2027	2.00	2,240,000	885,000
GO Promissory Note	08/22/2019	06/01/2029	2.00	1,270,000	785,000
GO Bond	06/22/2023	06/01/2043	4.18	3,945,000	3,945,000
Total business-type activities, general obligation debt					<u>\$ 8,290,937</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,326,712	\$ 346,649	\$ 873,326	\$ 320,079
2025	2,985,000	247,189	780,000	223,600
2026	4,000,000	158,486	765,000	203,763
2027	1,995,000	81,096	575,000	186,012
2028	1,145,000	42,145	435,000	171,638
2029-2033	625,000	70,000	1,840,000	666,506
2034-2038	-	-	1,430,000	378,087
2039-2043	-	-	1,295,000	133,900
Total	<u>\$ 14,076,712</u>	<u>\$ 945,565</u>	<u>\$ 7,993,326</u>	<u>\$ 2,283,585</u>

Village of Grafton

Notes to Financial Statements
December 31, 2023

<u>Years</u>	Governmental Activities		Business-Type Activities	
	Notes from Direct Borrowings and Direct Placements		General Obligation Notes From Direct Borrowings And Direct Placements	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ -	\$ 9,333	\$ 95,555	\$ 11,191
2025	340,000	4,641	99,168	7,577
2026	-	-	102,888	3,859
Total	<u>\$ 340,000</u>	<u>\$ 13,974</u>	<u>\$ 297,611</u>	<u>\$ 22,627</u>

Revenue Debt

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

The wastewater utility has pledged future wastewater revenues, net of specified operating expenses, to repay revenue bonds issued in prior years. Proceeds from the bonds provided financing for the wastewater treatment facility. The bonds are payable solely from wastewater utility revenues and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 21.98% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,836,879. Principal and interest paid for the current year and total customer net revenues were \$558,140 and \$2,736,963, respectively.

Revenue debt payable at December 31, 2023, 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, 2023</u>
<u>Wastewater Utility</u>					
Clean Water Fund Program Loan, direct	05/13/2020	05/01/2040	1.76%	\$ 9,496,020	<u>\$ 8,502,359</u>
Total business-type activities, revenue debt					<u>\$ 8,502,359</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 433,400	\$ 145,827
2025	441,027	138,133
2026	448,790	130,302
2027	456,688	122,334
2028	464,726	114,226
2029-2033	2,449,235	444,418
2034-2038	2,672,489	219,199
2039-2040	1,136,004	20,081
Total	<u>\$ 8,502,359</u>	<u>\$ 1,334,520</u>

Village of Grafton

Notes to Financial Statements
December 31, 2023

Financed Purchases

The Village purchased a vehicle under a financed purchase arrangement.

Financed purchases at December 31, 2023 consist of the following:

Governmental Activities					Balance
Financed Purchases	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2023
Street Sweeper	12/15/2021	7/15/2026	2.96%	\$ 282,520	\$ 172,371
Total governmental activities financed purchases					\$ 172,371

Business-Type Activities					Balance
Financed Purchases	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2023
2023 Freightliner - Sewer cleaner	5/15/2023	5/15/2028	5.99	\$ 421,320	\$ 356,274
Total business-type activities financed purchases					\$ 356,274

Debt service requirements to maturity are as follows:

Years	Governmental Activities Financed Purchases		Business-Type Activities Financed Purchases	
	Principal	Interest	Principal	Interest
2024	\$ 55,788	\$ 5,108	\$ 43,705	\$ 21,341
2025	57,441	3,455	46,323	18,723
2026	59,142	1,753	49,098	15,948
2027	-	-	52,038	13,007
2028	-	-	165,110	9,890
Total	\$ 172,371	\$ 10,316	\$ 356,274	\$ 78,909

Other Debt Information

Estimated payments of compensated absences, net pension liability and landfill post-closure liability are not included in the debt service requirement schedules. The compensated absences, net pension liability and landfill post-closure liability attributable to governmental activities will be liquidated primarily by the general fund.

Village of Grafton

Notes to Financial Statements
December 31, 2023

Lease Disclosures

Lessee - Lease Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Lease assets being amortized:				
Vehicles	\$ 231,215	\$ 48,625	\$ -	\$ 279,840
Total lease assets being amortized	<u>231,215</u>	<u>48,625</u>	<u>-</u>	<u>279,840</u>
Less accumulated amortization for lease assets:				
Vehicles	(56,820)	(62,399)	-	(119,219)
Total accumulated amortization	<u>(56,820)</u>	<u>62,399</u>	<u>-</u>	<u>(119,219)</u>
Total governmental activities lease assets, net of accumulated amortization	<u>\$ 174,395</u>	<u>\$ (13,774)</u>	<u>\$ -</u>	<u>\$ 160,621</u>

Lessee - Lease Liabilities

Governmental Activities

<u>Lease Liabilities Description</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
2021 Chevrolet Silverado	07/01/2021	07/01/2024	2.75%	\$ 20,173	\$ 3,500
2021 Chevrolet Tahoe	11/01/2021	11/01/2025	3.02	40,275	19,113
2021 Chevrolet Tahoe	11/01/2021	11/01/2025	3.02	40,912	19,415
2021 Chevrolet Tahoe	12/01/2021	12/01/2025	3.13	40,161	19,923
2021 Chevrolet Tahoe	02/01/2022	02/01/2026	3.73	48,327	26,163
2022 Chevrolet Silverado	07/01/2022	07/01/2027	5.18	41,367	30,258
2023 Chevrolet Tahoe	03/01/2023	03/01/2027	1.93	48,625	<u>38,811</u>
Total governmental activities lease liabilities					<u>\$ 157,183</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 66,705	\$ 5,499
2025	61,012	3,081
2026	22,590	1,048
2027	<u>6,876</u>	<u>133</u>
Total	<u>\$ 157,183</u>	<u>\$ 9,761</u>

Village of Grafton

Notes to Financial Statements
December 31, 2023

Lessor – Lease Receivables

<u>Governmental Activities</u> <u>Lease Receivables Description</u>	<u>Date of</u> <u>Inception</u>	<u>Final</u> <u>Maturity</u>	<u>Interest Rates</u>	<u>Receivable</u> <u>Balance</u> <u>December 31,</u> <u>2023</u>
Verizon, cell tower	06/10/1997	06/10/2047	2.01%	\$ 533,913
Total governmental activities				<u>\$ 533,913</u>
<u>Business-Type Activities</u> <u>Lease Receivables Description</u>	<u>Date of</u> <u>Inception</u>	<u>Final</u> <u>Maturity</u>	<u>Interest Rates</u>	<u>Receivable</u> <u>Balance</u> <u>December 31,</u> <u>2023</u>
Nextel/T-Mobile/Sprint, cell tower	10/17/1997	10/17/2027	1.46%	\$ 152,671
T-Mobile/Charter, cell tower	03/14/2007	03/14/2032	1.63	397,721
U.S. Cellular, cell tower	12/02/2002	12/02/2027	1.46	<u>151,957</u>
Total business-type activities				<u>\$ 702,349</u>

The Village recognized \$5,575 and \$131,802 of lease revenue in the governmental activities and business-type activities, respectively, during the fiscal year.

The Village recognized \$15,292 and \$13,805 of interest revenue in the governmental activities and business-type activities, respectively, during the fiscal year.

Landfill Post-Closure Liability

In 1997, the Village was contacted by the Town of Grafton (Town) 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 oversizing 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 \$449,485 for the next ten 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.

Village of Grafton

Notes to Financial Statements
December 31, 2023

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2023, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 17,415,907
Construction in progress	116,690
Intangible assets	448,343
Other capital assets, net of accumulated depreciation/amortization	49,381,513
Less long-term debt outstanding	(14,746,266)
Plus net unamortized debt premium, discount and refunding loss	<u>108,295</u>

Total net investment in capital assets \$ 52,724,482

Village of Grafton

Notes to Financial Statements
December 31, 2023

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2023, include the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Capital Projects - TID No. 3</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund Balances						
Nonspendable:						
Prepaid items	\$ 93,963	\$ -	\$ -	\$ -	\$ 98,433	\$ 192,396
Noncurrent receivable	1,713	-	1,836,178	-	-	1,837,891
Subtotal	<u>95,676</u>	<u>-</u>	<u>1,836,178</u>	<u>-</u>	<u>98,433</u>	<u>2,030,287</u>
Restricted for:						
Debt service	-	177,882	-	-	-	177,882
Revolving loans	-	-	-	-	522,092	522,092
Cemetery perpetual care	-	-	-	-	118,915	118,915
Fire and rescue equipment	-	-	-	-	1,169,142	1,169,142
American rescue plan	-	-	-	-	50,342	50,342
Tax incremental financing	-	-	-	-	329,247	329,247
Subtotal	<u>-</u>	<u>177,882</u>	<u>-</u>	<u>-</u>	<u>2,189,738</u>	<u>2,367,620</u>
Committed to:						
Park and open space	-	-	-	-	71,910	71,910
Woodlawn cemetery capital	-	-	-	-	35,059	35,059
Library	-	-	-	-	50,789	50,789
Fire department	-	-	-	-	376,229	376,229
Room tax	-	-	-	-	42,466	42,466
Environmental	-	-	-	-	301,551	301,551
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>878,004</u>	<u>878,004</u>
Assigned to:						
Subsequent year's budget	495,182	-	-	-	-	495,182
Capital improvements	-	-	8,753	-	191,733	200,486
Subtotal	<u>495,182</u>	<u>-</u>	<u>8,753</u>	<u>-</u>	<u>191,733</u>	<u>695,668</u>
Unassigned (Deficit):	<u>2,872,148</u>	<u>-</u>	<u>-</u>	<u>(521,348)</u>	<u>(20,275)</u>	<u>2,330,525</u>
Total fund balances (deficit)	<u>\$ 3,463,006</u>	<u>\$ 177,882</u>	<u>\$ 1,844,931</u>	<u>\$ (521,348)</u>	<u>\$ 3,337,633</u>	<u>\$ 8,302,104</u>

Village of Grafton

Notes to Financial Statements
December 31, 2023

Business-Type Activities

Net investment in capital assets:	
Land	\$ 448,472
Construction in progress	1,136,613
Intangible assets	152,119
Other capital assets, net of accumulated depreciation	56,777,577
Less long-term debt outstanding	(16,793,255)
Plus unspent capital related debt proceeds	960,428
Plus unamortized refunding loss	828
Less unamortized debt premium	(146,170)
Less capital related accounts payable	(234,564)
Less financed purchase	<u>(356,274)</u>
Total net investment in capital assets	<u>\$ 41,945,774</u>

4. Other Information

Employees' Retirement System

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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR) and stand alone Wisconsin Retirement System Financial Report which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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 executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Village of Grafton

Notes to Financial Statements
December 31, 2023

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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. 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 \$525,362 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50	12.00

Village of Grafton

Notes to Financial Statements
December 31, 2023

Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Village reported a liability of \$2,293,246 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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 liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.04328756%, which was an increase of 0.00133516% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense (revenue) of \$1,080,376.

At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 3,652,431	\$ 4,798,474
Changes in assumptions	450,947	-
Net differences between projected and actual earnings on pension plan investments	3,895,696	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,874	25,162
Employer contributions subsequent to the measurement date	<u>601,826</u>	<u>-</u>
Total	<u>\$ 8,605,774</u>	<u>\$ 4,823,636</u>

Deferred outflows of \$601,826 were reported 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ 127,488
2025	657,511
2026	673,105
2027	1,722,208

Village of Grafton

Notes to Financial Statements
December 31, 2023

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*:	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% 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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Village of Grafton

Notes to Financial Statements
December 31, 2023

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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns* as of December 31, 2022			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

* *Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations*

** *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.5%*

*** *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.*

Village of Grafton

Notes to Financial Statements
December 31, 2023

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's *20-year Municipal GO AA Index* as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 7,611,211	\$ 2,293,246	\$ (1,365,056)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2023, the Village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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.

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.

Village of Grafton

Notes to Financial Statements
December 31, 2023

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

The Village has active construction projects as of December 31, 2023. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Other Commitments

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 2023 were \$315,939. The fund balance as of December 31, 2023 is a deficit of \$6,446.

The Village also collects impact fees for the retirement of debt incurred to construct and improve the police facility and the public works facility. These fees are collected and recorded as revenue in the impact fee debt service fund. The cash collections are held in an interest bearing account. Total collections for 2023 were \$191,564. The fund has a deficit balance as of December 31, 2023 of \$13,070. 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.

Developer Incentives

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

In 2015, the Village provided a developer incentive as part of TID No. 4. The incentive was extended because of an increase in developer costs caused by the existence and preservation of a village owned well within the property and site grading issues. The developer committed to develop a project with \$22 million of taxable value. In return the Village pays to the developer annual payments which are equal to 90% of the tax increment from the property over and above those taxes generated from the property which are needed to retire existing outstanding debt of the TID. The incentive agreement limits total payments to the developer to a maximum of \$815,908. As of December 31, 2023 \$539,229 in payments have been paid to the developer under this agreement. During the year ended December 31, 2023, the Village paid \$12,530 to the developer under this agreement.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may require portions of these financial statements to be restated.

Village of Grafton

Notes to Financial Statements
December 31, 2023

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	3.58 %
Village of Thiensville	2.10
City of West Bend	17.69
Village of Germantown	9.95
City of Hartford	10.96
Village of Kewaskum	3.25
Village of Slinger	10.28
Village of Jackson	8.26
City of Port Washington	7.16
Village of Saukville	4.90
City of Cedarburg	3.21
City of Mequon	15.44
Village of Fredonia	0.52
Village of Newburg	0.81
Town of Trenton	0.87
Town of Hartford	0.52
Town of Polk	0.25
Town of West Benk	<u>0.25</u>
Total	<u><u>100.00 %</u></u>

The Village received \$29,343 in court revenues from the Mid-Moraine Municipal Court during 2023.

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 Village retains ownership of the Library 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

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 5,947,503	\$ 5,947,503	\$ 5,947,504	\$ 1
Payments in lieu of taxes	184,758	184,758	212,141	27,383
Other taxes	14,500	14,500	13,965	(535)
Intergovernmental	1,310,889	1,310,889	1,375,571	64,682
Licenses and permits	656,110	656,110	621,583	(34,527)
Fines and forfeitures	60,000	60,000	42,517	(17,483)
Public charges for services	510,059	510,059	515,200	5,141
Intergovernmental charges for services	141,637	141,637	352,911	211,274
Donations	1,350	1,350	255	(1,095)
Investment income	75,000	75,000	456,922	381,922
Miscellaneous	98,209	98,209	100,361	2,152
Total revenues	9,000,015	9,000,015	9,638,930	638,915
Expenditures				
General government	1,239,856	1,191,595	1,153,027	38,568
Public safety	4,121,068	4,142,258	4,125,600	16,658
Public works	3,382,354	3,393,904	3,340,536	53,368
Community enrichment services	658,878	667,642	622,934	44,708
Conservation and development	199,515	206,272	192,084	14,188
Total expenditures	9,601,671	9,601,671	9,434,181	167,490
Excess (deficit) of revenues over (under) expenditures	(601,656)	(601,656)	204,749	806,405
Other Financing Sources (Uses)				
Transfers in	277,013	277,013	324,259	47,246
Transfers out	(132,182)	(132,182)	(97,259)	34,923
Total other financing sources (uses)	144,831	144,831	227,000	82,169
Net change in fund balance	\$ (456,825)	\$ (456,825)	431,749	\$ 888,574
Fund Balance, Beginning			3,031,257	
Fund Balance, Ending			\$ 3,463,006	

See notes to required supplementary information

Village of Grafton

Schedule of Proportionate Share of the Net Pension Liability/(Asset) -
Wisconsin Retirement System
Year Ended December 31, 2023

WRS Fiscal Year End Date	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.03963880 %	\$ (973,370)	\$ 4,703,438	20.69 %	102.74 %
12/31/15	0.03917829 %	636,640	4,816,116	13.22 %	98.20 %
12/31/16	0.03940488 %	324,790	4,956,752	6.55 %	99.12 %
12/31/17	0.04014264 %	(1,191,882)	5,037,705	23.66 %	102.93 %
12/31/18	0.04100545 %	1,458,845	5,186,729	28.13 %	96.45 %
12/31/19	0.04110988 %	(1,325,570)	5,193,145	25.53 %	102.96 %
12/31/20	0.04155335 %	(2,594,233)	5,501,940	47.15 %	105.26 %
12/31/21	0.04195239 %	(3,381,439)	5,610,606	60.27 %	106.02 %
12/31/22	0.04328756 %	2,293,246	5,900,290	38.87 %	95.72 %

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2023

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 379,514	\$ 379,514	\$ -	\$ 4,816,116	7.88 %
12/31/16	387,053	387,053	-	4,956,752	7.81 %
12/31/17	420,535	420,535	-	5,037,705	8.35 %
12/31/18	434,920	434,920	-	5,186,729	8.34 %
12/31/19	431,504	431,504	-	5,193,145	8.31 %
12/31/20	480,959	480,959	-	5,501,940	8.74 %
12/31/21	498,489	498,489	-	5,609,021	8.89 %
12/31/22	523,089	523,089	-	5,900,200	8.87 %
12/31/23	601,826	601,826	-	6,270,810	9.60 %

See notes to required supplementary information

Village of Grafton

Notes to Required Supplementary Information
Year Ended December 31, 2023

1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The Village of Grafton (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.

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 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

Village of Grafton

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds									
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics	American Rescue Plan Act	Fire Department
Assets										
Cash and investments	\$ 71,910	\$ 510,672	\$ 35,059	\$ -	\$ 311	\$ 89,173	\$ 301,551	\$ 1,111	\$ 584,912	\$ 320,767
Receivables:										
Taxes	50,000	-	-	-	-	670,253	-	-	-	687,292
Accounts	-	-	-	-	-	-	-	-	-	157,516
Loans	-	11,420	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	726	11,502	-	33	-	7,923
Total assets	\$ 121,910	\$ 522,092	\$ 35,059	\$ -	\$ 1,037	\$ 770,928	\$ 301,551	\$ 1,144	\$ 584,912	\$ 1,173,498
Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)										
Liabilities										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 3,045	\$ 1,037	\$ 38,384	\$ -	\$ 1,144	\$ -	\$ 82,992
Due to other governments	-	-	-	-	-	-	-	-	-	19,062
Due to other funds	-	-	-	3,401	-	-	-	-	-	-
Advances from other governmental funds	-	-	-	-	-	-	-	-	-	-
Unearned grant revenue	-	-	-	-	-	-	-	-	534,570	-
Total liabilities	-	-	-	6,446	1,037	38,384	-	1,144	534,570	102,054
Deferred Inflows of Resources										
Unearned revenue	50,000	-	-	-	-	670,253	-	-	-	687,292
Fund Balances (Deficits)										
Nonspendable	-	-	-	-	726	11,502	-	33	-	7,923
Restricted	-	522,092	-	-	-	-	-	-	50,342	-
Committed	71,910	-	35,059	-	-	50,789	301,551	-	-	376,229
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(6,446)	(726)	-	-	(33)	-	-
Total fund balances (deficits)	71,910	522,092	35,059	(6,446)	-	62,291	301,551	-	50,342	384,152
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 121,910	\$ 522,092	\$ 35,059	\$ -	\$ 1,037	\$ 770,928	\$ 301,551	\$ 1,144	\$ 584,912	\$ 1,173,498

Special Revenue Funds			Debt Service Fund	Capital Projects Funds				Permanent Fund	Total Nonmajor Funds
Fire Department	K-9	Room Tax	Impact Fees	TID No. 4	TID No. 5	Equipment	Fire and Rescue Equipment	Cemetery Perpetual Care	
\$ 145,746	\$ -	\$ 11,668	\$ 641,194	\$ 329,247	\$ -	\$ 141,233	\$ 1,169,142	\$ 118,915	\$ 4,472,611
-	-	-	-	1,010,369	900,089	585,000	156,092	-	4,059,095
-	-	102,662	-	-	-	50,500	-	-	310,678
-	-	-	-	-	-	-	-	-	11,420
-	-	-	-	-	-	6,250	71,999	-	98,433
<u>\$ 145,746</u>	<u>\$ -</u>	<u>\$ 114,330</u>	<u>\$ 641,194</u>	<u>\$ 1,339,616</u>	<u>\$ 900,089</u>	<u>\$ 782,983</u>	<u>\$ 1,397,233</u>	<u>\$ 118,915</u>	<u>\$ 8,952,237</u>
\$ -	\$ -	\$ 71,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,466
-	-	-	-	-	-	-	-	-	19,062
-	-	-	-	-	-	-	-	-	3,401
-	-	-	654,264	-	-	-	-	-	654,264
<u>145,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>680,316</u>
<u>145,746</u>	<u>-</u>	<u>71,864</u>	<u>654,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,555,509</u>
-	-	-	-	1,010,369	900,089	585,000	156,092	-	4,059,095
-	-	-	-	-	-	6,250	71,999	-	98,433
-	-	-	-	329,247	-	-	1,169,142	118,915	2,189,738
-	-	42,466	-	-	-	-	-	-	878,004
-	-	-	-	-	-	191,733	-	-	191,733
-	-	-	(13,070)	-	-	-	-	-	(20,275)
-	-	42,466	(13,070)	329,247	-	197,983	1,241,141	118,915	3,337,633
<u>\$ 145,746</u>	<u>\$ -</u>	<u>\$ 114,330</u>	<u>\$ 641,194</u>	<u>\$ 1,339,616</u>	<u>\$ 900,089</u>	<u>\$ 782,983</u>	<u>\$ 1,397,233</u>	<u>\$ 118,915</u>	<u>\$ 8,952,237</u>

Village of Grafton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2023

	Special Revenue Funds									
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics	American Rescue Plan Act	Fire Department
Revenues										
Taxes	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 659,013	\$ -	\$ -	\$ -	\$ 739,118
Other taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	231,169	-	-	282,557	149,238
Donations	-	-	-	-	-	901	-	-	-	-
Public charges for services	-	-	3,825	-	70,575	8,385	-	147,284	-	556,680
Intergovernmental charges for services	-	-	-	-	-	-	-	-	-	307,011
Impact fees	-	-	-	315,939	-	-	-	-	-	-
Investment income	3,034	24,174	1,507	49,296	-	-	6,172	-	38,795	-
Miscellaneous	3,000	-	-	4,500	-	-	395,948	-	-	1,688
Total revenues	46,034	24,174	5,332	369,735	70,575	899,468	402,120	147,284	321,352	1,753,735
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	9,840	-
Public safety	-	-	-	-	-	-	-	-	-	1,806,804
Public works	-	-	-	-	-	-	-	-	144,939	-
Community enrichment services	-	-	-	-	94,617	811,084	-	220,501	-	-
Conservation and development	-	3,960	-	1,900	-	-	49,962	-	-	-
Capital outlay	13,789	-	-	1,862,070	-	87,400	-	-	16,392	17,959
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	13,789	3,960	-	1,863,970	94,617	898,484	49,962	220,501	171,171	1,824,763
Excess (deficit) of revenues over (under) expenditures	32,245	20,214	5,332	(1,494,235)	(24,042)	984	352,158	(73,217)	150,181	(71,028)
Other Financing Sources (Uses)										
Leases issued	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	24,042	-	-	73,217	-	-
Transfers out	-	-	-	-	-	-	-	-	(111,386)	-
Total other financing sources (uses)	-	-	-	-	24,042	-	-	73,217	(111,386)	-
Net change in fund balance	32,245	20,214	5,332	(1,494,235)	-	984	352,158	-	38,795	(71,028)
Fund Balance (Deficit), Beginning	39,665	501,878	29,727	1,487,789	-	61,307	(50,607)	-	11,547	455,180
Fund Balance (Deficit), Ending	\$ 71,910	\$ 522,092	\$ 35,059	\$ (6,446)	\$ -	\$ 62,291	\$ 301,551	\$ -	\$ 50,342	\$ 384,152

Special Revenue Funds			Debt Service Fund	Capital Projects Funds				Permanent Fund	Total
Fire Department	K-9	Room Tax	Impact Fees	TID No. 4	TID No. 5	Equipment	Fire and Rescue Equipment	Cemetery Perpetual Care	Nonmajor Funds
County ARPA Grant									
\$ -	\$ 131,375	\$ -	\$ -	\$ 852,846	\$ 887,498	\$ 525,000	\$ 156,092	\$ -	\$ 3,990,942
-	-	462,776	-	-	-	-	-	-	462,776
178,254	-	-	-	13,742	34,896	45,701	-	-	935,557
-	-	-	-	-	-	-	-	-	901
-	-	-	-	-	-	-	-	-	786,749
-	-	-	-	-	-	-	5,079	-	312,090
-	-	-	191,564	-	-	-	-	-	507,503
-	-	-	18,444	31,248	33,613	20,787	57,600	7,974	292,644
-	-	-	-	4,070	-	-	-	3,825	413,031
<u>178,254</u>	<u>131,375</u>	<u>462,776</u>	<u>210,008</u>	<u>901,906</u>	<u>956,007</u>	<u>591,488</u>	<u>218,771</u>	<u>11,799</u>	<u>7,702,193</u>
-	-	-	-	3,833	2,833	-	-	-	16,506
166,214	91,443	-	-	-	-	-	-	-	2,064,461
-	-	-	-	-	-	-	-	-	144,939
-	-	-	-	-	-	-	-	-	1,126,202
-	-	323,925	-	24,504	150	-	-	-	404,401
-	160	-	-	-	-	429,406	15,416	-	2,442,592
-	-	-	-	-	-	120,020	-	-	120,020
-	-	-	-	-	-	14,502	-	-	14,502
<u>166,214</u>	<u>91,603</u>	<u>323,925</u>	<u>-</u>	<u>28,337</u>	<u>2,983</u>	<u>563,928</u>	<u>15,416</u>	<u>-</u>	<u>6,333,623</u>
12,040	39,772	138,851	210,008	873,569	953,024	27,560	203,355	11,799	1,368,570
-	-	-	-	-	-	48,625	-	-	48,625
-	-	-	-	-	-	50,210	1,032	-	51,242
-	-	-	-	-	-	-	-	-	97,259
-	(39,772)	(150,000)	(210,009)	(807,781)	(953,024)	-	-	(7,974)	(2,279,946)
<u>-</u>	<u>(39,772)</u>	<u>(150,000)</u>	<u>(210,009)</u>	<u>(807,781)</u>	<u>(953,024)</u>	<u>98,835</u>	<u>1,032</u>	<u>(7,974)</u>	<u>(2,082,820)</u>
12,040	-	(11,149)	(1)	65,788	-	126,395	204,387	3,825	(714,250)
(12,040)	-	53,615	(13,069)	263,459	-	71,588	1,036,754	115,090	4,051,883
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,466</u>	<u>\$ (13,070)</u>	<u>\$ 329,247</u>	<u>\$ -</u>	<u>\$ 197,983</u>	<u>\$ 1,241,141</u>	<u>\$ 118,915</u>	<u>\$ 3,337,633</u>

Village of Grafton

Budgetary Comparison Schedule -
 General Fund
 Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Taxes				
General property taxes	\$ 5,947,503	\$ 5,947,503	\$ 5,947,504	\$ 1
Payments in lieu of taxes	184,758	184,758	212,141	27,383
Interest and penalties on delinquent taxes	14,500	14,500	13,965	(535)
Total taxes	6,146,761	6,146,761	6,173,610	26,849
Intergovernmental Revenues				
Shared revenues	456,913	456,913	457,782	869
General highway aids	686,110	686,110	686,110	-
Computer aid	58,647	58,647	58,647	-
Police training	3,200	3,200	3,520	320
Connecting streets	51,514	51,514	51,579	65
Recycling	24,110	24,110	24,130	20
Other, state	30,395	30,395	93,803	63,408
Total intergovernmental revenues	1,310,889	1,310,889	1,375,571	64,682
Licenses and Permits				
Licenses				
Liquor and malt beverage	16,520	16,520	26,580	10,060
Operators	5,500	5,500	5,900	400
Cigarette	900	900	1,000	100
Bicycle	15	15	15	-
Dog and cat	1,700	1,700	1,749	49
Amusement device	1,675	1,675	1,600	(75)
Business and occupational	200	200	150	(50)
Permits:				
Building	350,000	350,000	255,953	(94,047)
Electrical	50,000	50,000	49,685	(315)
Plumbing	50,000	50,000	59,106	9,106
Heating and air conditioning	-	-	34,856	34,856
Other	1,000	1,000	1,660	660
Land use fees	10,000	10,000	15,359	5,359
Cable television	116,500	116,500	112,095	(4,405)
Street opening	45,100	45,100	50,700	5,600
Signs	5,500	5,500	3,125	(2,375)
Fire protection permits	1,500	1,500	2,050	550
Total licenses and permits	656,110	656,110	621,583	(34,527)
Fines and Forfeitures				
Court fines	50,000	50,000	29,444	(20,556)
Other municipal court	300	300	209	(91)
Parking violations	9,000	9,000	9,990	990
Miscellaneous forfeitures	700	700	2,874	2,174
Total fines and forfeitures	60,000	60,000	42,517	(17,483)

Village of Grafton

Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Charges for Services				
Recycling fees	\$ 150,164	\$ 150,164	\$ 144,353	\$ (5,811)
Property inquiry fees	7,000	7,000	6,231	(769)
Weights and measures	2,400	2,400	2,000	(400)
Assessing records maintenance	35,000	35,000	33,682	(1,318)
License publication fees	420	420	480	60
Materials sold	800	800	1,097	297
Park fees	33,000	33,000	36,793	3,793
Planning charges	30,000	30,000	38,144	8,144
Copy fees	2,000	2,000	1,436	(564)
Miscellaneous charges	157,000	157,000	153,744	(3,256)
Senior recreation fees	32,275	32,275	33,633	1,358
Engineering/Inspection fees	60,000	60,000	63,607	3,607
Total public charges for services	510,059	510,059	515,200	5,141
Intergovernmental Charges for Services				
Public safety personnel	66,637	66,637	64,046	(2,591)
Inspection services	75,000	75,000	288,865	213,865
Total intergovernmental charges for services	141,637	141,637	352,911	211,274
Donations	1,350	1,350	255	(1,095)
Investment Income (Loss)	75,000	75,000	456,922	381,922
Miscellaneous				
Miscellaneous general revenue	13,250	13,250	28,604	15,354
Rent	23,259	23,259	9,210	(14,049)
Recycling	54,200	54,200	55,047	847
Other	7,500	7,500	7,500	-
Total miscellaneous	98,209	98,209	100,361	2,152
Total revenues	\$ 9,000,015	\$ 9,000,015	\$ 9,638,930	\$ 638,915

Village of Grafton

Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
General Government				
Village board	\$ 46,560	\$ 46,560	\$ 49,166	\$ (2,606)
Legal	25,000	25,000	48,583	(23,583)
Administration	226,418	256,897	318,363	(61,466)
Clerk	159,768	164,335	164,336	(1)
Elections	30,129	30,129	30,132	(3)
Finance	352,751	358,887	368,206	(9,319)
Assessing	102,057	102,106	62,602	39,504
Village hall expenses	48,030	48,030	46,286	1,744
Other general government	67,893	67,893	65,353	2,540
Contingency	181,250	91,758	-	91,758
Total general government	1,239,856	1,191,595	1,153,027	38,568
Public Safety				
Police administration	484,649	505,839	578,456	(72,617)
Police operations	2,835,926	2,835,926	2,700,905	135,021
Police support	353,608	353,608	339,834	13,774
Police building	73,743	73,743	81,364	(7,621)
Inspection	373,142	373,142	416,447	(43,305)
Capital outlay	-	-	8,594	(8,594)
Total public safety	4,121,068	4,142,258	4,125,600	16,658
Public Works				
Public works administration	241,276	248,462	246,693	1,769
Engineering	296,389	300,753	252,946	47,807
Street maintenance	1,155,249	1,155,249	1,174,045	(18,796)
Street cleaning	46,208	46,208	55,417	(9,209)
Snow removal	216,495	216,495	163,327	53,168
Forestry	106,712	106,712	82,806	23,906
Traffic control	40,029	40,029	35,531	4,498
Storm water management	110,225	110,225	123,547	(13,322)
Bridges and dams	3,166	3,166	794	2,372
Equipment maintenance	347,733	347,733	322,716	25,017
Garage and building	104,842	104,842	119,087	(14,245)
Recycling	714,030	714,030	763,627	(49,597)
Total public works	3,382,354	3,393,904	3,340,536	53,368
Community Enrichment Services				
Adult senior services	156,180	158,163	140,490	17,673
Parks and playgrounds	216,151	216,151	212,585	3,566
Community activities administration	262,081	268,862	257,728	11,134
Cemetery	24,466	24,466	12,131	12,335
Total community enrichment services	658,878	667,642	622,934	44,708
Conservation and Development				
Community development	199,515	206,272	192,084	14,188
Total conservation and development	199,515	206,272	192,084	14,188
Total expenditures	\$ 9,601,671	\$ 9,601,671	\$ 9,434,181	\$ 167,490

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Debt Service Fund

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 260,000	\$ 260,000	\$ 260,000	\$ -
Investment income	750	750	7,342	6,592
Total revenues	<u>260,750</u>	<u>260,750</u>	<u>267,342</u>	<u>6,592</u>
Expenditures				
Debt Service:				
Principal	3,253,136	3,253,136	3,253,136	-
Interest and fiscal charges	<u>362,147</u>	<u>362,147</u>	<u>367,001</u>	<u>(4,854)</u>
Total expenditures	<u>3,615,283</u>	<u>3,615,283</u>	<u>3,620,137</u>	<u>(4,854)</u>
Deficit of revenues under expenditures	<u>(3,354,533)</u>	<u>(3,354,533)</u>	<u>(3,352,795)</u>	<u>1,738</u>
Other Financing Sources (Uses)				
Transfers in	3,440,045	3,440,045	3,367,970	(72,075)
Transfers out	(50,000)	(50,000)	-	50,000
Premiums on debt issued	<u>-</u>	<u>-</u>	<u>72,530</u>	<u>72,530</u>
Total other financing sources (uses)	<u>3,390,045</u>	<u>3,390,045</u>	<u>3,440,500</u>	<u>50,455</u>
Net change in fund balance	<u>\$ 35,512</u>	<u>\$ 35,512</u>	87,705	<u>\$ 52,193</u>
Fund Balance, Beginning			<u>90,177</u>	
Fund Balance, Ending			<u>\$ 177,882</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Capital Projects Fund
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Intergovernmental	-	-	28,464	28,464
Special assessments	-	-	15,175	15,175
Public charges for services	6,000	6,000	6,000	-
Investment income	8,000	8,000	21,313	13,313
	<u>164,000</u>	<u>164,000</u>	<u>220,952</u>	<u>56,952</u>
Total revenues				
	<u>164,000</u>	<u>164,000</u>	<u>220,952</u>	<u>56,952</u>
Expenditures				
Capital outlay	1,522,848	1,522,848	1,240,876	281,972
Debt service:				
Interest and fiscal charges	50,000	50,000	26,852	23,148
	<u>1,572,848</u>	<u>1,572,848</u>	<u>1,267,728</u>	<u>305,120</u>
Total expenditures				
	<u>1,572,848</u>	<u>1,572,848</u>	<u>1,267,728</u>	<u>305,120</u>
Deficit of revenues under expenditures	<u>(1,408,848)</u>	<u>(1,408,848)</u>	<u>(1,046,776)</u>	<u>362,072</u>
Other Financing Sources (Uses)				
Transfers out	(156,550)	(156,550)	(156,550)	-
Debt issued	1,500,000	1,500,000	1,080,000	(420,000)
Premium on debt issued	-	-	16,763	16,763
	<u>1,343,450</u>	<u>1,343,450</u>	<u>940,213</u>	<u>(403,237)</u>
Total other financing sources (uses)				
	<u>1,343,450</u>	<u>1,343,450</u>	<u>940,213</u>	<u>(403,237)</u>
Net change in fund balance	<u>\$ (65,398)</u>	<u>\$ (65,398)</u>	<u>(106,563)</u>	<u>\$ (41,165)</u>
Fund Balance, Beginning			<u>1,951,494</u>	
Fund Balance, Ending			<u>\$ 1,844,931</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
 Budget and Actual - Capital Projects Fund - Tax Incremental Financing District No. 3
 Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,137,889	\$ 1,137,889	\$ 996,177	\$ (141,712)
Intergovernmental	10,426	10,426	10,426	-
Investment income	2,000	2,000	19,544	17,544
Miscellaneous	2,000	2,000	4,800	2,800
Total revenues	<u>1,152,315</u>	<u>1,152,315</u>	<u>1,030,947</u>	<u>(121,368)</u>
Expenditures				
Current:				
General government	3,000	3,000	3,833	(833)
Conservation and development	150	150	484	(334)
Capital outlay	-	-	73	(73)
Total expenditures	<u>3,150</u>	<u>3,150</u>	<u>4,390</u>	<u>(1,240)</u>
Excess of revenues over expenditures	<u>1,149,165</u>	<u>1,149,165</u>	<u>1,026,557</u>	<u>(122,608)</u>
Other Financing Sources (Uses)				
Transfers in	1,041,791	1,041,791	953,024	(88,767)
Transfers out	<u>(2,038,989)</u>	<u>(2,038,989)</u>	<u>(2,043,630)</u>	<u>(4,641)</u>
Total other financing sources (uses)	<u>(997,198)</u>	<u>(997,198)</u>	<u>(1,090,606)</u>	<u>(93,408)</u>
Net change in fund balance	<u>\$ 151,967</u>	<u>\$ 151,967</u>	<u>(64,049)</u>	<u>\$ (216,016)</u>
Fund Balance (Deficit), Beginning			<u>(457,299)</u>	
Fund Balance (Deficit), Ending			<u>\$ (521,348)</u>	

Village of Grafton

Schedule of Operating Revenues and Expenses - Water Utility Year Ended December 31, 2023

Operating Revenues

Sales of water:

Metered sales:

Residential	\$ 950,919
Multifamily	95,531
Commercial	200,721
Industrial	69,484
Public authorities	<u>19,640</u>

Total metered sales 1,336,295

Bulk sales	24,735
Private fire protection	73,183
Public fire protection	<u>477,460</u>

Total sales related to water 1,911,673

Other operating revenues:

Customer forfeited discounts	7,267
Other water revenues	<u>139,575</u>

Total operating revenues 2,058,515

Operating Expenses

Source of supply expenses:

Operation labor	<u>33,483</u>
-----------------	---------------

Total source of supply expenses 33,483

Pumping expenses:

Operation labor	59,054
Power purchased for pumping	79,493
Operation supplies	12,939
Maintenance	<u>11,552</u>

Total pumping expenses 163,038

Water treatment expenses:

Operation labor	18,853
Chemicals	<u>40,647</u>

Total water treatment expenses 59,500

Village of Grafton

Schedule of Operating Revenues and Expenses - Water Utility Year Ended December 31, 2023

Operating Expenses (continued)

Transmission and distribution:

Operation supplies	\$ 151,688
Maintenance:	
Reservoirs	5,752
Services	22,381
Meters	5,431
Hydrants	82,864

Total transmission and distribution 268,116

Customer accounts:

Meter reading labor	2,115
Accounting and collecting labor	43,683
Supplies	8,270

Total customer accounts 54,068

Administrative and general:

Salaries	112,770
Outside services	91,364
Office supplies and expenses	10,346
Property insurance	27,447
Injuries and damages	14,689
Employee pensions and benefits	138,267
Maintenance	63,613
Miscellaneous	6,454

Total administrative and general 464,950

Total operation and maintenance 1,043,155

Other operating expenses:

Depreciation	661,828
Taxes	28,091

Total other operating expenses 689,919

Total operating expenses 1,733,074

Operating income \$ 325,441

Village of Grafton

Schedule of Operating Revenues and Expenses - Wastewater Utility Year Ended December 31, 2023

Operating Revenues

Residential	\$ 2,765,658
Multifamily	284,764
Commercial	595,812
Industrial	177,630
Public authorities	49,217
Other	134,852

Total metered sales 4,007,933

Other operating revenues:

Customer forfeited discounts	16,876
Other sewer revenues	25,952

Total operating revenues 4,050,761

Operating Expenses

Operation:

Supervision and labor	106,470
Operation supplies	6,946
Power and fuel for pumping	68,282
Treatment chemicals	41,946
Power, fuel and sludge hauling	320,710
Transportation	14,296

Total operation 558,650

Maintenance:

Meters	2,832
Sewage collection system	74,924
Pumping equipment	101,262
Treatment equipment	152,684
General plant	108,018

Total maintenance 439,720

Customer accounts:

Billing, collecting and accounting	9,186
Meter reading	181

Total customer accounts 9,367

Village of Grafton

Schedule of Operating Revenues and Expenses - Wastewater Utility
Year Ended December 31, 2023

Operating Expenses (continued)

General:

Salaries	\$ 72,055
Office supplies	12,160
Outside services employed	172,494
Insurance	53,694
Employee pensions and benefits	70,826
Miscellaneous	<u>5,048</u>

Total general 386,277

Total operation and maintenance 1,394,014

Other operating expenses:

Depreciation	1,096,494
Taxes	<u>27,858</u>

Total other operating expenses 1,124,352

Total operating expenses 2,518,366

Operating income \$ 1,532,395

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - Park and Open Space

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Investment income	1,000	1,000	3,034	2,034
Miscellaneous	-	-	3,000	3,000
	<u>41,000</u>	<u>41,000</u>	<u>46,034</u>	<u>5,034</u>
Total revenues				
	<u>41,000</u>	<u>41,000</u>	<u>46,034</u>	<u>5,034</u>
Expenditures				
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>13,789</u>	<u>26,211</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>13,789</u>	<u>26,211</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>32,245</u>	<u>\$ 31,245</u>
Fund Balance, Beginning			<u>39,665</u>	
Fund Balance, Ending			<u>\$ 71,910</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - Revolving Loan

Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 5,210	\$ 5,210	\$ 24,174	\$ 18,964
Expenditures				
Current:				
Conservation and development	2,400	2,400	3,960	(1,560)
Net change in fund balance	<u>\$ 2,810</u>	<u>\$ 2,810</u>	20,214	<u>\$ 17,404</u>
Fund Balance, Beginning			<u>501,878</u>	
Fund Balance, Ending			<u>\$ 522,092</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual -
Special Revenue Fund - Woodlawn Cemetery Capital
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Public charges for services	\$ 3,200	\$ 3,200	\$ 3,825	\$ 625
Investment income	150	150	1,507	1,357
Total revenues	<u>3,350</u>	<u>3,350</u>	<u>5,332</u>	<u>1,982</u>
Net change in fund balance	<u>\$ 3,350</u>	<u>\$ 3,350</u>	5,332	<u>\$ 1,982</u>
Fund Balance, Beginning			<u>29,727</u>	
Fund Balance, Ending			<u>\$ 35,059</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - Park and Recreational Facilities

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 320,209	\$ 320,209	\$ 315,939	\$ (4,270)
Investment income	12,000	12,000	49,296	37,296
Miscellaneous income	504,500	504,500	4,500	(500,000)
Total revenues	<u>836,709</u>	<u>836,709</u>	<u>369,735</u>	<u>(466,974)</u>
Expenditures				
Current:				
Conservation and development	-	-	1,900	(1,900)
Capital outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,862,070</u>	<u>(862,070)</u>
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,863,970</u>	<u>(863,970)</u>
Net change in fund balance	<u>\$ (163,291)</u>	<u>\$ (163,291)</u>	<u>(1,494,235)</u>	<u>\$ (1,330,944)</u>
Fund Balance, Beginning			<u>1,487,789</u>	
Fund Balance (Deficit), Ending			<u>\$ (6,446)</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual -
 Special Revenue Fund - Recreation
 Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Public charges for services	\$ 60,272	\$ 60,272	\$ 70,575	\$ 10,303
Expenditures				
Current:				
Community enrichment services	83,869	83,869	94,617	(10,748)
Deficit of revenues under expenditures	(23,597)	(23,597)	(24,042)	(445)
Other Financing Sources				
Transfers in	23,597	23,597	24,042	445
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - Library

Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 659,013	\$ 659,013	\$ 659,013	\$ -
Intergovernmental	229,219	229,219	231,169	1,950
Public charges for services	9,300	9,300	8,385	(915)
Total revenues	<u>897,532</u>	<u>897,532</u>	<u>899,468</u>	<u>1,936</u>
Expenditures				
Community enrichment services	856,269	856,269	811,084	45,185
Capital outlay	80,000	80,000	87,400	(7,400)
Total expenditures	<u>936,269</u>	<u>936,269</u>	<u>898,484</u>	<u>37,785</u>
Net change in fund balance	<u>\$ (38,737)</u>	<u>\$ (38,737)</u>	984	<u>\$ 39,721</u>
Fund Balance, Beginning			<u>61,307</u>	
Fund Balance, Ending			<u>\$ 62,291</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - Environmental

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 6,172	\$ 6,172
Miscellaneous income	-	-	395,948	395,948
Total revenues	-	-	402,120	402,120
Expenditures				
Conservation and development	50,000	50,000	49,962	38
Total expenditures	50,000	50,000	49,962	38
Excess (deficit) of revenues over (under) expenditures	(50,000)	(50,000)	352,158	402,158
Other Financing Sources				
Transfers in	50,000	50,000	-	(50,000)
Net change in fund balance	\$ -	\$ -	352,158	\$ 352,158
Fund Balance (Deficit), Beginning			(50,607)	
Fund Balance, Ending			\$ 301,551	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual -
 Special Revenue Fund - Aquatics
 Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Public charges for services	\$ 127,000	\$ 127,000	\$ 147,284	\$ 20,284
Expenditures				
Current:				
Community enrichment services	220,138	220,138	220,501	(363)
Deficit of revenues under expenditures	(93,138)	(93,138)	(73,217)	19,921
Other Financing Sources				
Transfers in	93,138	93,138	73,217	(19,921)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - American Rescue Plan Act

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 617,630	\$ 617,630	\$ 282,557	\$ (335,073)
Intergovernmental charges for service	80,000	80,000	-	(80,000)
Investment income	3,000	3,000	38,795	35,795
	<u>700,630</u>	<u>700,630</u>	<u>321,352</u>	<u>(379,278)</u>
Total revenues				
Expenditures				
Current:				
General government	12,500	12,500	9,840	2,660
Public safety	275,000	275,000	-	275,000
Public works	92,500	92,500	144,939	(52,439)
Community enrichment services	300,000	300,000	-	300,000
Capital outlay	-	-	16,392	(16,392)
	<u>680,000</u>	<u>680,000</u>	<u>171,171</u>	<u>508,829</u>
Total expenditures				
Excess of revenues over expenditures	<u>20,630</u>	<u>20,630</u>	<u>150,181</u>	<u>129,551</u>
Other Financing Uses				
Transfers out	-	-	(111,386)	(111,386)
	<u>-</u>	<u>-</u>	<u>(111,386)</u>	<u>(111,386)</u>
Total other financing uses				
Net change in fund balance	<u>\$ 20,630</u>	<u>\$ 20,630</u>	38,795	<u>\$ 18,165</u>
Fund Balance, Beginning			<u>11,547</u>	
Fund Balance, Ending			<u>\$ 50,342</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - Fire Department

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 739,118	\$ 739,118	\$ 739,118	\$ -
Intergovernmental revenues	132,446	132,446	149,238	16,792
Public charges for services	525,000	525,000	556,680	31,680
Intergovernmental charges for services	326,055	326,055	307,011	(19,044)
Miscellaneous income	-	-	1,688	1,688
Total revenues	<u>1,722,619</u>	<u>1,722,619</u>	<u>1,753,735</u>	<u>31,116</u>
Expenditures				
Current:				
Public safety	1,844,444	1,844,444	1,806,804	37,640
Capital outlay	<u>12,000</u>	<u>12,000</u>	<u>17,959</u>	<u>(5,959)</u>
Total expenditures	<u>1,856,444</u>	<u>1,856,444</u>	<u>1,824,763</u>	<u>31,681</u>
Net change in fund balance	<u>\$ (133,825)</u>	<u>\$ (133,825)</u>	(71,028)	<u>\$ 62,797</u>
Fund Balance, Beginning			<u>455,180</u>	
Fund Balance, Ending			<u>\$ 384,152</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual -
Special Revenue Fund - Fire Department County ARPA Grant
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	<u>375,157</u>	<u>375,157</u>	<u>178,254</u>	<u>(196,903)</u>
Expenditures				
Current:				
Public safety	<u>375,157</u>	<u>375,157</u>	<u>166,214</u>	<u>208,943</u>
Total expenditures	<u>375,157</u>	<u>375,157</u>	<u>166,214</u>	<u>208,943</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>12,040</u>	<u>12,040</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,040</u>	<u>\$ 12,040</u>
Fund Balance (deficit), Beginning			<u>(12,040)</u>	
Fund Balance, Ending			<u>\$ -</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - K-9

Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 131,374	\$ 131,374	\$ 131,375	\$ 1
Expenditures				
Current:				
Public safety	176,374	176,374	91,443	84,931
Capital outlay	3,672,702	3,672,702	160	3,672,542
Total expenditures	3,849,076	3,849,076	91,603	3,757,473
Excess of revenues over expenditures	(3,717,702)	(3,717,702)	39,772	3,757,474
Other Financing Uses				
Transfers out	-	-	(39,772)	(39,772)
Total other financing uses	-	-	(39,772)	(39,772)
Net change in fund balance	\$ (3,717,702)	\$ (3,717,702)	-	\$ 3,717,702
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Special Revenue Fund - Room Tax

Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 462,776</u>	<u>\$ 62,776</u>
Expenditures				
Current:				
Conservation and development	<u>280,000</u>	<u>280,000</u>	<u>323,925</u>	<u>(43,925)</u>
Total expenditures	<u>280,000</u>	<u>280,000</u>	<u>323,925</u>	<u>(43,925)</u>
Excess of revenues over expenditures	<u>120,000</u>	<u>120,000</u>	<u>138,851</u>	<u>18,851</u>
Other Financing Uses				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(150,000)</u>	<u>(50,000)</u>
Total other financing uses	<u>(100,000)</u>	<u>(100,000)</u>	<u>(150,000)</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>(11,149)</u>	<u>\$ (31,149)</u>
Fund Balance, Beginning			<u>53,615</u>	
Fund Balance, Ending			<u>\$ 42,466</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Debt Service Fund - Impact Fees

Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 681,808	\$ 681,808	\$ 191,564	\$ (490,244)
Investment income	3,500	3,500	18,444	14,944
Total revenues	<u>685,308</u>	<u>685,308</u>	<u>210,008</u>	<u>(475,300)</u>
Other Financing Uses				
Transfers out	<u>(336,725)</u>	<u>(336,725)</u>	<u>(210,009)</u>	<u>126,716</u>
Total other financing uses	<u>(336,725)</u>	<u>(336,725)</u>	<u>(210,009)</u>	<u>126,716</u>
Net change in fund balance	<u>\$ 348,583</u>	<u>\$ 348,583</u>	(1)	<u>\$ (348,584)</u>
Fund Balance (Deficit), Beginning			<u>(13,069)</u>	
Fund Balance (Deficit), Ending			<u>\$ (13,070)</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Capital Project Fund - Tax Incremental Financing District No. 4

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 974,168	\$ 974,168	\$ 852,846	\$ (121,322)
Intergovernmental revenues	13,742	13,742	13,742	-
Investment income	2,500	2,500	31,248	28,748
Miscellaneous income	4,301	4,301	4,070	(231)
Total revenues	<u>994,711</u>	<u>994,711</u>	<u>901,906</u>	<u>(92,805)</u>
Expenditures				
Current:				
General government	3,000	3,000	3,833	(833)
Conservation and development	<u>76,000</u>	<u>76,000</u>	<u>24,504</u>	<u>51,496</u>
Total expenditures	<u>79,000</u>	<u>79,000</u>	<u>28,337</u>	<u>50,663</u>
Excess of revenues over expenditures	<u>915,711</u>	<u>915,711</u>	<u>873,569</u>	<u>(42,142)</u>
Other Financing Uses				
Transfers out	<u>(807,781)</u>	<u>(807,781)</u>	<u>(807,781)</u>	<u>-</u>
Total other financing uses	<u>(807,781)</u>	<u>(807,781)</u>	<u>(807,781)</u>	<u>-</u>
Net change in fund balance	<u>\$ 107,930</u>	<u>\$ 107,930</u>	65,788	<u>\$ (42,142)</u>
Fund Balance, Beginning			<u>263,459</u>	
Fund Balance, Ending			<u>\$ 329,247</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual -
 Capital Project Fund - Tax Incremental Financing District No. 5
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,013,749	\$ 1,013,749	\$ 887,498	\$ (126,251)
Intergovernmental revenues	26,542	26,542	34,896	8,354
Investment income	6,000	6,000	33,613	27,613
Total revenues	<u>1,046,291</u>	<u>1,046,291</u>	<u>956,007</u>	<u>(90,284)</u>
Expenditures				
Current:				
General government	2,000	2,000	2,833	(833)
Conservation and development	<u>2,500</u>	<u>2,500</u>	<u>150</u>	<u>2,350</u>
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>2,983</u>	<u>1,517</u>
Excess of revenues over expenditures	<u>1,041,791</u>	<u>1,041,791</u>	<u>953,024</u>	<u>(88,767)</u>
Other Financing Uses				
Transfers out	<u>(1,041,791)</u>	<u>(1,041,791)</u>	<u>(953,024)</u>	<u>88,767</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, Beginning			<u>-</u>	
Fund Balance, Ending			<u>\$ -</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual -
Capital Project Fund - Equipment
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 525,000	\$ 525,000	\$ 525,000	\$ -
Intergovernmental revenues	2,250	2,250	45,701	43,451
Investment income	2,500	2,500	20,787	18,287
Total revenues	<u>529,750</u>	<u>529,750</u>	<u>591,488</u>	<u>61,738</u>
Expenditures				
Capital outlay	599,284	599,284	429,406	169,878
Debt service:				
Principal	-	-	120,020	(120,020)
Interest	-	-	14,502	(14,502)
Total expenditures	<u>599,284</u>	<u>599,284</u>	<u>563,928</u>	<u>35,356</u>
Excess (deficit) of revenues over (under) expenditures	<u>(69,534)</u>	<u>(69,534)</u>	<u>27,560</u>	<u>97,094</u>
Other Financing Sources				
Leases issued	-	-	48,625	48,625
Proceeds from sale of capital assets	29,500	29,500	50,210	20,710
Total other financing sources	<u>29,500</u>	<u>29,500</u>	<u>98,835</u>	<u>69,335</u>
Net change in fund balance	<u>\$ (40,034)</u>	<u>\$ (40,034)</u>	<u>126,395</u>	<u>\$ 166,429</u>
Fund Balance, Beginning			<u>71,588</u>	
Fund Balance, Ending			<u>\$ 197,983</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual -

Capital Project Fund - Fire and Rescue Equipment

Year Ended December 31, 2023

	<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	148,400	148,400	5,079	(143,321)
Investment income	6,000	6,000	57,600	51,600
Total revenues	<u>310,492</u>	<u>310,492</u>	<u>218,771</u>	<u>(91,721)</u>
Expenditures				
Capital Outlay	<u>371,000</u>	<u>371,000</u>	<u>15,416</u>	<u>355,584</u>
Excess (deficit) of revenues over (under) expenditures	<u>(60,508)</u>	<u>(60,508)</u>	<u>203,355</u>	<u>263,863</u>
Other Financing Sources				
Proceeds from sale of capital assets	<u>500</u>	<u>500</u>	<u>1,032</u>	<u>532</u>
Net change in fund balance	<u>\$ (60,008)</u>	<u>\$ (60,008)</u>	<u>204,387</u>	<u>\$ 264,395</u>
Fund Balance, Beginning			<u>1,036,754</u>	
Fund Balance, Ending			<u>\$ 1,241,141</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual -
Permanent Fund - Woodlawn Cemetery Perpetual Care
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Investment income	\$ 1,400	\$ 1,400	\$ 7,974	\$ 6,574
Miscellaneous income	3,200	3,200	3,825	625
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>11,799</u>	<u>7,199</u>
Other Financing Uses				
Transfer out	<u>(1,400)</u>	<u>(1,400)</u>	<u>(7,974)</u>	<u>(6,574)</u>
Net change in fund balance	<u>\$ 3,200</u>	<u>\$ 3,200</u>	<u>3,825</u>	<u>\$ 625</u>
Fund Balance, Beginning			<u>115,090</u>	
Fund Balance, Ending			<u>\$ 118,915</u>	

Village of Grafton

Schedule of Capital Assets Used in the Operation of
 Governmental Funds by Function and Activity
 Year Ended December 31, 2023

	Land and Construction in Progress	Intangible Assets	Land Improvements	Buildings and Improvements	Equipment and Furnishings	Lease Vehicles	Infrastructure	Total
General Government								
Administration	\$ 835,189	\$ -	\$ 57,136	\$ 2,415,340	\$ 77,237	\$ -	\$ -	\$ 3,384,902
Elections	-	-	-	-	31,599	-	-	31,599
Total general government	835,189	-	57,136	2,415,340	108,836	-	-	3,416,501
Public Safety								
Fire department	158,307	-	57,732	1,938,629	3,824,528	-	-	5,979,196
Police department	37,200	-	149,433	4,246,237	468,491	279,840	-	5,181,201
Emergency government	-	-	-	-	14,000	-	-	14,000
Building inspection and assessment	-	-	-	-	42,970	-	-	42,970
Total public safety	195,507	-	207,165	6,184,866	4,349,989	279,840	-	11,217,367
Public Works								
Right of way	13,266,537	-	-	-	-	-	-	13,266,537
Infrastructure	53,933	448,343	-	-	-	-	47,588,297	48,090,573
Other public works	88,842	-	1,085,461	5,477,348	4,511,308	-	-	11,162,959
Recycling	-	-	-	-	6,018	-	-	6,018
Total public works	13,409,312	448,343	1,085,461	5,477,348	4,517,326	-	47,588,297	72,526,087
Community Enrichment Services								
Library	-	-	9,100	2,264,964	22,980	-	-	2,297,044
Senior center	52,800	-	27,380	486,178	5,378	-	-	571,736
Community center	25,000	-	-	241,937	-	-	-	266,937
Parks	1,621,919	-	4,766,063	1,408,882	612,962	-	-	8,409,826
Aquatics	-	-	146,100	1,192,464	119,714	-	-	1,458,278
Cemetery	-	-	11,250	5,326	15,093	-	-	31,669
Total culture, recreation and education	1,699,719	-	4,959,893	5,599,751	776,127	-	-	13,035,490
Conservation and Development								
Planning and development	1,392,870	-	74,698	-	-	-	-	1,467,568
Total conservation and development	1,392,870	-	74,698	-	-	-	-	1,467,568
Grand total	\$ 17,532,597	\$ 448,343	\$ 6,384,353	\$ 19,677,305	\$ 9,752,278	\$ 279,840	\$ 47,588,297	\$ 101,663,013

Village of Grafton

Schedule of Changes in Capital Assets Used in the Operation of
Governmental Funds by Function and Activity
Year Ended December 31, 2023

	Balance January 1, 2023	Additions	Disposals	Balance December 31, 2023
General Government				
Administration	\$ 3,410,967	\$ 7,799	\$ (33,864)	\$ 3,384,902
Elections	31,599	-	-	31,599
Total general government	<u>3,442,566</u>	<u>7,799</u>	<u>(33,864)</u>	<u>3,416,501</u>
Public Safety				
Fire department	6,007,262	12,489	(40,555)	5,979,196
Police department	5,481,702	78,698	(379,199)	5,181,201
Emergency government	14,000	-	-	14,000
Building inspection and assessment	42,970	-	-	42,970
Total public safety	<u>11,545,934</u>	<u>91,187</u>	<u>(419,754)</u>	<u>11,217,367</u>
Public Works				
Right-of-way	13,266,537	-	-	13,266,537
Infrastructure	44,398,051	4,064,625	(372,103)	48,090,573
Other public works	10,799,364	422,732	(59,137)	11,162,959
Recycling	6,018	-	-	6,018
Total public works	<u>68,469,970</u>	<u>4,487,357</u>	<u>(431,240)</u>	<u>72,526,087</u>
Culture, Recreation and Education				
Library	2,209,644	87,400	-	2,297,044
Senior center	571,736	-	-	571,736
Community center	266,937	-	-	266,937
Parks	6,636,157	1,811,317	(37,648)	8,409,826
Aquatics	1,458,278	-	-	1,458,278
Cemetery	31,669	-	-	31,669
Total culture, recreation and education	<u>11,174,421</u>	<u>1,898,717</u>	<u>(37,648)</u>	<u>13,035,490</u>
Conservation and Development				
Planning and development	1,467,568	-	-	1,467,568
Grand total	<u>\$ 96,100,459</u>	<u>\$ 6,485,060</u>	<u>\$ (922,506)</u>	<u>\$ 101,663,013</u>

STATISTICAL SECTION

This part of the Village of Grafton's Annual Comprehensive 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.

Category

Table Numbers

Financial Trends

1, 2, 3, 4

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

5, 6, 7, 8, 9, 10, 11, 12, 13, 14

These schedules contain information to help the reader assess the Village's most significant local revenue source, the income tax.

Debt Capacity

15, 16, 17

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.

Economic and Demographic Information

18, 19, 20, 21, 22, 23

These schedules offer economic and demographic indicators to help the reader understand the environment within which the Village's financial activities take place.

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

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$25,406,680	\$26,485,210	\$27,262,506	\$30,213,447
Restricted	1,811,405	3,302,269	3,432,955	2,766,826
Unrestricted	5,645,086	7,321,832	6,868,548	6,243,854
Total Governmental Activities Net Position	<u>\$32,863,171</u>	<u>\$37,109,311</u>	<u>\$37,564,009</u>	<u>\$39,224,127</u>
Business-type Activities				
Net investment in capital assets	\$29,495,218	\$29,716,861	\$29,401,861	\$30,112,884
Restricted	658,601	915,572	1,467,346	1,658,937
Unrestricted	3,876,766	4,224,778	3,782,870	3,507,408
Total Business-Type Activities Net Position	<u>\$34,030,585</u>	<u>\$34,857,211</u>	<u>\$34,652,077</u>	<u>\$35,279,229</u>
Primary Government				
Net investment in capital assets	\$54,901,898	\$56,202,071	\$56,664,367	\$60,326,331
Restricted	2,470,006	4,217,841	4,900,301	4,425,763
Unrestricted	9,521,852	11,546,610	10,651,418	9,751,262
Total Primary Government Net Position	<u>\$66,893,756</u>	<u>\$71,966,522</u>	<u>\$72,216,086</u>	<u>\$74,503,356</u>

Source: Village of Grafton Financial Statements

**VILLAGE OF GRAFTON, WISCONSIN
NET POSITION BY COMPONENT**

LAST TEN FISCAL YEARS

2018	2019	2020	2021	2022	2023
\$32,215,913	\$33,372,215	\$40,556,179	\$45,267,918	\$46,651,034	\$52,724,482
3,320,918	2,536,119	3,868,669	5,108,983	6,604,851	2,385,761
4,675,449	5,633,888	3,933,816	2,668,976	2,998,550	6,212,313
<u>\$40,212,280</u>	<u>\$41,542,222</u>	<u>\$48,358,664</u>	<u>\$53,045,877</u>	<u>\$56,254,435</u>	<u>\$61,322,556</u>
\$30,858,712	\$33,502,227	\$37,848,216	\$37,876,260	\$39,756,377	\$41,589,500
1,781,228	1,288,028	1,825,906	2,230,822	2,259,456	2,132,408
3,245,489	2,721,151	2,533,458	2,850,889	2,541,526	4,380,806
<u>\$35,885,429</u>	<u>\$37,511,406</u>	<u>\$42,207,580</u>	<u>\$42,957,971</u>	<u>\$44,557,359</u>	<u>\$48,102,714</u>
\$63,074,625	\$66,874,442	\$78,404,395	\$83,144,178	\$86,407,411	\$94,313,982
5,102,146	3,824,147	5,694,575	7,339,805	8,864,307	4,518,169
7,920,938	8,355,039	6,467,274	5,519,865	5,540,076	10,593,119
<u>\$76,097,709</u>	<u>\$79,053,628</u>	<u>\$90,566,244</u>	<u>\$96,003,848</u>	<u>\$100,811,794</u>	<u>\$109,425,270</u>

VILLAGE OF GRAFTON, WISCONSIN

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2014	2015	2016
Expenses			
Governmental Activities			
General Government	\$1,113,773	\$1,216,629	\$1,257,685
Public Safety	4,840,222	5,065,908	5,152,180
Public Works	4,205,192	4,566,199	4,439,578
Community Enrichment Services	1,441,183	1,520,100	1,602,818
Conservation and Development	365,718	373,609	2,341,224
Interest and Fiscal Charges	1,356,035	1,098,360	1,018,660
Total Governmental Expenses	<u>13,322,123</u>	<u>13,840,805</u>	<u>15,812,145</u>
Business Type Activities			
Water Utility	1,460,774	1,393,228	1,425,214
Wastewater Utility	2,088,792	2,105,512	2,436,586
Total Business Type Expenses	<u>3,549,566</u>	<u>3,498,740</u>	<u>3,861,800</u>
Total Expenses	<u>\$16,871,689</u>	<u>\$17,339,545</u>	<u>\$19,673,945</u>
Program Revenues			
Governmental Activities			
General Government	\$490,324	\$519,922	\$465,539
Public Safety	1,195,854	1,122,208	931,325
Public Works	1,263,993	2,020,258	1,546,515
Community Enrichment Services	422,101	380,776	409,547
Conservation and Development	726,048	948,058	413,866
Total Governmental Program Revenues	<u>4,098,320</u>	<u>4,991,222</u>	<u>3,766,792</u>
Business Type Activities			
Water	1,738,987	2,043,497	1,787,660
Wastewater	2,238,715	2,342,920	2,380,907
Total Business Type Program Revenues	<u>3,977,702</u>	<u>4,386,417</u>	<u>4,168,567</u>
Total Program Revenues	<u>\$8,076,022</u>	<u>\$9,377,639</u>	<u>\$7,935,359</u>
Net Revenue (Expense)			
Governmental Activities	(\$9,223,803)	(\$8,849,583)	(\$12,045,353)
Business Type Activities	428,136	887,677	306,767
Total Net Revenue (Expense)	<u>(\$8,795,667)</u>	<u>(\$7,961,906)</u>	<u>(\$11,738,586)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes	\$ 9,558,926	\$ 9,679,687	\$ 10,373,807
Grants and Contributions not restricted to specific programs	1,299,482	1,009,977	1,322,522
Investment Income (Loss)	41,250	48,430	70,560
Miscellaneous	48,221	261,672	66,191
Gain on disposal/sale of capital asset	-	28,859	135,441
Transfers	270,241	270,243	531,530
Total Governmental Activities General Revenues	<u>11,218,120</u>	<u>11,298,868</u>	<u>12,500,051</u>
Business Type Activities			
Investment Income (Loss)	14,184	10,247	19,629
Transfers	(270,241)	(270,243)	(531,530)
Total Business Type Activities General Revenues	<u>(256,057)</u>	<u>(259,996)</u>	<u>(511,901)</u>
Total General Revenues and Other Changes in Net Position	<u>\$ 10,962,063</u>	<u>\$ 11,038,872</u>	<u>\$ 11,988,150</u>
Change in Net Position			
Governmental Activities	\$ 1,994,317	\$ 2,449,285	\$ 454,698
Business Type Activities	172,079	627,681	(205,134)
Total Change in Net Position	<u>\$ 2,166,396</u>	<u>\$ 3,076,966</u>	<u>\$ 249,564</u>

Source: Village of Grafton Financial Statements

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

2017	2018	2019	2020	2021	2022	2023
\$1,146,738	\$1,213,948	\$1,234,614	\$1,210,035	\$1,109,959	\$1,132,736	\$1,258,263
5,518,536	5,557,515	5,607,750	5,720,238	5,716,147	6,136,174	6,990,817
4,307,753	4,318,793	4,753,291	4,279,109	4,274,809	4,386,100	5,313,895
1,598,696	1,611,026	1,769,521	1,644,720	1,817,162	1,875,055	2,185,091
1,208,012	1,063,990	802,686	927,565	685,171	745,375	583,707
940,450	918,213	981,111	643,076	581,810	537,883	514,002
14,720,185	14,683,485	15,148,973	14,424,743	14,185,058	14,813,323	16,845,775
1,522,301	1,515,548	1,563,259	1,366,918	1,574,127	1,494,682	1,813,881
2,336,304	2,367,729	2,317,376	2,397,830	4,268,324	2,722,526	3,022,315
3,858,605	3,883,277	3,880,635	3,764,748	5,842,451	4,217,208	4,836,196
<u>\$18,578,790</u>	<u>\$18,566,762</u>	<u>\$19,029,608</u>	<u>\$18,189,491</u>	<u>\$20,027,509</u>	<u>\$19,030,531</u>	<u>\$21,681,971</u>
\$432,815	\$492,409	\$455,964	\$441,063	\$530,207	\$471,902	\$460,231
1,068,602	786,251	844,142	1,080,856	1,228,165	1,470,317	1,118,705
2,326,067	1,059,497	1,078,863	5,505,853	3,848,038	1,669,092	4,444,673
394,204	402,708	427,587	569,575	402,174	457,121	531,664
394,843	402,669	343,248	341,634	368,999	266,224	259,565
4,616,531	3,143,534	3,149,804	7,938,981	6,377,583	4,334,656	6,814,838
2,002,466	1,943,562	2,254,221	3,823,371	2,415,087	1,983,352	3,364,170
2,734,346	2,779,949	3,447,429	4,848,039	4,454,486	4,034,532	4,976,157
4,736,812	4,723,511	5,701,650	8,671,410	6,869,573	6,017,884	8,340,327
<u>\$9,353,343</u>	<u>\$7,867,045</u>	<u>\$8,851,454</u>	<u>\$16,610,391</u>	<u>\$13,247,156</u>	<u>\$10,352,540</u>	<u>\$15,155,165</u>
(\$10,103,654)	(\$11,539,951)	(\$11,999,169)	(\$6,485,762)	(\$7,807,475)	(\$10,478,667)	(\$10,030,937)
878,207	840,234	1,821,015	4,906,662	1,027,122	1,800,676	3,504,131
<u>(\$9,225,447)</u>	<u>(\$10,699,717)</u>	<u>(\$10,178,154)</u>	<u>(\$1,579,100)</u>	<u>(\$6,780,353)</u>	<u>(\$8,677,991)</u>	<u>(\$6,526,806)</u>
\$ 10,157,155	\$ 10,921,656	\$ 11,150,059	\$ 11,387,266	\$ 10,965,992	\$ 11,833,132	\$ 11,807,399
1,176,851	954,537	978,429	1,270,651	1,199,515	1,424,625	1,821,900
104,081	272,198	449,131	208,042	(4,771)	36,306	811,730
49,143	103,200	474,979	159,732	57,439	233,238	492,902
-	-	-	-	-	-	-
276,542	276,513	276,513	276,513	276,513	159,924	165,127
11,763,772	12,528,104	13,329,111	13,302,204	12,494,688	13,687,225	15,099,058
25,487	42,479	81,475	66,025	(218)	(41,364)	206,351
(276,542)	(276,513)	(276,513)	(276,513)	(276,513)	(159,924)	(165,127)
(251,055)	(234,034)	(195,038)	(210,488)	(276,731)	(201,288)	41,224
<u>\$ 11,512,717</u>	<u>\$ 12,294,070</u>	<u>\$ 13,134,073</u>	<u>\$ 13,091,716</u>	<u>\$ 12,217,957</u>	<u>\$ 13,485,937</u>	<u>\$ 15,140,282</u>
\$ 1,660,118	\$ 988,153	\$ 1,329,942	\$ 6,816,442	\$ 4,687,213	\$ 3,208,558	\$ 5,068,121
627,152	606,200	1,625,977	4,696,174	750,391	1,599,388	3,545,355
<u>\$ 2,287,270</u>	<u>\$ 1,594,353</u>	<u>\$ 2,955,919</u>	<u>\$ 11,512,616</u>	<u>\$ 5,437,604</u>	<u>\$ 4,807,946</u>	<u>\$ 8,613,476</u>

**VILLAGE OF GRAFTON
FUND BALANCES (DEFICIT), GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 91,984	\$ 97,734	\$ 102,938	\$ 82,267
Assigned	644,734	1,320,423	1,144,008	583,733
Unassigned	2,613,552	2,283,608	2,056,179	2,878,837
Total General Fund	<u>\$3,350,270</u>	<u>\$3,701,765</u>	<u>\$3,303,125</u>	<u>\$3,544,837</u>
Other Governmental Funds				
Nonspendable	\$ 1,653,365	\$ 1,524,627	\$ 1,037,377	\$ 692,489
Restricted	1,913,777	2,582,340	2,535,822	2,198,044
Committed	1,195,169	801,492	702,140	740,677
Assigned	1,031,643	1,401,775	2,695,397	2,827,567
Unassigned	(1,221,637)	(680,937)	(385,867)	(1,440,729)
Total Other Funds	<u>\$4,572,317</u>	<u>\$5,629,297</u>	<u>\$6,584,869</u>	<u>\$5,018,048</u>
Total Governmental Funds				
Non-spendable	\$ 1,745,349	\$ 104,867	\$ 1,140,315	\$ 774,756
Restricted	1,913,777	2,582,340	2,535,822	2,198,044
Committed	1,195,169	801,492	702,140	740,677
Assigned	1,676,377	4,239,692	3,839,405	3,411,300
Unassigned	1,391,915	1,602,671	1,670,312	1,438,108
Total Governmental Funds	<u>\$ 7,922,587</u>	<u>\$ 9,331,062</u>	<u>\$ 9,887,994</u>	<u>\$ 8,562,885</u>

Source: Village of Grafton Financial Statements

VILLAGE OF GRAFTON

Table 3

FUND BALANCES (DEFICIT), GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

2018	2019	2020	2021	2022	2023
\$ 84,731	\$ 77,277	\$ 82,966	\$ 71,303	\$ 83,404	\$ 95,676
570,873	622,045	744,181	772,446	456,825	495,182
2,826,071	2,683,012	2,691,943	2,507,223	2,491,028	2,872,148
<u>\$3,481,675</u>	<u>\$3,382,334</u>	<u>\$3,519,090</u>	<u>\$3,350,972</u>	<u>\$3,031,257</u>	<u>\$3,463,006</u>
\$ 30,832	\$ 19,976	\$ 14,352	\$ 18,381	\$ 24,264	\$ 1,934,611
2,315,211	2,586,468	2,701,104	2,786,881	3,506,694	2,367,620
693,798	743,629	644,603	675,561	621,127	878,004
2,462,964	2,225,439	1,911,658	1,715,544	2,017,874	200,486
(549,438)	(675,197)	(611,284)	(803,270)	(533,704)	(541,623)
<u>\$4,953,367</u>	<u>\$4,900,315</u>	<u>\$4,660,433</u>	<u>\$4,393,097</u>	<u>\$5,636,255</u>	<u>\$4,839,098</u>
\$ 115,563	\$ 97,253	\$ 97,318	\$ 89,684	\$ 107,668	\$ 2,030,287
2,315,211	2,586,468	2,701,104	2,786,881	3,506,694	2,367,620
693,798	743,629	644,603	675,561	621,127	878,004
3,033,837	2,847,484	2,655,839	2,487,990	2,474,699	695,668
2,276,633	2,007,815	2,080,659	1,703,953	1,957,324	2,330,525
<u>\$ 8,435,042</u>	<u>\$ 8,282,649</u>	<u>\$ 8,179,523</u>	<u>\$ 7,744,069</u>	<u>\$ 8,667,512</u>	<u>\$ 8,302,104</u>

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2014	2015	2016	2017
Revenues				
Taxes	\$9,760,244	\$9,882,524	\$10,553,416	\$10,336,694
Intergovernmental Operating Grants	2,216,493	1,995,942	1,716,249	1,834,148
Licenses and Permits	581,886	585,497	505,140	632,556
Fines, Forfeitures and Penalties	115,783	114,287	116,430	112,441
Public Charges for Services	1,022,269	1,048,499	1,163,859	1,069,249
Intergovernmental Charges for Services	373,238	422,022	788,242	618,438
Special Assessments	161,517	64,100	292,364	29,787
Investment Income (Loss)	41,249	48,429	70,563	102,229
Miscellaneous	864,917	1,613,348	669,068	637,467
Total Revenues	<u>15,137,596</u>	<u>15,774,648</u>	<u>15,875,331</u>	<u>15,373,009</u>
Expenditures by Function				
General Government	\$1,069,549	\$1,160,072	\$1,198,714	\$1,082,066
Public Safety	4,276,223	4,650,604	4,791,895	4,916,791
Public Works	2,720,333	2,581,547	2,736,698	2,757,185
Community Enrichment Services	1,306,988	1,383,161	1,434,809	1,422,654
Conservation and Development	374,598	441,979	579,042	889,616
Capital Outlays	2,161,164	1,888,044	2,630,545	2,728,521
Debt Service				
Principal Retirement	2,576,547	2,675,857	2,763,744	2,683,764
Interest and fiscal charges	1,252,309	1,116,988	1,040,765	864,179
Total Expenditures by Function	<u>15,737,711</u>	<u>15,898,252</u>	<u>17,176,212</u>	<u>17,344,776</u>
Excess of Expenses Over Revenues	(600,115)	(123,604)	(1,300,881)	(1,971,767)
Other Financing Sources (Uses)				
Bond proceeds and Debt Premiums	-	13,112,147	1,177,092	340,000
Payment to Refund Debt	-	(11,929,871)	-	-
Proceeds from Sale of Capital Assets	125,635	79,560	149,191	30,116
Leases Issued	-	-	-	-
Transfers in	4,403,998	4,663,083	5,034,071	4,548,754
Transfers out	(4,133,757)	(4,392,840)	(4,502,541)	(4,272,212)
Total Other Financing Sources (Uses)	<u>395,876</u>	<u>1,532,079</u>	<u>1,857,813</u>	<u>646,658</u>
Special Item - Contribution of Fire Department Assets	-	-	-	-
Net Change in Fund Balances	<u>(\$204,239)</u>	<u>\$1,408,475</u>	<u>\$556,932</u>	<u>(\$1,325,109)</u>
Debt Service as a percentage of non-capital outlay expenditures	28.20%	25.80%	25.79%	23.43%

Source: Village of Grafton Financial Statements

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

2018	2019	2020	2021	2022	2023
\$11,101,995	\$11,335,572	\$11,575,384	\$11,147,697	\$12,043,640	\$12,033,505
1,851,782	1,716,058	2,076,225	1,897,308	2,055,038	2,350,018
463,105	466,307	678,341	676,535	811,604	621,583
108,309	99,573	52,391	55,293	54,452	42,517
1,119,603	1,182,037	1,008,491	1,302,286	1,297,665	1,307,949
405,022	327,473	357,822	443,802	485,115	665,001
29,031	32,800	25,466	7,290	3,209	15,175
272,197	447,827	207,754	(4,977)	36,243	797,765
207,101	205,574	617,089	605,930	869,532	1,026,851
<u>15,558,145</u>	<u>15,813,221</u>	<u>16,598,963</u>	<u>16,131,164</u>	<u>17,656,498</u>	<u>18,860,364</u>
\$1,084,975	\$1,062,157	\$1,120,879	\$1,065,368	\$1,058,975	\$1,173,366
4,988,672	4,889,832	5,192,527	5,416,068	5,904,468	6,190,061
2,783,888	3,042,685	2,780,812	2,837,552	3,091,361	3,485,475
1,451,972	1,522,839	1,364,429	1,556,632	1,661,388	1,749,136
968,130	771,614	553,782	577,972	622,052	596,969
2,710,988	1,621,845	2,294,083	2,394,725	1,643,198	3,683,541
2,465,584	6,917,739	3,201,693	2,719,636	2,964,725	3,373,156
825,288	924,089	560,347	496,237	450,054	408,355
<u>17,279,497</u>	<u>20,752,800</u>	<u>17,068,552</u>	<u>17,064,190</u>	<u>17,396,221</u>	<u>20,660,059</u>
(1,721,352)	(4,939,579)	(469,589)	(933,026)	260,277	(1,799,695)
1,243,257	4,090,000	-	-	-	1,169,293
-	-	-	-	-	-
73,739	420,673	89,950	-	131,028	51,242
-	-	-	221,059	372,214	48,625
5,700,800	5,232,964	5,649,559	4,290,741	4,305,859	4,742,512
(5,424,287)	(4,956,451)	(5,373,046)	(4,014,228)	(4,145,935)	(4,577,385)
<u>1,593,509</u>	<u>4,787,186</u>	<u>366,463</u>	<u>497,572</u>	<u>663,166</u>	<u>1,434,287</u>
-	-	-	-	-	-
<u>(\$127,843)</u>	<u>(\$152,393)</u>	<u>(\$103,126)</u>	<u>(\$435,454)</u>	<u>\$923,443</u>	<u>(\$365,408)</u>
22.05%	40.61%	24.85%	21.54%	21.12%	21.75%

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
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
2016	2017	211,040	2,052,646	7,714,485	10,715,271	1,218,736
2017	2018	-	2,149,368	7,714,248	11,947,030	1,233,835
2018	2019	-	2,224,804	7,756,190	11,785,454	1,292,242
2019	2020	-	2,240,525	7,868,021	11,919,342	1,346,414
2020	2021	-	2,243,418	8,093,819	11,990,735	1,360,504
2021	2022	-	2,135,777	8,368,778	11,811,582	1,129,971
2022	2023	-	2,252,778	8,608,100	11,325,110	1,086,342
2023	2024	-	2,349,733	8,915,496	12,008,959	1,240,000

Levy Year	Collection Year	Tax MATC	Incremental Districts	Gross Tax Levy	Total Collections	Percent Collected
2014	2015	\$ 1,347,466	\$ 1,899,548	\$ 24,978,681	\$ 24,971,122	99.97%
2015	2016	1,357,195	2,426,677	25,696,050	25,679,907	99.94%
2016	2017	1,433,586	2,159,393	25,505,157	25,478,140	99.89%
2017	2018	1,503,301	2,862,506	27,410,288	27,404,000	99.98%
2018	2019	1,542,695	2,984,850	27,586,235	27,579,946	99.98%
2019	2020	1,557,781	3,321,649	28,253,732	28,248,172	99.98%
2020	2021	1,616,607	2,487,261	27,792,343	27,790,798	99.99%
2021	2022	1,438,141	3,006,209	27,890,457	27,889,832	99.99%
2022	2023	1,451,826	2,736,521	27,460,677	27,368,973	99.99%
2023	2024	1,514,123	2,957,470	28,985,781	*	

* 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
2014	\$ 7,499,567	\$ 4,300,533	57.34%	\$ 3,196,784	\$ 7,497,317	99.97%
2015	7,646,558	4,167,617	54.50%	3,474,353	7,641,970	99.94%
2016	7,714,485	4,374,912	56.71%	3,331,087	7,705,999	99.89%
2017	7,714,248	4,344,589	56.32%	3,368,116	7,712,705	99.98%
2018	7,756,190	3,825,984	49.33%	3,928,655	7,754,639	99.98%
2019	7,868,021	4,215,651	53.58%	3,650,796	7,866,447	99.98%
2020	8,093,819	3,483,705	43.04%	4,609,305	8,093,010	99.99%
2021	8,368,788	3,524,924	42.12%	4,843,864	8,368,788	99.99%
2022	8,608,100	3,685,101	42.81%	4,921,887	8,606,988	99.99%
2023	8,915,496	3,371,060	37.81%	*	*	*

*Collections to date or in process

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

VILLAGE OF GRAFTON, WISCONSIN

ASSESSED VALUATIONS

LAST TEN FISCAL YEARS

Year	Residential	Commercial	Manufacturing	Agricultural, Swamp & Forest
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
2016	785,430,700	304,314,100	56,295,800	1,156,500
2017	787,073,900	320,296,700	54,700,900	1,153,000
2018	792,883,500	336,209,500	53,716,600	1,123,500
2019	798,439,700	343,574,600	51,401,100	1,136,800
2020	1,015,941,800	414,943,500	63,512,800	237,100
2021	1,048,879,700	415,622,400	64,319,400	217,300
2022	1,088,144,300	421,475,400	60,970,600	91,600
2023	1,132,720,200	428,786,400	57,224,600	91,100

Year	Other	Total Real Estate	Personal Property	Total Assessed
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
2016	110,200	1,147,307,300	34,289,200	1,181,596,500
2017	110,200	1,163,334,700	31,049,200	1,194,383,900
2018	110,200	1,184,043,300	23,910,600	1,207,953,900
2019	110,200	1,194,662,400	22,302,900	1,216,965,300
2020	-	1,494,635,200	25,760,500	1,520,395,700
2021	-	1,529,038,800	24,853,100	1,553,891,900
2022	63,300	1,570,745,200	23,964,400	1,594,709,600
2023	63,300	1,618,885,600	24,225,500	1,643,111,100

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

		REAL PROPERTY		PERSONAL PROPERTY	
Levy Year	Fiscal Year	Assessed Value	Equalized Value	Assessed Value	Equalized Value
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
2016	2017	1,147,307,300	1,220,269,800	34,289,200	23,292,500
2017	2018	1,163,334,700	1,285,454,200	31,049,200	47,859,400
2018	2019	1,184,043,300	1,381,435,600	23,910,600	28,656,300
2019	2020	1,194,662,400	1,464,947,600	22,302,900	25,780,200
2020	2021	1,494,635,200	1,517,077,700	25,760,500	25,390,700
2021	2022	1,529,038,800	1,569,135,400	24,853,100	25,795,200
2022	2023	1,570,745,200	1,764,315,000	23,964,400	26,207,300
2023	2024	1,618,885,600	1,983,711,100	24,225,500	30,182,200
		TOTAL			
Levy Year	Fiscal Year	Assessed Value	Equalized Value	Ratio of Assessed to Equalized Value	Computer Exemption Equalized Value
2014	2015	\$ 1,143,127,900	\$ 1,148,445,000	0.9954	\$ 6,232,400
2015	2016	1,157,537,900	1,193,069,400	0.9702	7,050,100
2016	2017	1,181,596,500	1,243,562,300	0.9502	7,413,900
2017	2018	1,194,383,900	1,333,313,600	0.8958	*
2018	2019	1,207,953,900	1,410,091,900	0.8566	*
2019	2020	1,216,965,300	1,490,727,800	0.8164	*
2020	2021	1,520,395,700	1,542,468,400	0.9857	*
2021	2022	1,553,891,900	1,594,930,600	0.9743	*
2022	2023	1,594,709,600	1,790,522,300	0.8906	*
2023	2024	1,643,111,100	2,013,893,300	0.8159	*

* Effective January 1, 2017, the State of Wisconsin does not report computer exempt equalized value as payment no longer based on municipal computer exempt valuation.

Source: "Statement of Merged Equalized Values" and "Final Equated Statement of Assessment" published by the 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>
2014	2015	0.1705	1.8852	7.1028	11.5027
2015	2016	0.1749	1.8922	7.3012	11.5217
2016	2017	0.1786	1.8984	7.1347	11.1632
2017	2018	-	2.0069	7.2030	12.5813
2018	2019	-	2.0632	7.1929	12.3227
2019	2020	-	2.0846	7.3205	12.5092
2020	2021	-	1.6199	5.8442	9.6978
2021	2022	-	1.5387	6.0290	9.5272
2022	2023	-	1.5676	5.9900	8.7907
2023	2024	-	1.5915	6.0384	9.0920

**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>
2014	2015	0.1705	1.8852	7.1028	9.9815
2015	2016	0.1749	1.8922	7.3012	10.1582
2016	2017	0.1786	1.8984	7.1347	10.0403
2017	2018	-	2.0069	7.2030	10.1647
2018	2019	-	2.0632	7.1929	10.6295
2019	2020	-	2.0846	7.3205	11.0408
2020	2021	-	1.6199	5.8442	9.1890
2021	2022	-	1.5387	6.0290	7.6189
2022	2023	-	1.5676	5.9900	7.3033
2023	2024	-	1.5915	6.0384	7.9668

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>
1.2762	21.9374	1.6188	20.3186	\$ 1,021,824,000
1.2959	22.1859	1.8380	20.3479	1,036,158,900
1.3258	21.7007	1.8061	19.8946	1,060,212,000
1.4037	23.1949	1.9431	21.2518	1,072,999,400
1.4307	23.0095	1.9611	21.0484	1,086,194,500
1.4494	23.3637	1.9904	21.3733	1,095,016,100
1.1673	18.3292	1.6107	16.7185	1,372,337,800
1.0361	18.1309	1.5387	16.5922	1,405,580,700
1.0103	17.3586	1.4558	15.9028	1,445,962,600
1.0255	17.7474	1.7286	16.0188	1,487,464,900

**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>
1.2762	20.4162	1.6188	18.7974	\$ 121,303,900
1.2959	20.8224	1.8380	18.9844	121,379,000
1.3258	20.5778	1.8061	18.7717	121,384,500
1.4037	20.7783	1.9431	18.8352	121,384,500
1.4307	21.3163	1.9611	19.3552	121,759,400
1.4494	21.8953	1.9904	19.9049	121,949,200
1.1673	17.8204	1.6107	16.2097	148,057,900
1.0361	16.2227	1.5387	14.6840	148,311,200
1.0103	15.8712	1.4558	14.4154	148,747,000
1.0255	16.6221	1.7286	14.8935	155,646,100

**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>
2014	2015	0.1697	1.8765	7.0700	11.4490
2015	2016	0.1697	1.8359	7.0838	11.1810
2016	2017	0.1697	1.8038	6.7792	10.6070
2017	2018	-	1.7978	6.4525	11.2713
2018	2019	-	1.7675	6.1618	10.5686
2019	2020	-	1.7018	5.9761	10.2121
2020	2021	-	1.5967	5.7606	9.5898
2021	2022	-	1.5016	5.8838	9.2958
2022	2023	-	1.3962	5.3350	7.8297
2023	2024	-	1.2985	4.9267	7.4181

**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>
2014	2015	0.1697	1.8765	7.0700	9.9380
2015	2016	0.1697	1.8359	7.0838	9.8373
2016	2017	0.1697	1.8038	6.7792	9.5393
2017	2018	-	1.7978	6.4525	9.0988
2018	2019	-	1.7675	6.1618	9.0117
2019	2020	-	1.7018	5.9761	9.0126
2020	2021	-	1.5967	5.7606	8.7961
2021	2022	-	1.5016	5.8838	7.4490
2022	2023	-	1.3962	5.3350	6.5015
2023	2024	-	1.2985	4.9267	6.5000

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

Levy Year	Collection Year	MATC	Total	School State Credit	Net Tax Rate	Equalized Valuation
2014	2015	1.2700	21.8352	1.6110	20.2242	1,026,615,514
2015	2016	1.2573	21.5277	1.7833	19.7444	1,067,730,678
2016	2017	1.2598	20.6195	1.7161	18.9034	1,115,803,122
2017	2018	1.2574	20.7790	1.7406	19.0384	1,197,709,733
2018	2019	1.2256	19.7235	1.6800	18.0435	1,266,473,290
2019	2020	1.1832	19.0732	1.6249	17.4483	1,341,335,200
2020	2021	1.1506	18.0977	1.5876	16.5101	1,387,797,752
2021	2022	1.0111	17.6923	1.5016	16.1907	1,440,558,900
2022	2023	0.8998	15.4606	1.2966	14.1640	1,623,430,762
2023	2024	0.8367	14.4799	1.4104	13.0695	1,823,124,190

**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

Levy Year	Collection Year	MATC	Total	School State Credit	Net Tax Rate	Equalized Valuation
2014	2015	1.2700	20.3242	1.6113	18.7129	121,829,486
2015	2016	1.2573	20.1840	1.7833	18.4007	125,338,722
2016	2017	1.2598	19.5518	1.7161	17.8357	127,759,178
2017	2018	1.2574	18.6065	1.7406	16.8659	135,603,867
2018	2019	1.2256	18.1666	1.6800	16.4866	143,618,610
2019	2020	1.1832	17.8737	1.6249	16.2488	149,392,600
2020	2021	1.1506	17.3040	1.5876	15.7164	154,670,648
2021	2022	1.0111	15.8454	1.5016	14.3439	151,694,500
2022	2023	0.8998	14.1324	1.2966	12.8358	167,091,538
2023	2024	0.8367	13.5618	1.4104	12.1514	190,769,110

**VILLAGE OF GRAFTON, WISCONSIN
PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO**

TEN LARGEST TAXPAYERS - 2023

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
BMA PW60 Grafton Commons LLC	Commercial Real Estate	\$ 35,948,400	\$ 469,630	1.62%
Village Pointe Commons LLC	Senior Residential Facility	34,613,500	452,314	1.56%
Meijer Stores Limited Partnership	Retail	23,341,500	304,996	1.05%
1505 Grafton LLC	Multi-family Residential Buildings	21,160,000	276,417	0.95%
Costco Wholesale Corporation	Retail	16,787,300	219,334	0.76%
Tillmann Corporation	Condominiums	13,875,500	180,197	0.62%
Arrowhead Apartments, LLC	Multi-family Residential Buildings	13,413,700	175,042	0.60%
Exchangeright Net Leased Portfolio	Commercial Real Estate	12,327,700	161,050	0.56%
AMC Holdings LLC	Hospital	12,289,100	160,570	0.55%
Arrowhead Associates LLC	Multi-family Residential Buildings	12,237,000	159,731	0.55%
	Total for Ten Largest Taxpayers	<u>\$ 195,993,700</u>	<u>\$ 2,559,281</u>	<u>8.83%</u>

TEN LARGEST TAXPAYERS - 2014

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
Inland American Grafton Port Washington LLC	Commercial Real Estate	\$16,182,200	\$328,576	1.32%
Costco Wholesale Corporation	Retail	13,579,700	275,846	1.11%
Grafton LLC	Commercial Real Estate	10,951,600	222,447	0.89%
Tillmann Corporation	Condominiums	9,809,100	199,425	0.80%
Arrowhead Apartments LLC	Multi-family Residential Buildings	9,125,200	185,337	0.74%
AMC Holdings LLC	Hospital	8,761,800	177,730	0.71%
Arrowhead Associates LLC	Multi-family Residential Buildings	8,370,100	169,994	0.68%
Home Depot	Retail	7,980,700	161,933	0.65%
Dayton Hudson Corp (Targets)	Retail	7,946,600	161,389	0.65%
Gauthier Properties	Industrial	7,445,000	151,272	0.61%
	Total for Ten Largest Taxpayers	<u>\$100,152,000</u>	<u>\$2,033,949</u>	<u>8.16%</u>

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VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

WATER SALES LAST TEN FISCAL YEARS

Year	Residential			Commercial**			Multi-Family**		
	Average Number of Customers	Gallons Sold*	Revenue	Average Number of Customers	Gallons Sold*	Revenue	Average Number of Customers	Gallons Sold*	Revenue
2014	4,501	199,794	\$ 857,115	305	88,494	\$ 256,301	NA	NA	NA
2015	4,517	201,955	881,156	314	85,747	262,794	NA	NA	NA
2016	4,525	207,499	905,215	312	90,915	272,461	NA	NA	NA
2017	4,542	192,850	887,046	313	92,256	281,882	NA	NA	NA
2018	4,482	194,193	891,300	317	95,690	301,311	NA	NA	NA
2019	4,462	188,200	873,812	318	92,455	294,588	NA	NA	NA
2020	4,618	202,441	916,770	319	91,274	291,601	NA	NA	NA
2021	4,947	199,152	914,189	322	89,659	285,519	NA	NA	NA
2022	4,965	191,280	900,126	246	65,065	206,707	70	28,411	88,054
2023	5,003	206,985	950,919	271	68,926	200,721	71	31,861	95,531

*Thousands of gallons

**Multi-family was broken out from commercial in 2022.

***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

Industrial			Public Authorities			Private Fire Protection Revenues	Public Fire Protection Revenues	Total Gallons Sold*	Total Revenue From Sale of Water***
Average Number of Customers	Gallons Sold*	Revenue	Average Number of Customers	Gallons Sold*	Revenue				
68	27,720	\$ 80,027	25	5,161	\$ 18,064	\$ 37,385	\$ 331,807	321,169	\$ 1,580,699
68	27,173	87,300	25	8,997	19,113	37,596	333,164	323,872	1,621,123
78	30,878	86,248	25	6,203	21,586	38,430	335,273	335,495	1,659,213
67	29,636	90,549	26	4,766	18,571	39,400	345,764	319,508	1,663,212
67	29,864	90,471	27	5,599	24,859	59,025	436,081	325,346	1,803,047
67	27,473	84,230	27	5,460	22,489	64,570	465,845	313,588	1,805,534
68	22,612	71,331	25	2,834	14,398	64,284	466,691	319,161	1,825,075
67	25,204	75,940	26	5,132	25,830	64,394	469,450	319,147	1,835,322
67	22,933	73,168	24	3,528	18,394	64,272	472,684	311,217	1,823,405
71	24,864	69,484	25	6,565	19,640	73,183	477,460	339,201	1,886,938

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

**WASTEWATER REVENUES
LAST TEN FISCAL YEARS**

Year	Residential			Commercial**			Multi family**		
	Average Number of Customers	Gallons Metered*	Revenue	Average Number of Customers	Gallons Metered*	Revenue	Average Number of Customers	Gallons Metered*	Revenue
2014	4,141	195,551	\$ 1,369,629	264	82,787	\$ 481,588	NA	NA	NA
2015	4,163	196,733	1,407,774	270	85,035	496,035	NA	NA	NA
2016	4,171	203,316	1,455,973	268	88,302	508,517	NA	NA	NA
2017	4,224	186,600	1,525,687	239	88,360	567,734	NA	NA	NA
2018	4,283	192,090	1,792,587	290	94,746	666,268	NA	NA	NA
2019	4,309	186,452	2,130,652	297	91,030	732,705	NA	NA	NA
2020	4,349	197,120	2,505,968	298	85,949	787,822	NA	NA	NA
2021	4,654	190,581	2,662,421	296	85,594	860,622	NA	NA	NA
2022	4,733	183,488	2,628,777	224	61,239	670,924	70	27,834	216,827
2023	4,805	197,078	2,765,658	230	63,528	595,812	70	30,954	284,764

*Thousands of gallons

** Includes multi-family until 1/1/2022 when it was broke out separately

Source: Number of Customers and Gallons Metered: Municipal Utility Annual Report of the Grafton Water & Wastewater Utility

VILLAGE OF GRAFTON, WISCONSIN

ENTERPRISE FUNDS

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

<u>Industrial</u>			<u>Year</u>	<u>Public Authorities</u>			<u>Other Sewerage Revenues</u>	<u>Total Gallons Metered*</u>	<u>Total Sewerage Revenues</u>
<u>Average Number of Customers</u>	<u>Gallons Metered*</u>	<u>Revenue</u>		<u>Average Number of Customers</u>	<u>Gallons Metered*</u>	<u>Revenue</u>			
59	16,759	\$ 123,503	2014	17	4,335	\$ 28,096	\$ 107,932	299,432	\$ 2,110,748
60	27,813	132,494	2015	17	4,401	27,203	107,932	313,982	2,171,438
70	29,499	116,218	2016	17	4,166	27,949	107,932	325,283	2,216,589
62	15,780	131,873	2017	19	3,928	29,992	137,648	294,668	2,392,934
67	19,875	152,477	2018	18	5,520	35,695	124,204	312,231	2,771,231
66	17,905	172,167	2019	18	5,359	45,134	114,177	300,746	3,194,835
62	14,614	152,857	2020	16	2,294	36,963	117,238	299,977	3,600,848
61	16,150	175,451	2021	16	3,198	45,180	170,170	295,524	3,913,844
60	11,103	180,823	2022	16	3,007	45,755	170,272	286,671	3,913,379
60	15,771	177,630	2023	17	3,822	49,217	177,680	311,153	4,050,762

VILLAGE OF GRAFTON, WISCONSIN

**TEN LARGEST* WATER AND WASTEWATER CUSTOMERS
FOR CURRENT YEAR AND NINE YEARS AGO**

Name of Customer	Nature of Business	2023		
		Gallons Used**	Usage Charges	% of Total
Aurora Medical Center	Health Care Provider	18,948	\$ 217,341	3.77%
Village Pointe Commons	Senior Residential Facility	6,271	79,306	1.38%
Grafton Public Schools	Education	3,251	62,766	1.09%
Pace Industries	Die Casting and Manufacturing	8,216	44,115	0.77%
Exacto Springs	Wireform Manufacturer	3,413	40,327	0.70%
Costco	Retail	3,211	35,315	0.61%
Full Service Car Wash	Car Wash	2,499	31,199	0.54%
Kapco	Metal Stamping Fabricator	2,278	29,268	0.51%
Grafton Citgo Car Wash	Car Wash	1,751	28,863	0.50%
TownPlace Suites	Hotel	2,306	27,546	0.48%
				10.34%

Name of Customer	Nature of Business	2014		
		Gallons Used	Est. Usage Charges	% of Total
Aurora Medical Center	Health Care Provider	21,048	\$ 164,325	4.45%
Pace Industries	Die Casting and Manufacturing	8,211	64,620	1.75%
Costco	Retail	4,180	32,714	0.89%
Exacto Spings	Wireform Manufacturer	3,194	25,263	0.68%
Hampton	Hotel	2,592	20,522	0.56%
Full Service Car Wash	Car Wash	1,928	15,490	0.42%
Rexnord	Machinery Industrial Manufacturer	1,512	12,871	0.35%
11 Ave Apartments	Multi Family Residential	1,475	12,380	0.34%
Grafton Public Schools	Education	1,470	20,656	0.56%
Calibre	Manufacturer	1,467	11,411	0.31%
				10.30%

Gallons used are based on water usage. Usage charges are all charges for both water and sewer.
Some customers may have a deduct meter which would reduce the gallons billed for sewer.

* Largest customers determined by Usage Charges

**Thousands of gallons

Source: Water and Wastewater Billing Registers

RATIO OF NET GENERAL OBLIGATION DEBT TO EQUALIZED VALUE

LAST TEN FISCAL YEARS

<u>As of December 31</u>	<u>Total G.O. Debt Outstanding</u>	<u>Less: Funds Available for Debt Service</u>	<u>Net Debt Outstanding</u>	<u>Equalized Value</u>	<u>Statutory Debt Capacity (5% of Equalized Value)</u>
2014	\$ 38,142,797	\$ 75,274	\$ 37,965,151	\$ 1,148,445,000	\$ 57,422,250
2015	37,404,508	-	37,247,853	1,193,069,400	59,653,470
2016	38,336,631	348,201	37,436,878	1,243,562,300	62,178,116
2017	37,633,362	151,041	37,482,321	1,333,313,600	66,665,680
2018	35,534,325	215,853	35,318,472	1,410,091,900	70,504,595
2019	33,259,430	84,317	33,175,113	1,490,727,800	74,536,390
2020	29,172,160	145,078	29,027,082	1,542,468,400	77,123,420
2021	25,576,467	105,038	25,471,429	1,594,930,600	79,746,530
2022	21,895,593	56,483	21,839,110	1,790,522,300	89,526,115
2023	22,741,415	-	22,741,415	2,013,893,300	100,694,665

<u>As of December 31</u>	<u>Ratio of Net Debt to Debt Capacity</u>	<u>Population</u>	<u>Net Debt Per Capita</u>	<u>Net Debt Per \$1,000 of Equalized Value</u>
2014	66.12%	11,467	\$ 3,311	\$ 33.06
2015	62.44%	11,519	3,234	31.22
2016	60.21%	11,549	3,242	30.10
2017	56.22%	11,745	3,191	28.11
2018	50.09%	11,803	2,992	25.05
2019	44.51%	11,959	2,774	22.25
2020	37.64%	11,989	2,421	18.82
2021	31.94%	12,155	2,096	15.97
2022	24.39%	12,298	1,776	12.20
2023	22.58%	12,351	1,841	11.29

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.

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Revenue Bonds	Business-Type Activities			
	General Obligation Debt	Capital Lease Debt	Financed Purchases	Total		General Obligation Debt	Financed Purchases	Capital Leases	Total
2014	\$ 34,429,732	\$ -	\$ -	\$ 34,429,732	\$ 1,160,000	\$ 3,713,065	\$ -	\$ -	4,873,065
2015	33,814,689	-	-	33,814,689	1,085,000	3,589,819	-	-	4,674,819
2016	32,180,100	-	-	32,180,100	1,005,000	6,156,531	-	-	7,161,531
2017	29,786,684	-	-	29,786,684	-	7,846,678	-	206,019	8,052,697
2018	28,512,801	-	-	28,512,801	-	7,021,524	-	157,082	7,178,606
2019	25,636,971	-	-	25,636,971	-	7,622,459	-	106,472	7,728,931
2020	22,391,482	-	-	22,391,482	2,815,225	6,780,678	-	54,131	9,650,034
2021	19,637,061	131,322	-	19,768,383	8,637,607	5,939,406	-	-	14,577,013
2022	16,734,062	174,395	226,554	17,135,011	8,566,700	5,161,531	-	-	13,728,231
2023	14,601,958	157,183	172,372	14,931,513	8,502,359	8,139,458	356,274	-	16,998,091

Fiscal Year	Total				Total	Population	Net Debt Per Capita
	Revenue Bond Debt	General Obligation Debt	Capital Lease Debt	Financed Purchases Debt			
2014	\$ 1,160,000	\$ 38,142,797	\$ -	\$ -	\$ 39,302,797	11,467	\$ 3,326
2015	1,085,000	37,404,508	-	-	38,489,508	11,519	3,247
2016	1,005,000	38,336,631	-	-	39,341,631	11,549	3,319
2017	-	37,633,362	206,019	-	37,839,381	11,745	3,204
2018	-	35,534,325	157,082	-	35,691,407	11,803	3,011
2019	-	33,259,430	106,472	-	33,365,902	11,959	2,781
2020	2,815,225	29,172,160	54,131	-	32,041,516	11,989	2,433
2021	8,637,607	25,576,467	131,322	-	34,345,396	12,155	2,104
2022	8,566,700	21,895,593	174,395	226,554	30,863,242	12,298	1,780
2023	8,502,359	22,741,415	157,183	528,646	31,929,603	12,351	1,841

Source: Village of Grafton Annual Financial Reports; State of Wisconsin Department of Administration, Demographic Services Center

COMPUTATION OF OVERLAPPING DEBT

LAST TEN FISCAL YEARS

Direct: Village of Grafton				Overlapping: Ozaukee County		
End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2014	\$ 34,429,732	100.00%	\$ 34,429,732	\$ 33,910,000	10.19%	\$ 3,455,429
2015	33,814,689	100.00%	33,814,689	31,975,000	10.05%	3,213,488
2016	32,180,100	100.00%	32,180,100	32,090,000	10.27%	3,295,643
2017	29,786,684	100.00%	29,786,684	29,635,000	10.46%	3,099,821
2018	28,512,801	100.00%	28,512,801	27,125,000	10.49%	2,845,413
2019	25,636,971	100.00%	25,636,971	24,535,000	10.61%	2,603,164
2020	22,391,482	100.00%	22,391,482	22,550,000	10.65%	2,401,575
2021	19,768,383	100.00%	19,768,383	25,910,000	10.79%	2,795,689
2022	17,135,011	100.00%	17,135,011	23,595,000	10.45%	2,465,678
2023	14,934,951	100.00%	14,934,951	21,325,000	10.57%	2,254,163

Overlapping: Grafton School District				Overlapping: Cedarburg School District		
End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2014	\$ 14,040,000	63.37%	\$ 8,897,148	\$ 13,505,000	5.64%	\$ 761,682
2015	12,880,000	62.90%	8,101,520	11,765,000	5.68%	668,252
2016	9,980,000	63.18%	6,305,364	10,010,000	5.62%	562,562
2017	40,535,000	64.21%	26,027,524	13,200,000	5.70%	752,400
2018	47,680,000	63.92%	30,477,056	9,600,000	5.82%	558,720
2019	46,000,000	63.49%	29,205,400	55,600,000	5.70%	3,169,200
2020	44,465,000	63.87%	28,399,796	61,785,000	5.61%	3,466,139
2021	42,485,000	62.91%	26,729,061	58,690,000	5.11%	2,999,059
2022	41,795,000	63.80%	26,665,210	55,660,000	4.92%	2,738,472
2023	39,790,000	64.17%	25,533,243	53,445,000	5.04%	2,693,040

Overlapping: Milwaukee Area Technical College				Total Overlapping Debt		
End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2014	\$ 133,620,000	1.54%	\$ 2,057,748	\$ 195,075,000	7.78%	\$ 15,172,007
2015	89,875,000	1.54%	1,384,075	146,495,000	9.12%	13,367,335
2016	126,170,000	1.54%	1,943,018	178,250,000	6.79%	12,106,587
2017	120,905,000	1.74%	2,103,747	204,275,000	15.66%	31,983,492
2018	127,155,469	1.66%	2,110,781	211,560,469	17.01%	35,991,969
2019	126,135,000	1.66%	2,093,841	252,270,000	14.70%	37,071,605
2020	116,890,000	1.64%	1,916,996	245,690,000	14.73%	36,184,505
2021	116,360,000	1.69%	1,966,484	243,445,000	14.17%	34,490,293
2022	113,475,000	1.58%	1,792,905	234,525,000	14.35%	33,662,265
2023	118,450,000	1.63%	1,930,735	233,010,000	13.91%	32,411,181

Total Direct Debt				Total Direct & 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
2014	\$ 34,429,732	100.00%	\$ 34,429,732	\$ 229,504,732	21.61%	\$ 49,601,739
2015	33,814,689	100.00%	33,814,689	180,309,689	26.17%	47,182,024
2016	32,180,100	100.00%	32,180,100	210,430,100	21.05%	44,286,687
2017	29,786,684	100.00%	29,786,684	234,061,684	26.39%	61,770,176
2018	28,512,801	100.00%	28,512,801	240,073,270	26.87%	64,504,770
2019	25,636,971	100.00%	25,636,971	277,906,971	22.56%	62,708,576
2020	22,391,482	100.00%	22,391,482	268,081,482	21.85%	58,575,987
2021	19,768,383	100.00%	19,768,383	263,213,383	20.61%	54,258,676
2022	17,135,011	100.00%	17,135,011	251,660,011	20.18%	50,797,276
2023	14,934,951	100.00%	14,934,951	247,944,951	19.10%	47,346,132

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of these overlapping governments that is borne by the taxpayers of the Village through the taxes levied by these government agencies. Overlapping Debt is determined by the ratio of equalized valuation of taxable property lying within the corporate limits of the Village to the equalized valuation of each overlapping district.

VILLAGE OF GRAFTON WISCONSIN

DEMOGRAPHIC STATISTICS

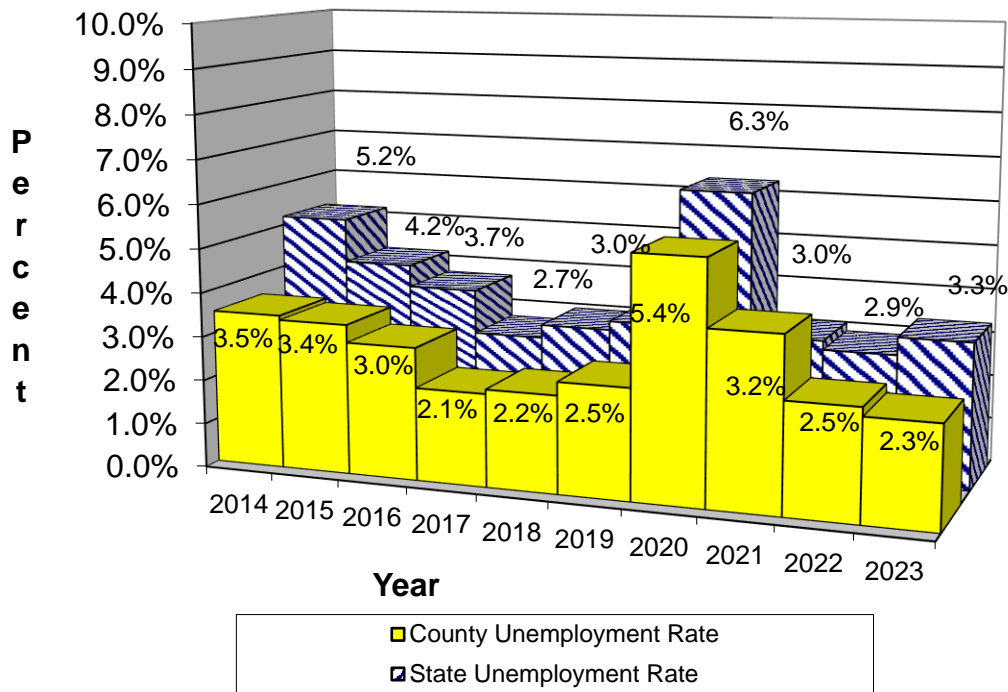
Area - Square Miles		Population	
2022	5.275	2023	12,351
2021	5.275	2022	12,298
2020	5.150	2021	12,155
2019	5.130	2020	11,989
2018	5.130	2019	11,959
2017	5.130	2018	11,803
2016	5.130	2017	11,563
2015	5.130	2016	11,549
2014	5.130	2015	11,519
2013	5.130	2014	11,490
Age (2023)		Education Attainment (2023)	
Under 5 years	4.6%	(Population 25 years and over)	
5 to 19 years	18.4%	High school graduate	20%
20 to 64 years	54.0%	Some college, no degree	20%
65 and over	23.0%	Associate's degree	14%
		Bachelor's degree	28%
		Graduate or professional degree	16%
Race (2023, estimated)		Families and Living Arrangements (2018-2022)	
White	89.90%	Households	5,646
Asian	2.30%	Average Persons per Household	2.15
Hispanic	3.70%		
Black or African American	2.50%	Housing (2018-2022)	
Some Other Race	1.60%	Owner Occupied	63.30%
		Non-Owner Occupied	36.70%
School Registration (2023-2024)		Income & Poverty (2018-2022)	
Elementary Schools (Grades PK-5)	965	Median Household Income	\$ 83,500
John Long Middle School (Grades 6-8)	440	Per Capita Income in past 12 months	\$ 45,593
Grafton High School (Grades 9-12)	729	Persons in poverty	3.80%

Source: US Census, Wisconsin Department of Administration, Grafton School District

VILLAGE OF GRAFTON, WISCONSIN

DEMOGRAPHIC INFORMATION

Unemployment Rates



**Employment Information
(Ozaukee County)**

Year	Employment	Unemployment Rate
2014	46,028	3.50%
2015	46,372	3.40%
2016	45,182	3.00%
2017	47,891	2.10%
2018	47,869	2.20%
2019	47,560	2.50%
2020	46,260	5.40%
2021	47,184	3.90%
2022	48,249	2.50%
2023	48,093	2.30%

Source: Wisconsin Department of Workforce Development

VILLAGE OF GRAFTON, WISCONSIN

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

TEN LARGEST EMPLOYERS - 2023

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Aurora Health Care	Health Care Provider	1,900
Kapco	Metal Stamping Fabricator	500
Village of Grafton	Municipal Government	310
Grafton School District	Education	275
Costco	Retail	258
Meijer	Retail	258
Pace Industries	Die Casting and Manufacturing	216
Target	Retail	167
Exacto Springs Corporation	Wireform Manufacturer	160
Microbrush	Dental Product Manufacturer	155

TEN LARGEST EMPLOYERS - 2014

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Aurora Hospital	Health Care Provider	1,067
Pace Industries	Die Casting and Manufacturing	500
Grafton School District	Education	338
Kapco	Metal Stamping Fabricator	300
Rexnord Corporation - Plastics Div.	Plastic Injection Molding	258
Calibre	Paint Finisher	250
Costco	Retail	175
Target	Retail	170
Sendiks	Retail	155
Kohl's Department Store	Retail	150

Source: Village of Grafton Employers

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.

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2014-2023**

Table 21

GENERAL FUND

General Government	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.00	0.00
Human Resources Generalist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.75
Total Village Administrator's Office	1.75	1.75	1.75	1.75	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	0.63	0.63	0.63	0.63	0.63	0.63	0.75	0.75	0.75	0.75
Human Resources Generalist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25
Administrative Assistant I	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.00	0.00
Administrative Secretary II	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.00
Deputy Village Clerk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Utility Clerk I	0.75	0.75	0.75	0.75	0.75	0.75	0.90	0.90	0.00	0.00
Office Assistant	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounting Clerk	0.35	0.35	0.35	0.35	0.35	0.35	0.10	0.60	0.50	0.50
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
Accounting Clerk	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.10	0.10
Total Dept. of Administrative Services	5.83	5.48	5.48	5.48	5.48	5.48	5.50	5.60	4.60	4.60
Assessing Division										
Assessment Clerk/Technician	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00
Administrative Assistant - Community Development	0.00	0.25	0.25	0.25	0.25	0.25	0.00	0.00	0.05	0.05
Total Assessing Division	0.50	0.75	0.75	0.75	0.75	0.75	0.50	0.50	0.05	0.05
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
Assistant Police Chief	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Captain	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
Administrative Assistant II	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Assistant I	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court Clerk/Telecommunicator	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operations										
Sergeant	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
School Resource Officer	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00
Patrol Officer	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	13.00	13.00
K-9 Officer Handler	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
K-9 Officer (<i>canine</i>)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Crossing Guard	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Communications										
Telecommunicators	5.50	6.50	6.50	6.50	6.50	0.00	0.00	0.00	0.00	0.00
Police Support Specialists	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00
Court Clerk/Telecommunicator	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Police Department	34.50	34.50	34.50	34.50	34.50	33.00	33.00	33.00	34.00	34.00
Inspection Department										
Building Inspector	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.00	1.00
Assistant Building Inspector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Building Inspector Consultant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50
Building Plan Reviewer Consultant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25
Electrical Inspector Consultant	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Cemetery Grounds/Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25
Administrative Assistant - Community Development	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	1.45	1.45
Assessment Technician	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00
Office Assistant	0.00	0.25	0.25	0.25	0.25	0.50	0.25	0.00	0.00	0.00
Total Inspection Department	1.75	2.00	2.00	2.00	2.00	2.25	3.25	3.75	4.70	4.70

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2014-2023**

Table 21

Public Works	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Works Department										
Administration/Engineering										
Director	0.75	0.75	0.75	0.75	0.75	0.75	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
Engineering Technician I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.68	0.00
Administrative Assistant - Public Works	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Clerk I	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.00	0.00
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	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crewperson	9.00	9.00	9.00	9.00	9.00	9.00	10.00	11.00	10.33	11.00
Total Public Works Department	13.75	14.75	14.75	14.75	14.75	14.75	15.85	16.85	16.75	16.75
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 Assistant - Parks and Recreation	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	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Crewperson	2.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Program Specialist	0.46	0.46	0.46	0.46	0.46	0.46	0.00	0.46	0.00	0.00
Office Assistant	2.00	1.00	1.00	1.00	1.00	1.00	0.46	0.00	0.46	0.46
Senior Center Assistant	0.29	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Total Parks and Recreation Department	7.75	5.56	5.56	5.56	5.56	5.56	3.56	3.56	3.56	3.56
Conservation and Development										
Community Development										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretary II	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Planning & Development Department	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
TOTAL GENERAL FUND	67.33	66.29	66.29	66.29	66.29	65.04	64.91	66.51	66.91	66.91
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	0.00
Circulation Services Manager	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Reference Librarian	0.83	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Library Assistant II	1.00	0.90	0.90	0.94	0.90	0.90	0.90	0.90	0.94	0.00
Teen Services Librarian	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Library Assistant I	3.56	3.56	3.56	3.67	3.56	3.56	3.56	3.56	3.68	0.00
Circulation Aide	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.05
Library Page	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.28
Shelver/Cleaner	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19
Total Library	8.88	8.95	8.95	9.10	8.95	8.95	8.95	8.95	9.11	9.52
Fire Protection and Rescue										
Fire Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Fire Chief	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Captain	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Firefighter/Paramedic	0.00	0.00	0.00	0.00	0.50	3.00	3.00	4.00	7.00	6.00
Office Assistant	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.00
Total Fire Protection and Rescue	1.00	1.50	2.50	2.50	3.00	5.50	5.50	7.00	10.00	10.00
Recreation										
Senior Coordinator/Recreation Supervisor	0.00	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Total Recreation	0.00	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
TOTAL SPECIAL REVENUE FUND	9.88	10.80	11.80	12.0	12.30	14.80	14.80	16.30	19.46	19.87

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2014-2023**

Table 21

Proprietary Fund	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water and Wastewater Utility										
Administration										
Department of Public Works/Engineer	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Assistant Utility Director/Engineering	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Utility Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utility Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Program Coordinator	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facility Operations Coordinator	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Administrative Secretary II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utility Clerk I	0.25	0.25	0.25	0.25	0.25	0.25	0.00	0.00	0.00	0.00
Accounting Clerk	0.00	0.25	0.25	0.25	0.25	0.25	0.00	0.00	0.00	0.00
Office Assistant	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Operations										
Operations Foreman	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lead Field Operator	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Field Operations Coordinator	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Operator	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	8.00	8.00
Total Water and Wastewater Utility	9.75	9.75	9.75	9.75	9.75	9.75	10.25	10.25	11.25	11.25
TOTAL ENTERPRISE FUND	9.75	9.75	9.75	9.75	9.75	9.75	10.25	10.25	11.25	11.25

**TOTAL PERSONAL BY DEPARTMENT
AUTHORIZED PERMANENT POSITIONS 2014-2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Office of the Village Administrator	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Department of Administrative Services	4.33	3.98	3.98	3.98	3.98	3.98	4.00	4.00	3.00	3.10
Office of the Village Clerk	1.50	1.50	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.50
Assessing Division	0.50	0.75	0.75	0.75	0.75	0.75	0.50	0.50	0.05	0.05
Police Department	34.50	34.50	34.50	34.50	34.50	33.00	33.00	33.00	34.00	34.00
Inspection Department	1.75	2.00	2.00	2.00	2.00	2.25	3.25	3.75	4.70	4.70
Public Works Department	13.75	14.75	14.75	14.75	14.75	14.75	15.85	16.85	16.75	16.75
Parks and Recreation Department	7.75	5.56	5.56	5.56	5.56	5.56	3.56	3.56	3.56	3.56
Planning and Development Department	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Library	8.88	8.95	8.95	9.10	8.95	8.95	8.95	8.95	9.11	9.52
Fire Protection and Rescue Services	0.00	1.50	2.50	2.50	3.00	5.50	5.50	7.00	10.00	10.00
Recreation	0.00	0.00	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Water and Wastewater Utility	9.75	9.75	9.75	9.75	9.75	9.75	10.25	10.25	11.25	11.25
TOTAL VILLAGE PERSONNEL	85.96	86.49	87.84	87.99	88.34	89.59	90.06	93.06	97.62	98.03

**VILLAGE OF GRAFTON WISCONSIN
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

FUNCTION	2014	2015	2016
Public Safety			
Police			
Citations Issued	3,415	3,334	3,748
Calls for Service	21,208	26,625	23,673
Number of Sworn Officers	22	22	22
Fire			
Fire Inspections	1,560	1,540	2,306
EMS Calls	814	794	915
Fire Calls	183	180	228
Number of Full Time Employees	1	2	2
Inspection			
Total Permits Issued	932	852	890
Value of Permits Issued (millions)	\$ 32.6	\$ 33.1	\$ 29.8
Public Works			
Asphalt Placed by Village Staff (Tons)	451	478	452
Square Feet of Sidewalk Replaced	7,586	6,418	5,085
Curbside Brush Collections	2,174	2,345	2,176
Residential Yard Waste Site Users	1,172	1,220	1,219
Tons of Salt Used	1,827	1,059	1,499
Culture, Recreation and Education			
Community Activities			
Average Daily Attendance at Senior Center	57	57	57
Family Aquatic Center Total Attendance	17,759	20,316	25,679
Recreation Program Participants	2,569	3,248	3,338
Library			
Circulation (including digital items)	213,133	208,863	194,298
Program Attendance	6,139	6,153	5,584
Water and Wastewater			
Water and Wastewater Bills Processed	19,846	19,990	20,044
Water Meters Installed	676	591	670
Water Pumped *	363,834	365,125	379,467
Annual Inflow at Wastewater Treatment Plant*	518,200	508,160	543,850

* In Thousands of Gallons

** Average daily attendance shows an increase in 2020 as days of operation remained at zero when the building was closed due to the COVID-19 pandemic, however, outdoor activities and virtual program attendance were tracked.

Source: Village of Grafton Department Benchmark Reporting, capital asset records and Municipal Utility Annual Report of the Grafton Water & Wastewater Utility to the Public Service Commission of Wisconsin

**VILLAGE OF GRAFTON WISCONSIN
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

2017	2018	2019	2020	2021	2022	2023
3,283	3,319	2,394	1,599	2,697	2,106	1,217
20,683	20,959	18,187	16,513	17,148	15,775	16,199
22	22	22	22	22	22	22
1,550	1,648	883	188	951	1,163	1,492
1,015	1,087	1,179	1,373	1,672	1,806	1,772
167	167	234	241	280	300	298
3	3	5	5	5	8	9
1,121	1,098	1,060	1,599	1,849	1,674	1,573
\$ 69.7	\$ 23.5	\$ 20.4	\$ 45.9	\$ 41.1	\$ 32.0	\$ 49.5
165	206	178	342	287	321	193
5,387	6,036	0	7,202	5,158	6,000	5,143
2,332	2,548	2,389	2,414	2,229	2,136	2,709
1,234	1,226	1,221	1,265	1,225	1,287	1,290
1,221	1,442	1,765	900	1,600	1,100	941
52	58	55	74**	44	37	45
23,109	24,203	22,763	-	22,922	24,680	22,139
3,841	3,875	3,613	1,639	3,614	3,971	3,906
190,654	192,669	197,009	165,039	187,367	177,390	197,722
5,879	5,289	4,652	1,392	1,603	4,052	4,984
20,060	20,048	20,174	20,319	19,476	20,278	18,305
472	461	671	739	729	313	153
390,274	396,755	352,815	348,975	353,685	373,788	456,256
581,000	585,544	626,343	602,025	485,085	490,352	527,300

VILLAGE OF GRAFTON WISCONSIN
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
AS OF YEAR END FOR THE LAST TEN YEARS

FUNCTION	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	13	13	13	12	13	16	15	19	17	13
Fire										
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	13	17	13	14	15	15	17	17	17	17
Public Works										
Miles of Local Roads and Streets	52.97	52.97	52.97	52.97	52.97	53.21	53.21	58.19	58.19	60
Miles of Sidewalks	82.64	82.64	82.64	82.64	82.64	82.64	85.39	86.53	86.53	89.01
Number of Streetlights	1,659	1,659	1,659	1,659	1,659	1,675	1,675	1,675	1,675	1,675
Culture, Recreation and Education										
Community Activities										
Number of Parks	17	17	17	17	17	17	17	19	20	20
Water and Wastewater										
Miles of Water Main	69.78	70.34	70.33	71.27	71.27	72.10	73.46	73.46	73.76	75.01
Number of Hydrants	722	724	725	743	750	769	787	793	845	865
Miles of Sanitary Sewer	54.66	54.79	54.67	55.31	55.31	56.04	56.84	55.31	55.31	56.45

FORM OF LEGAL OPINION

(See following pages)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

June 13, 2024

Re: Village of Grafton, Wisconsin ("Issuer")
\$5,695,000 General Obligation Promissory Notes, Series 2024A,
dated June 13, 2024 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on June 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$190,000	___%
2026	280,000	___
2027	300,000	___
2028	300,000	___
2029	225,000	___
2030	230,000	___
2031	235,000	___
2032	240,000	___
2033	255,000	___
2034	265,000	___
2035	270,000	___
2036	275,000	___
2037	285,000	___
2038	300,000	___
2039	310,000	___
2040	320,000	___
2041	330,000	___
2042	350,000	___
2043	360,000	___
2044	375,000	___

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2025.

The Notes maturing on June 1, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on June 1, 2033 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights

and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Grafton, Ozaukee County, Wisconsin (the "Issuer") in connection with the issuance of \$5,695,000 General Obligation Promissory Notes, Series 2024A, dated June 13, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on June 3, 2024 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated June 3, 2024 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Village Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Village of Grafton, Ozaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk of the Issuer who can be contacted at 860 Badger Circle, Grafton, Wisconsin 53024, phone (262) 375-5300, fax (262) 375-5312.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2024, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 14th day of June, 2024.

(SEAL)

Daniel Delorit
President

Kathleen Olsen
Village Clerk

NOTICE OF SALE

**\$5,695,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A
VILLAGE OF GRAFTON, WISCONSIN**

Bids for the purchase of \$5,695,000* General Obligation Promissory Notes, Series 2024A (the "Notes") of the Village of Grafton, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on June 3, 2024, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including paying the cost of street projects, construction of a park pavilion, water projects, and sewer projects. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated June 13, 2024, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$190,000	2032	\$240,000	2039	\$310,000
2026	280,000	2033	255,000	2040	320,000
2027	300,000	2034	265,000	2041	330,000
2028	300,000	2035	270,000	2042	350,000
2029	225,000	2036	275,000	2043	360,000
2030	230,000	2037	285,000	2044	375,000
2031	235,000	2038	300,000		

ADJUSTMENT OPTION

The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2025, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

PAYING AGENT

The Village has selected Associated Trust Company, National Association, Green Bay, Wisconsin, to act as paying agent (the "Paying Agent"). The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after June 1, 2034 shall be subject to optional redemption prior to maturity on June 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Village. If only part of the Notes having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 13, 2024, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$5,623,812.50 nor more than \$6,150,600, plus accrued interest on the principal sum of \$5,695,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the Village nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$113,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. The Village and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the Village scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Notes from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the Village in establishing the issue price of the Notes and shall execute and deliver to the Village at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications. All actions to be taken by the Village under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Village by the Village's municipal advisor identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

(b) The Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) The Village shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Village may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Village anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the Village shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the Village agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the Village promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The Village acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the Village, Bond Counsel and Ehlers the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the Village to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Notes prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Village Board

Kaity Olsen, Village Clerk
Village of Grafton, Wisconsin

BID FORM

Village Board
Village of Grafton, Wisconsin (the "Village")

June 3, 2024

RE: \$5,695,000* General Obligation Promissory Notes, Series 2024A (the "Notes")

DATED: June 13, 2024

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$5,623,812.50 nor more than \$6,150,600) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036	_____ % due	2043
_____ % due	2030	_____ % due	2037	_____ % due	2044
_____ % due	2031	_____ % due	2038		

The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$113,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 13, 2024.

This bid is subject to the Village's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the Village with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: NO: .

If the competitive sale requirements are not met, we elect to use either the: 10% test, or the hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 13, 2024 of the above bid is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted on behalf of the Village Board of the Village of Grafton, Wisconsin, on June 3, 2024.

By: _____ By: _____
Title: _____ Title: _____