

PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2026

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: Moody's Investors Service, Inc. "Aa2"

VILLAGE OF GRAFTON, WISCONSIN (Ozaukee County)

\$5,525,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: June 4, 2026, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on June 4, 2026 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$5,525,000* General Obligation Promissory Notes, Series 2026A (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, water system and sanitary sewer system improvement 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 25, 2026

MATURITY: June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$80,000	2034	\$375,000	2041	\$210,000
2028	475,000	2035	365,000	2042	215,000
2029	390,000	2036	170,000	2043	225,000
2030	415,000	2037	180,000	2044	240,000
2031	410,000	2038	185,000	2045	245,000
2032	340,000	2039	195,000	2046	255,000
2033	355,000	2040	200,000		

***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, up to an increase of \$260,000 or a decrease of \$75,000 for the 2027 maturity or mandatory redemption amount and an increase or decrease of up to \$150,000 for the maturities or mandatory redemption amounts in the years 2028 through 2046. 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, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION:

Notes maturing on June 1, 2035 and thereafter are subject to call for prior optional redemption on June 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID:

\$5,455,937.50.

MAXIMUM BID:

\$5,967,000.

GOOD FAITH DEPOSIT:

A good faith deposit in the amount of \$110,500 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.



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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.

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VILLAGE OF GRAFTON VILLAGE BOARD

		<u>Term Expires</u>
Daniel Delorit	Village President	April 2027
Dave Armstrong	Village Trustee	April 2027
Danielle Autotte	Village Trustee	April 2028
Kevin Curtis	Village Trustee	April 2027
Russell MacRae	Village Trustee	April 2028
Sarah Scarpace	Village Trustee	April 2027
Luke Spykstra	Village Trustee	April 2028

ADMINISTRATION

Tim Wellnitz, Village Administrator
Paul Styduhar, Director of Administrative Services/Treasurer
Kathleen Olsen, Village Clerk

PROFESSIONAL SERVICES

Houseman & Feind, LLP, 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 Minneapolis, Minnesota)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Grafton, Wisconsin (the "Village") and the issuance of its \$5,525,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). **The Village Board adopted a resolution on May 4, 2026 (the "Parameters Resolution"), which authorizes the Director of Administrative Services or the Village Administrator to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 4, 2026, neither the Director of Administrative Services nor the Village Administrator will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

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 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 25, 2026. 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, 2027, 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 Parameters 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, 2035 shall be subject to optional redemption prior to maturity on June 1, 2034 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, water system and sanitary sewer system improvement projects (the "Project").

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$5,525,000	
Estimated Interest Earnings	<u>40,350</u>	
Total Sources		\$5,565,350
Uses		
Estimated Underwriter's Discount	\$69,063	
Costs of Issuance	112,400	
Deposit to Project Construction Fund	5,380,000	
Rounding Amount	<u>3,887</u>	
Total Uses		\$5,565,350

*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, irrepealable 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

The Village received a rating of "Aa2" on the Notes from Moody's Investors Service, Inc. ("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, 2025 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 are 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 of Wisconsin (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 Parameters 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

2025 Equalized Value	\$2,509,357,300
2025 Equalized Value Reduced by Tax Increment Valuation	\$2,288,809,000
2025 Assessed Value	\$2,419,485,900

2025 EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value¹	Percent of Total Equalized Value
Residential	\$1,729,169,000	68.909%
Commercial	708,255,500	28.225%
Manufacturing	71,745,400	2.859%
Agricultural	14,200	0.001%
Undeveloped	93,700	0.004%
Ag Forest	<u>79,500</u>	<u>0.003%</u>
 Total	 <u><u>\$2,509,357,300</u></u>	 <u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
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%
2024	1,661,509,000	2,170,902,400	7.80%
2025	2,419,485,900 ²	2,509,357,300	15.59%

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

¹ Includes tax increment valuation.

² Reassessment year.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value ¹	Percent of Village's Total Equalized Value
BMA PW60 Grafton Commons LLC	Grafton Commons Shopping Center	\$32,799,815	1.31%
FRED-Grafton HC LLC	Multi-Family Residential	23,609,569	0.94%
1505 Grafton LLC	Multi-Family Residential	22,674,998	0.90%
Meijer Stores Limited Partnership	Retail	20,377,411	0.81%
AMC Holdings LLC	Hospital	18,089,883	0.72%
Arrowhead Apartments LLC	Multi-Family Residential	17,569,340	0.70%
Tillmann Corporation	Multi-Family Residential	16,799,986	0.67%
Arrowhead Associates LLC	Multi-Family Residential	15,484,679	0.62%
Costco Wholesale Corporation	Retail	15,474,722	0.62%
Exchangeright Net Leased Portfolio	Commercial Real Estate	<u>11,088,325</u>	<u>0.44%</u>
Total		\$193,968,728	7.73%
Village's Total 2025 Equalized Value ²		\$2,509,357,300	

Source: The Village.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)* \$20,035,000

Revenue Debt (see schedules following)

Total revenue debt secured by sewerage revenues \$7,179,142

*Preliminary, subject to change.

¹ Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the Village.

² Includes tax increment valuation.

³ Outstanding debt is as of the dated date of the Notes.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The Village plans to borrow \$700,000 general obligation debt through a State Trust Fund Loan by the end of 2026 for razing property. The Village may issue general obligation debt for capital projects in 2027, but the amount and timing of any such borrowing are not yet known. Aside from the preceding, 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	\$2,509,357,300
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ¹	\$125,467,865
Less: General Obligation Debt*	<u>(20,035,000)</u>
Unused Debt Limit*	<u><u>\$105,432,865</u></u>

*Preliminary, subject to change.

¹ 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 06/25/2026)

	Corporate Purpose Bonds Series 2015A		Corporate Purpose Bonds Series 2016A		Promissory Notes Series 2017A		Promissory Notes Series 2019A		Taxable Refunding Bonds Series 2019B	
Dated	08/04/2015		06/08/2016		09/14/2017		08/22/2019		08/22/2019	
Amount	\$9,615,000		\$4,040,000		\$2,240,000		\$1,270,000		\$4,090,000	
Maturity	06/01		06/01		06/01		06/01		06/01	
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	13,681	0	17,331	0	1,500	0	4,000	0	20,145
2027	995,000	13,681	155,000	33,113	150,000	1,500	130,000	6,700	900,000	31,065
2028			155,000	30,013			135,000	4,050	1,040,000	10,920
2029			160,000	26,663			135,000	1,350		
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										
2045										
2046										
	995,000	27,363	1,515,000	185,275	150,000	3,000	400,000	16,100	1,940,000	62,130

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Village of Grafton, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/25/2026)

	Corporate Purpose Bonds Series 2023A		Promissory Notes Series 2024A		Promissory Notes Series 2026A							
Dated	06/22/2023		06/13/2024		06/25/2026							
Amount	\$5,025,000		\$5,615,000		\$5,525,000*							
Maturity	06/01		06/01		06/01							
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2026	0	93,525	0	112,016	0	0	0	262,198	262,198	20,035,000	.00%	2026
2027	240,000	181,050	270,000	217,281	80,000	260,971	2,920,000	745,361	3,665,361	17,115,000	14.57%	2027
2028	250,000	168,800	280,000	203,531	475,000	174,399	2,335,000	591,713	2,926,713	14,780,000	26.23%	2028
2029	270,000	155,800	205,000	191,406	390,000	162,840	1,160,000	538,059	1,698,059	13,620,000	32.02%	2029
2030	285,000	141,925	215,000	180,906	415,000	151,869	1,080,000	497,706	1,577,706	12,540,000	37.41%	2030
2031	300,000	127,300	220,000	170,031	410,000	140,320	1,100,000	456,889	1,556,889	11,440,000	42.90%	2031
2032	310,000	113,600	240,000	158,531	340,000	129,463	1,060,000	417,006	1,477,006	10,380,000	48.19%	2032
2033	325,000	100,900	245,000	146,406	355,000	119,034	1,100,000	377,653	1,477,653	9,280,000	53.68%	2033
2034	195,000	90,500	260,000	135,081	375,000	107,714	1,010,000	340,170	1,350,170	8,270,000	58.72%	2034
2035	205,000	82,500	270,000	124,481	365,000	95,785	1,025,000	305,079	1,330,079	7,245,000	63.84%	2035
2036	215,000	74,100	275,000	113,581	170,000	86,830	660,000	274,511	934,511	6,585,000	67.13%	2036
2037	220,000	65,400	290,000	102,281	180,000	80,748	690,000	248,429	938,429	5,895,000	70.58%	2037
2038	230,000	56,400	300,000	90,481	185,000	74,221	715,000	221,103	936,103	5,180,000	74.15%	2038
2039	235,000	47,100	320,000	78,081	195,000	67,238	750,000	192,419	942,419	4,430,000	77.89%	2039
2040	250,000	37,400	325,000	65,181	200,000	59,830	775,000	162,411	937,411	3,655,000	81.76%	2040
2041	260,000	27,200	340,000	51,881	210,000	51,935	810,000	131,016	941,016	2,845,000	85.80%	2041
2042	270,000	16,600	355,000	37,981	215,000	43,594	840,000	98,175	938,175	2,005,000	89.99%	2042
2043	280,000	5,600	375,000	23,381	225,000	34,848	880,000	63,829	943,829	1,125,000	94.38%	2043
2044			385,000	7,941	240,000	25,488	625,000	33,428	658,428	500,000	97.50%	2044
2045					245,000	15,605	245,000	15,605	260,605	255,000	98.73%	2045
2046					255,000	5,291	255,000	5,291	260,291	0	100.00%	2046
	4,340,000	1,585,700	5,170,000	2,210,463	5,525,000	1,888,020	20,035,000	5,978,050	26,013,050			

* Preliminary, subject to change.

Village of Grafton, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage Revenues
(As of 06/25/2026)

Sewerage System Revenue Bonds
(CWFL)
Series 2020

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

Fiscal Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2026	0	63,176	0	63,176	63,176	7,179,142	.00%	2026
2027	456,688	122,334	456,688	122,334	579,022	6,722,454	6.36%	2027
2028	464,726	114,226	464,726	114,226	578,952	6,257,728	12.83%	2028
2029	472,905	105,974	472,905	105,974	578,880	5,784,823	19.42%	2029
2030	481,228	97,578	481,228	97,578	578,806	5,303,595	26.12%	2030
2031	489,698	89,034	489,698	89,034	578,732	4,813,897	32.95%	2031
2032	498,317	80,339	498,317	80,339	578,656	4,315,580	39.89%	2032
2033	507,087	71,492	507,087	71,492	578,579	3,808,493	46.95%	2033
2034	516,012	62,489	516,012	62,489	578,500	3,292,482	54.14%	2034
2035	525,093	53,327	525,093	53,327	578,420	2,767,388	61.45%	2035
2036	534,335	44,004	534,335	44,004	578,339	2,233,053	68.90%	2036
2037	543,739	34,517	543,739	34,517	578,256	1,689,314	76.47%	2037
2038	553,309	24,863	553,309	24,863	578,172	1,136,005	84.18%	2038
2039	563,047	15,039	563,047	15,039	578,086	572,957	92.02%	2039
2040	572,957	5,042	572,957	5,042	577,999	0	100.00%	2040
	7,179,142	983,434	7,179,142	983,434	8,162,576			

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In Village	Total G.O. Debt³	Village's Proportionate Share
Ozaukee County	\$20,895,769,500	12.0089%	\$14,105,000	\$1,693,855
Cedarburg Area School District	4,559,957,246	5.6225%	42,000,000	2,361,450
Grafton Area School District	3,409,964,148	66.0703%	36,365,000	24,026,465
Milwaukee Area Technical College District	132,613,201,359	1.8922%	77,710,000	<u>1,470,458</u>
Village's Share of Total Overlapping Debt				<u><u>\$29,552,228</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$2,509,357,300	Debt/ Per Capita 13,124⁴
Total General Obligation Debt*	\$20,035,000	0.80%	\$1,526.59
Village's Share of Total Overlapping Debt	<u>29,552,228</u>	<u>1.18%</u>	<u>2,251.77</u>
Total*	\$49,587,228	1.98%	\$3,778.36

*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 Estimated 2025 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
2021/22	\$8,368,778	100%	\$5.87
2022/23	8,608,100	100%	5.33
2023/24	8,915,496	100%	4.93
2024/25	10,540,565	100%	5.39
2025/26	10,933,298	In Process of Collection	4.78

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.

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. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was 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
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
2024/25	7.78	1.25	5.39	14.42
2025/26	7.01	1.15	4.78	12.94

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.

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. 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.

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. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 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 2025, the Village received approximately \$686,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$673,000 received in 2024. The Village is expected to receive approximately \$661,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. 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 96 full-time, 65 part-time, and nine 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, 2023, the fiscal year ended December 31, 2024 and the fiscal year ended December 31, 2025 ("Fiscal Year 2025"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$601,826, \$690,530, and \$898,832, 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, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 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 2025, the Village reported a liability of \$753,341 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 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 0.04584695% of the aggregate WRS net pension liability as of December 31, 2024.

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.¹

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, 2026

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.

¹ On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

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, 2026)

Fund	Total Cash and Investments
General	\$8,259,182
Park and Open Space Fund	215,708
Revolving Loan Fund	486,520
Woodlawn Cemetery Capital Fund	50,501
Park and Recreation Facilities Fund	2,620,032
Library Fund	460,545
Room Tax Fund	128,969
Debt Service	352,346
Impact Fee Fund	1,434,667
TID No. 3	1,519,880
TID No. 4	1,797,849
TID No. 5	631,290
Capital Projects	959,184
Capital Equipment	475,692
Tax Fund	2,853,356
Woodlawn Cemetery	129,990
Utility - DNR Replacement Fund	851,407
Utility Fund	3,924,699
Fire Protection & Rescue	75,840
Enviromental Fund	235,444
Library Capital Donation Fund	793,886
	<hr/>
Total Funds on Hand	<u><u>\$28,256,987</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:

	2023 Audited	2024 Audited	2025 Audited
Water			
Total Operating Revenues	\$2,058,515	\$2,103,701	\$2,389,651
Less: Operating Expenses	<u>(1,733,074)</u>	<u>(1,905,456)</u>	<u>(1,840,232)</u>
Operating Income	\$325,441	\$198,245	\$549,419
Plus: Depreciation	661,828	692,916	776,922
Interest Income	<u>98,277</u>	<u>133,148</u>	<u>93,855</u>
Revenues Available for Debt Service	<u><u>\$1,085,546</u></u>	<u><u>\$1,024,309</u></u>	<u><u>\$1,420,196</u></u>
Wastewater			
Total Operating Revenues	\$4,050,761	\$4,086,643	\$4,266,932
Less: Operating Expenses	<u>(2,518,366)</u>	<u>(2,775,518)</u>	<u>(3,012,896)</u>
Operating Income	\$1,532,395	\$1,311,125	\$1,254,036
Plus: Depreciation	1,096,494	1,160,812	1,235,745
Interest Income	<u>108,074</u>	<u>140,009</u>	<u>90,204</u>
Revenues Available for Debt Service	<u><u>\$2,736,963</u></u>	<u><u>\$2,611,946</u></u>	<u><u>\$2,579,985</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 2025 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31				
COMBINED STATEMENT	2022	2023	2024	2025
	Audited	Audited	Audited	Audited
Revenues				
Property taxes & other taxes	\$5,433,148	\$5,961,469	\$6,379,430	\$6,376,143
Payments in lieu of taxes	210,508	212,141	213,524	229,397
Licenses and permits	811,604	621,583	1,215,151	987,268
Fines and forfeitures	54,452	42,517	29,106	39,540
Public charges for services	528,502	515,200	622,682	481,330
Intergovernmental charges for services	173,852	352,911	400,703	194,639
Intergovernmental	1,125,390	1,375,571	1,480,611	1,652,363
Donations	1,355	255	5,335	5,117
Investment income	(50,551)	456,922	623,115	595,199
Miscellaneous	114,155	100,361	140,957	204,599
Total Revenues	<u>\$8,402,415</u>	<u>\$9,638,930</u>	<u>\$11,110,614</u>	<u>\$10,765,595</u>
Expenditures				
Current:				
General government	\$1,015,891	\$1,153,027	\$1,284,013	\$1,562,317
Public safety	4,130,512	4,125,600	4,362,861	4,786,290
Public works	3,018,666	3,340,536	3,534,550	3,437,527
Community enrichment services	579,817	622,934	660,023	830,563
Conservation and development	175,038	192,084	185,115	276,350
Total Expenditures	<u>\$8,919,924</u>	<u>\$9,434,181</u>	<u>\$10,026,562</u>	<u>\$10,893,047</u>
Excess of revenues over (under) expenditures	(\$517,509)	\$204,749	\$1,084,052	(\$127,452)
Other Financing Sources (Uses)				
Transfers in	\$278,351	\$324,259	\$285,599	\$491,584
Transfers (out)	(80,557)	(97,259)	(141,199)	(125,924)
Total Other Financing Sources (Uses)	<u>197,794</u>	<u>227,000</u>	<u>144,400</u>	<u>365,660</u>
Net changes in Fund Balances	(\$319,715)	\$431,749	\$1,228,452	\$238,208
General Fund Balance January 1	<u>\$3,350,972</u>	<u>\$3,031,257</u>	<u>\$3,463,006</u>	<u>\$4,691,458</u>
General Fund Balance December 31	\$3,031,257	\$3,463,006	\$4,691,458	\$4,929,666
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	\$83,404	\$95,676	\$97,189	\$116,745
Assigned	456,825	495,182	749,188	1,231,416
Unassigned	2,491,028	2,872,148	3,845,081	3,581,505
Total	<u>\$3,031,257</u>	<u>\$3,463,006</u>	<u>\$4,691,458</u>	<u>\$4,929,666</u>

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Property taxes & other taxes	\$6,397,976
Licenses and permits	702,145
Fines and forfeitures	38,400
Public charges for services	479,470
Intergovernmental charges for services	220,234
Intergovernmental	1,537,993
Investment income	563,500
Miscellaneous	336,346
Other Financing Sources	1,300,629
Total Revenues	<u>\$11,576,693</u>
Expenditures	
Current:	
General government	\$1,421,424
Public safety	4,915,562
Public works	3,920,728
Community enrichment services	959,480
Conservation and development	275,206
Unclassified	84,293
Debt service:	
Principal	0
Interest and fiscal charges	0
Capital outlay	0
Total Expenditures	<u>\$11,576,693</u>
Excess of revenues over (under) expenditures	\$0

¹ The 2026 budget was adopted on November 10, 2025.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 12,094 and a current estimated population of 13,124 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	1,328
Kapco, Inc.	Metal stamping	550
Pace Industries	Aluminum die casting manufacturer	450
School District of Grafton	Elementary and secondary education	310
Costco	Retail	220
Portal Industries Inc.	Non-profit supporting disabled individuals	200
Meijer	Retail	179
The Village	Municipal government and services	170
Target	Retail	150
Pick'n Save	Grocery store	148

Source: The Village, Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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.

BUILDING PERMITS

	2022	2023	2024	2025	2026 ¹
<u>New Single Family Homes</u>					
No. of building permits	85	62	95	62	8
Valuation	\$29,271,993	\$22,140,598	\$36,725,077	\$24,877,835	\$4,028,395
<u>New Multiple Family Buildings</u>					
No. of building permits	16	7	28	8	5
Valuation	\$10,370,000	\$3,500,000	\$45,017,324	\$37,088,329	\$2,500,000
<u>New Commercial/Industrial</u>					
No. of building permits	0	3	4	4	0
Valuation	\$0	\$1,095,000	\$6,985,104	\$8,829,601	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	1,675	1,573	2,024	1,818	333
Valuation	\$57,159,340	\$49,513,379	\$168,343,101	\$117,706,532	\$13,813,050

Source: The Village.

¹ As of March 31, 2026.

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%
2025 Estimated Population	13,124

Income and Age Statistics

	The Village	Ozaukee County	State of Wisconsin	United States
2024 per capita income	\$47,360	\$59,040	\$43,373	\$44,673
2024 median household income	\$89,861	\$96,996	\$77,485	\$80,734
2024 median family income	\$114,059	\$126,683	\$100,141	\$99,999
2024 median gross rent	\$1,310	\$1,154	\$1,087	\$1,413
2024 median value owner occupied units	\$328,800	\$390,200	\$266,500	\$332,700
2024 median age	41.5 yrs.	43.9 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
Village % of 2024 per capita income	109.19%	106.01%
Village % of 2024 median family income	113.90%	114.06%

Housing Statistics

	<u>The Village</u>		
	2020	2024	Percent of Change
All Housing Units	5,632	5,769	2.43%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2024 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
2022	48,630		2.4%	2.8%
2023	49,124		2.4%	2.8%
2024	49,103		2.5%	3.0%
2025 ¹	48,447		2.8%	3.2%
2026, March ¹	48,091		3.2%	4.0%

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, 2025
Village of Grafton, Wisconsin

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2025



GRAFTON
QUALITY LIFE. NATURALLY.

ELECTED OFFICIALS

TITLE	NAME
Village President	Daniel Delorit
Village Trustee	Dave Armstrong
Village Trustee	Kevin Curtis
Village Trustee	Lisa Harbeck
Village Trustee	Amy Luft
Village Trustee	Sarah Scarpace
Village Trustee	Andrew Schwartz

APPOINTED OFFICIALS

TITLE	NAME
Village Administrator	Tim Wellnitz
Community Development Director	Gabriel Gilbertson
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	Julie Esch

OFFICIAL ISSUING REPORT

Director of Administrative Services	Paul Styduhar
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REPORT PREPARED BY

Director of Administrative Services	Paul Styduhar
Accountant/Financial Analyst	Monica Stern
Accounting Clerk	Nicole Aleknavicius
Human Resources Generalist	Ashley Voigt

Published, April 23, 2026

Village of Grafton

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April 23, 2026

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, 2025, 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, 2025, 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, 2025, 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 5.503 square miles in size and has a population of 13,124. 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 2025 unemployment rates as compared to December 2024 unemployment rates have increased in Ozaukee County and on a state wide level. Ozaukee County’s 2025

unemployment rate increased to 2.6 percent compared to 2.4 percent in 2024. The State of Wisconsin 2025 unemployment rate increased to 3.1 percent in 2025 from 3.0 percent in 2024. The 2025 and 2024 federal unemployment rate was 4.4 percent and 4.1 percent respectively.

The Village's equalized tax base increased in valuation from 2024 to 2025 by approximately \$338.5 million, or an overall increase of 15.6 percent. Of the 15.6 percent increase, approximately 3.7 percent represented an offsetting increase in values due to new construction, with an increase in value of existing properties representing 11.9 percent. In 2025, the Village had \$118 million of valuation in building permits, a decrease of \$38 million compared to 2024. New residential construction totaled \$25 million in 2025, a decrease of \$4 million compared to 2024. There were 8 new multi-family construction properties with a value of \$37 million and four new commercial construction properties with a value of \$9 million, a decrease of \$7 million and an increase of \$2 million, respectively.

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, 2025, 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 \$83.3 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, 2025, 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 \$74.3 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, 2025, the tax incremental district equalized value increase from the tax incremental base value in 2006 was \$62.5 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.

TID No. 6 – Goldberg Property was created on July 15, 2024 to provide infrastructure improvements and to encourage economic development of the area by facilitating remediation of aging, obsolete and blighted sites while making improvements to roads, traffic signaling, storm sewers, trails and sidewalks. As of January 1, 2025, the tax incremental district equalized value increase from the tax incremental base value in 2006 was \$0.5 million.

The Utility currently has six deep wells with a capacity of 5,772,960 gallons per day. The reliable supply capacity with the Village's highest producing well out-of-service is 4,224,960 gallons per day. The 2025 average daily water pumped was 1,116,800 gallons per day or approximately 20 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 expired on December 31, 2025. A new discharge permit is expected to be issued in April of 2026.

The existing WWTP has a current average daily design capacity of 2,520,000 gallons per day. In 2025, the average daily influent flow to the WWTP was 1,121,800 gallons per day or 44.5 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 5,484 in 2025.

MAJOR INITIATIVES FOR THE YEAR

Demand remains very high with 77 new single family residential units permitted through 2025 (63 single-family, 14 condos) and 172 new multi-family units permitted through 2025.

Commercial development activity is also strong with the addition of Chase Bank and Dave's Hot Chicken (on a parcel previously occupied by Charcoal Grill) and approval of an Aurora Hospital Bed Tower addition, all on Port Washington Road. Elsewhere in the Village Edward Jones is building a new office building downtown and construction has begun on a new Culver's and Tommy's Car Wash in the South Commercial District. John Long Middle School and St. Paul Lutheran School also saw additions completed in 2025.

FOR THE FUTURE

In 2025, the Village experienced additional growth in new residential development compared to recent years. The Village expects that trend to remain stable into 2026 with the continued build out of the Shady Hollow and Hawks Ridge subdivisions and start of construction of a new 34-unit multi-family rental development known as The Carillon at Grafton on Hunter's Lane. Commercial and industrial activity is also expected to continue through 2026 with plans for a new Chick-fil-A and Cafe Zupa's under review at the OfficeMax site 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 2024 Annual Comprehensive Financial Report, the “Distinguished Budget Presentation Award” for the 2025 Program Budget and the “Popular Annual Financial Reporting (PAFR) Award Program for the 2024 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,

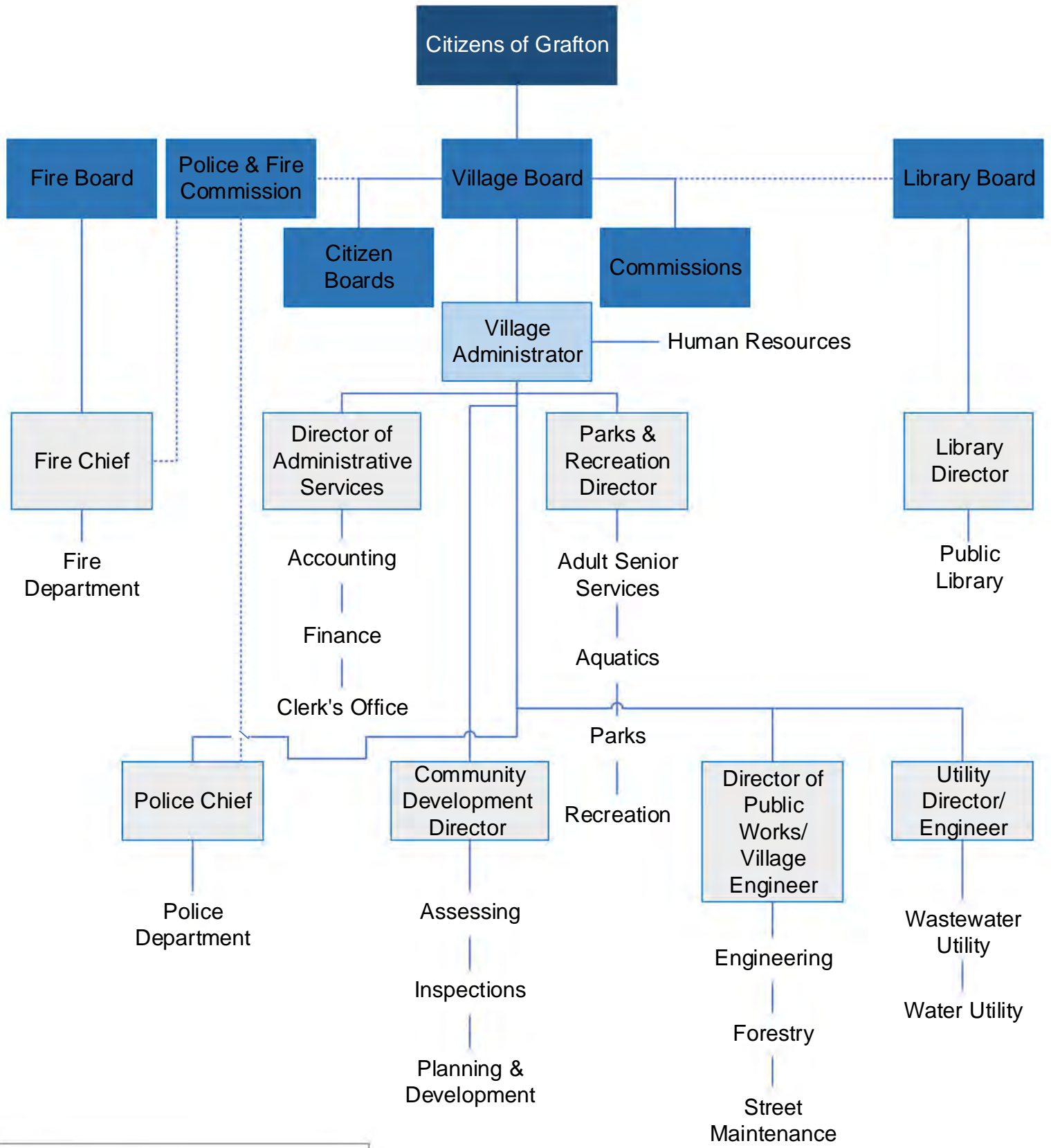
Paul Styduhar

Paul Styduhar
Director of Administrative Services

Monica Stern

Monica Stern
Village Accountant/Financial Analyst

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, 2024

Christopher P. Morrill

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, 2025 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, 2025 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 the 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 23, 2026

Management's Discussion and Analysis (Unaudited)

This section of the Village of Grafton's (Village) annual comprehensive financial report provides the reader with management's narrative overview and analysis of the Village for the fiscal year ended December 31, 2025. 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 read 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 \$122,603,520 (*net position*) as of December 31, 2025, an increase of \$2,515,264 or 2.1% over the prior year. Of this amount, \$13,046,659 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- As of December 31, 2025, the Village's governmental funds reported combined ending fund balances of \$12,771,444 a decrease of \$437,353 or 3.3% in comparison to the prior year. Of this balance, \$7,545,507, is available for spending at the government's discretion (*committed, assigned and unassigned fund balance*).
- At December 31, 2025, \$3,581,505 of unassigned fund balance is for the general fund, equal to approximately 32.9% of total 2025 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 expenditures 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 28-29 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 2025, the Village utilized 23 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, the capital projects tax increment district No. 3 (TID No. 3), and the Fire Department special revenue fund, which are considered to be major funds.

Data from the remaining 18 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 30-33 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 34-37 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 38-39 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 40 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 80-84 of this report. Combining and individual fund statements and schedules can be found on page 86-120 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, 2025 was \$122,603,520. The following provides a summary of the Village's net position:

VILLAGE OF GRAFTON NET POSITION
December 31, 2025 and 2024
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$28,589	\$29,261	\$6,417	\$7,902	\$35,006	\$37,163
Capital assets	69,925	71,140	61,628	61,217	131,553	132,357
Total Assets	98,514	100,401	68,045	69,119	166,559	169,520
Deferred outflows of resources	4,372	5,677	354	466	4,726	6,143
Long-term liabilities outstanding	8,408	12,629	15,397	16,858	23,805	29,487
Other liabilities	5,864	5,607	1,905	2,044	7,769	7,651
Total Liabilities	14,272	18,236	17,302	18,902	31,574	37,138
Deferred Inflows of resources	16,491	17,578	617	858	17,108	18,436
Net position:						
Net Investment in capital assets	58,754	56,359	44,882	43,048	103,636	99,407
Restricted	5,070	5,074	851	1,050	5,921	6,124
Unrestricted	8,299	8,831	4,747	5,726	13,046	14,557
Total net position	\$ 72,123	\$ 70,264	\$ 50,480	\$ 49,824	\$ 122,603	\$ 120,088

Net position of the Village increased by \$2,515,264 (2.1%). Of this increase, the net position of the Village's governmental activities increased by \$1,859,725 and the Village's business-type activities increased \$655,539.

The largest portion of the Village's net position (84.5%) reflects its investment in capital assets less any related debt issued to acquire those assets that is still outstanding. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be liquidated to pay the related debt.

An additional portion of the Village's net position (4.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of

unrestricted net position (\$13,046,659) may be used to meet the Village's ongoing obligations.

The Village's unrestricted net position for governmental activities, was \$8,299,462. Restricted net position for governmental activities included \$2,527,457 for park and recreational facilities, \$1,037,801 for TID No. 4, \$739,863 of impact fees (used for payment of debt service), \$567,781 for revolving loans and \$197,141 for other specific purposes.

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

CHANGES IN NET POSITION
FOR THE Years Ended December 31, 2025 and 2024
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 6,924	\$ 5,281	\$ 6,657	\$ 6,190	\$ 13,581	\$ 11,471
Operating grants/contributions	1,288	1,181	-	-	1,288	1,181
Capital grants/contributions	1,048	3,950	682	742	1,730	4,692
General Revenues						
Taxes	14,149	12,325	-	-	14,149	12,325
Grants & contributions not restricted to specific programs	1,236	2,125	-	-	1,236	2,125
Investment income	939	1,081	184	273	1,123	1,354
Other	149	115	-	-	149	115
Total revenues	<u>25,733</u>	<u>26,058</u>	<u>7,523</u>	<u>7,205</u>	<u>33,256</u>	<u>33,263</u>
Expenses						
General government	1,398	1,354	-	-	1,398	1,354
Public safety	11,805	7,263	-	-	11,805	7,263
Public works	5,078	5,170	-	-	5,078	5,170
Community enrichment services	2,729	2,363	-	-	2,729	2,363
Conservation and development	674	705	-	-	674	705
Interest and fiscal charges	467	539	-	-	467	539
Water	-	-	2,032	2,072	2,032	2,072
Wastewater	-	-	3,379	3,135	3,379	3,135
Total expenses	<u>22,151</u>	<u>17,394</u>	<u>5,411</u>	<u>5,207</u>	<u>27,562</u>	<u>22,601</u>
Change in net position before transfers	3,582	8,664	2,112	1,998	5,694	10,662
Special Item - transfer of operations to Ozaukee Central Fire Department	(3,179)	-	-	-	(3,179)	-
Transfers	1,456	277	(1,456)	(277)	-	-
Change in net position	1,859	8,941	656	1,721	2,515	10,662
Net position - beginning of year	70,264	61,323	49,824	48,103	120,088	109,426
Net position - end of year	<u>\$72,123</u>	<u>\$70,264</u>	<u>\$50,480</u>	<u>\$49,824</u>	<u>\$122,603</u>	<u>\$120,088</u>

Governmental Activities

Net position of the Village's governmental activities totaled \$72,123,253 as of December 31, 2025. Total revenues for the year exceeded expenditures by \$1,859,725. Significant governmental expenditures included \$2,233,798 in depreciation expense and represents 8.8% of the total expenditures for governmental activities. General revenues increased \$825,550 from the prior year primarily due to taxes.

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

Revenues:

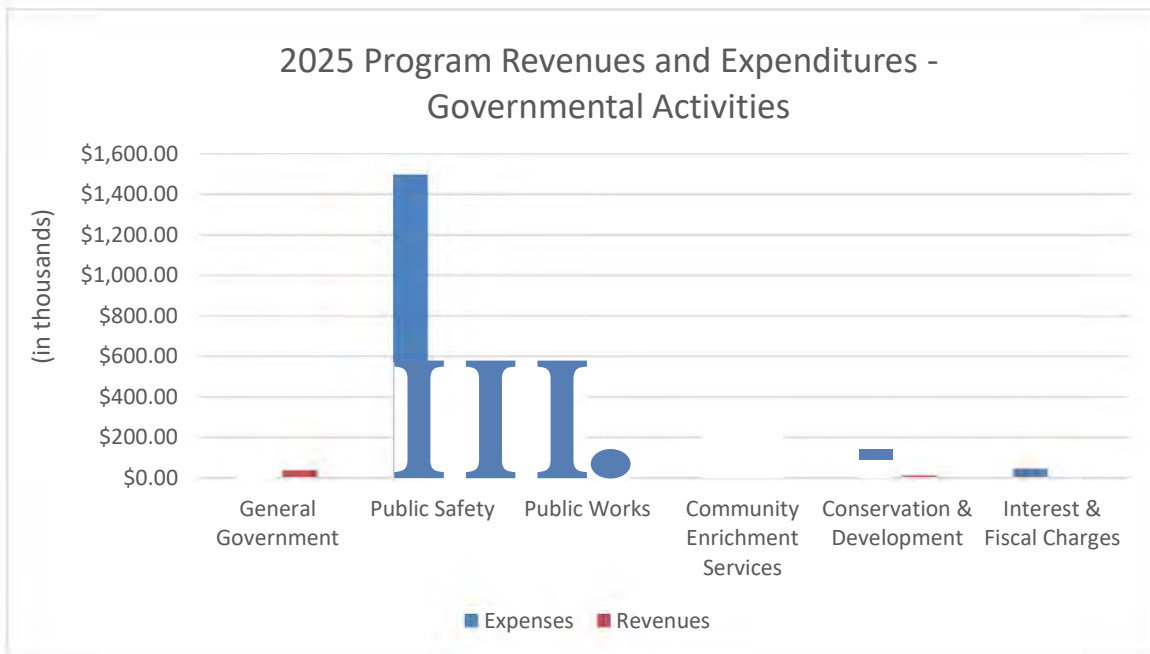
- Program Revenue charges for services increased \$1,643,634. Program areas with major changes were:
 - Public Safety increased \$2,629,853 as the Village provided finance, payroll and human resources support to the newly created Ozaukee Central Fire Department (OCFD) totaling \$3,112,229. The increase in payroll costs was partially offset by decreases to permits of \$206,125 and \$219,126 of inspection fees collected from another municipality.
 - Community Enrichment decreased \$905,089 primarily because of a decrease in impact fees collected for parks.
- Program revenue for capital grants and contributions decreased \$2,901,292. Program areas with major changes were:
 - Public safety decreased \$392,348 primarily due to a decrease in the Town of Grafton contributions toward Fire Department equipment, which is no longer necessary with the formation of OCFD.
 - Public works decreased \$1,726,467 primarily because of a decrease in contributed capital from developments. Contributed capital (roadways, storm sewers, etc.) is only recognized as revenue when the development is complete, the Trustees of the Village accept the infrastructure, and services (snow removal, trash collection, etc.) of that development are turned over to the Village. No contributed capital was recognized as revenue in 2025.
 - Community enrichment services capital grants decreased \$798,350 due to a large private donation to the library plus contributions for the new Veterans Park Pavilion made in 2024.
- General revenue grants and contributions decreased \$889,486 primarily related to recognition of America Rescue Plan Act grant funds in 2024.

Expenditures:

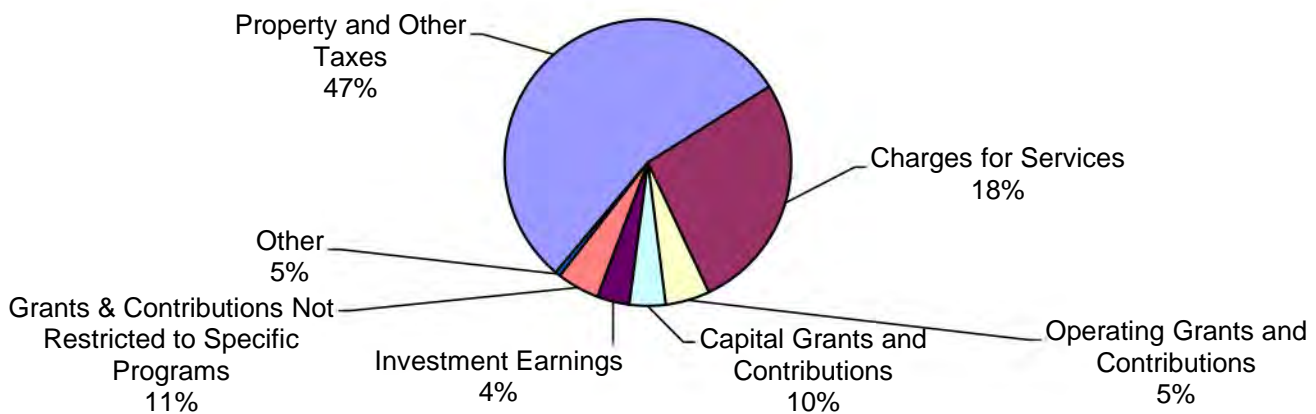
- Public safety expenditures increased \$4,542,071 (62.5%). This increase is primarily related to Ozaukee Central Fire Department (OCFD). The net value of the assets, except the land and the building, of the former Village Fire Department, \$2,091,378, was transferred from the Village to the OCFD. In addition, the fund balance in the former fire department capital equipment fund, \$1,087,280 was also transferred from the Village to the OCFD. And lastly since the OCFD is not yet a member of the State of Wisconsin Employee Trust Funds and Wisconsin Retirement System all

employees working for the OCFD are considered employees of the Village. The OCFD went from 7 full time employees to 20 from 2024 to 2025. Payroll costs related to fire department/OCFD employees increased \$1,829,523 from 2024 to 2025. The Village recognizes the OCFD payroll costs as expense but is reimbursed by OCFD for all payroll related costs.

- Community Enrichment Services increased \$366,686 (7.5%) primarily related to costs incurred for the purchase of parkland and a park trail expansion project.



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 \$655,539. Program revenues exceeded expenses by \$1,927,669 and net general revenues (investment income and transfers out) were (\$1,272,130).

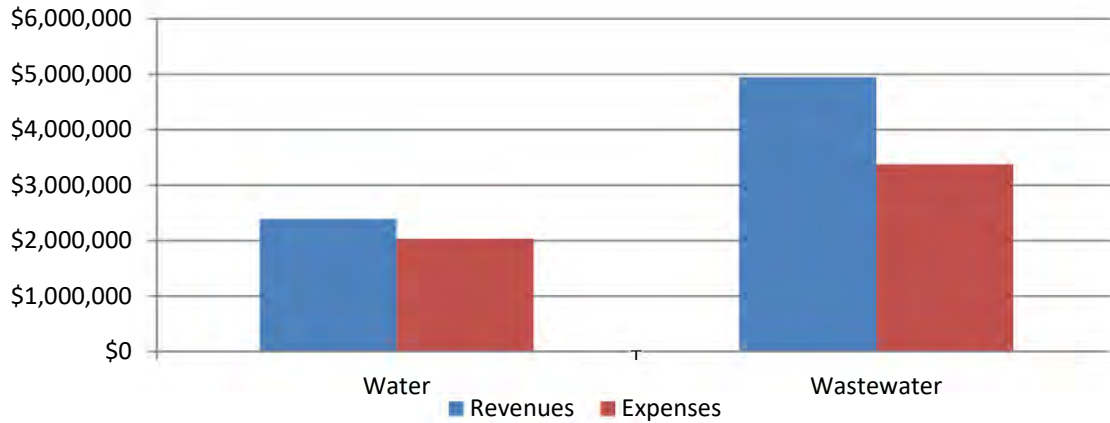
Program revenues from charges for services increased by \$466,239 in 2025. Capital grants and contributions decreased by \$60,166. Some of the significant changes in revenues were as follows:

- Water utility charges for services totaled \$2,389,651 for 2025, an increase of \$285,950 (13.6%) from 2024 primarily due to a rate increase effective September 20, 2025 and an increase in the number of customers from new development.
- Wastewater utility charges for services totaled \$4,266,932 for 2025, an increase of \$180,289 (4.4%) primarily due to a rate increase effective June 20, 2025 and an increase in the number of customers from new development.
- Capital contributions decreased \$60,166 primarily due to a decrease in contributed infrastructure (water and sewer lines) in 2025. Contributed infrastructure is only recognized as revenue when the development is complete, the Trustees of the Village accept the assets and services of that development are turned over to the utility.

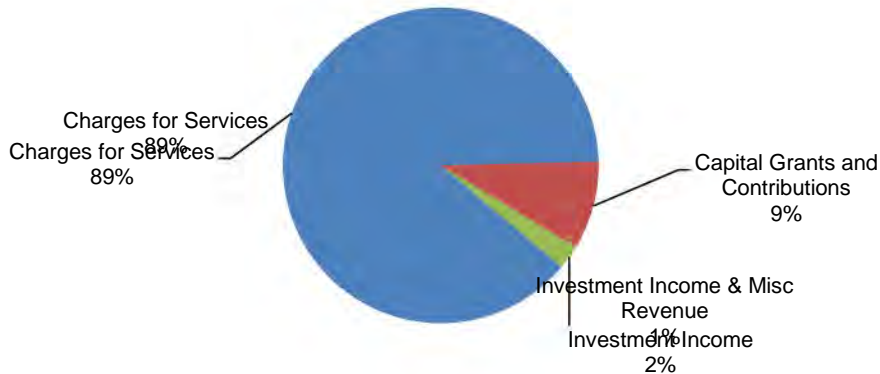
Program expenses, excluding depreciation, totaled \$5,410,682 an increase of \$203,774 (3.9%) from 2024. Depreciation expense totaled \$2,012,667, an increase of \$158,939 (8.6%) from 2024. Some of the significant changes in expenses were as follows:

- Water program expenses, excluding depreciation, decreased \$115,647 (8.4%) mainly related to decreased well maintenance costs.
- Wastewater utility program expenses, excluding depreciation, increased \$168,936 (8.6%) mainly related to increase in salaries and maintenance of equipment and buildings.

Program 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, 2025, the Village’s governmental funds had a combined ending fund balance of \$12,771,444. Of this balance \$4,521,296 was committed or assigned for specific purposes and \$3,024,211 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) for park and recreational facilities (\$2,527,457), 2) to pay for capital equipment and projects (\$1,037,801), 3) to pay debt service (\$838,400), 4) for long term receivables from participants of the Village’s economic development revolving

loan fund (\$567,781), 5) to pay for the perpetual care of the municipal cemetery (\$129,090), and 6) to pay for prepaids and delinquent personal property tax (\$125,408). A summary of the significant changes to funds is below.

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, 2025, the total fund balance of the general fund was \$4,929,666 of which \$3,581,505 was unassigned. This unassigned fund balance represents approximately 31% of 2026 budgeted general fund expenditures while total general fund balance represents approximately 43% of that same amount.

The fund balance of the general fund increased \$238,208 during 2025. The 2025 annual program budget for the Village's general fund identified the appropriation of \$749,188 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 3.5% or \$390,267 and actual revenues were more than budgeted revenues in the general fund by \$396,559 or 3.8%.

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

- Revenues from Charges for Services decreased by \$564,865 (25.7%) primarily due to a decrease in construction related permits (\$204,185), the elimination of administrative charges to the fire department in 2025 due to the newly created OCFD (\$59,549) and a decrease in intergovernmental charges of \$206,064.
- Operating Grants and Contributions increased by \$171,534 (11.5%) as a result of a reallocation of state shared revenue from other funds.
- Miscellaneous revenues increased by \$63,642 (45.2%) primarily due to the surrender of sidewalk bonds and higher insurance proceeds from property damage.

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

- General Government expenditures increased \$278,304 (21.7%) primarily due to expenditures related to an adjustment to the inspection services charges to the Village of Saukville (\$156,074) and uncollectible fire department accounts (\$132,171).
- Public Safety expenditures increased \$423,429 (9.7%) primarily related to increased overtime, wages and benefits for represented employees.
- Community Enrichment Services expenditures increased \$170,540 (25.8%) of which \$65,662 is related to emergency repairs of the lime kilns with the remainder attributable to wage and benefit increases.
- Conservation and Development expenditures increased \$91,235 (49.2%) primarily related to the initial stages of updating the Village's Comprehensive Plan (\$42,278)

and contractual services due to the absence of a Community Development Director (\$59,386).

Debt Service Fund

The Debt Service fund balance of \$98,537 as of December 31, 2025 reflects an increase of \$12,929 from 2024. No new debt was issued in 2025.

Capital Projects Fund

Capital Projects fund balance decreased \$151,661 as of December 31, 2025. No street projects were completed by the Village in 2025 (1.62 miles were completed in 2024) and therefore capital outlay decreased by \$1,717,690. In 2025 the water and wastewater utility replaced sewer and water lines under Village roads. All costs related to this project were paid for by the water and wastewater utility, who donated \$1.2 million of roads and storm sewer to the Village. In 2024 capital outlay was funded with borrowings. There were no borrowings in 2025. Tax levy was increased from \$100,000 to \$250,000 in 2025. However, capital outlay in 2025 was still greater than the revenue sources.

Fire Department Fund

In previous years the Fire Department Fund was the operating fund for fire and emergency medical services. As of January 1, 2025, the OCFD was formed as part of a joint agreement between the Villages of Grafton and Saukville and the Towns of Grafton and Saukville. Revenues (taxes, ambulance receipts, contractual services for payroll services) in this fund equal expenditures (contractual expenditures for taxes, ambulance revenues and payroll related expenditures) therefore there is no fund balance.

Proprietary Funds

See pages 34-37 for information related to the Village's water and wastewater utilities.

General Fund Budget Highlights

The difference between the original adopted budget and the final amended budget for 2025 resulted from a transfer between departmental budgets for the effect of implementing provisions of the 2025 resolution relative to non-represented staff and changes in employee benefit elections and for adjustments related to unplanned projects and projects not completed. The impact on each program area was:

- General Government – increase of \$12,588 for Village Board approved wage adjustments and related benefits.
- Public Safety – increase of \$97,554 for overtime.
- Public Works – decrease of \$207,458 related to the Bridge Street and Washington Bridge maintenance and road overlay project not being completed.

- Community Enrichment Services – increase of \$121,945 for the emergency repairs of the lime kilns and for Village Board approved wage adjustments and related benefits.
- Conservation and Development – decrease of \$24,629 related to open positions.

Capital Assets

The Village’s investment in capital assets for its governmental and business-type activities as of December 31, 2025 was \$131,553,244 (net of accumulated depreciation), a decrease of \$803,455 (0.6%). Additions of \$5,684,679 were offset by net disposals of \$2,241,669 and depreciation expense of \$4,246,465. Capital assets include land, intangible assets, construction in progress, buildings, building improvements, machinery and equipment, vehicles and infrastructure.

Major changes to governmental capital assets included the following:

- \$371,746 for installation of a traffic signal at Falls and Port Washington Roads
- \$364,945 for purchase of parkland in a new development
- \$235,077 for expansion of the Blackhawk Valley Trail
- \$1,233,175 in contributed infrastructure from the water and wastewater utility
- \$2,091,378 of net assets transferred from the Village to the OCFD

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

- \$1,292,087 replacement of water and sewer infrastructure
- \$231,831 replacement of meters
- \$225,080 for the rehabilitation of the South Final Clarifier

Village of Grafton's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land, including easements	\$ 18,229,195	\$ 17,864,250	\$ 600,591	\$ 600,591	\$ 18,829,786	\$ 18,464,841
Buildings, improvements and equipment	34,630,034	38,031,002	89,676,318	87,773,906	124,306,352	125,804,908
Infrastructure	52,642,881	51,130,123	-	-	52,642,881	51,130,123
Leased Vehicles	80,881	125,794	-	-	80,881	125,794
Construction in progress	102,134	121,468	259,504	40,460	361,638	161,928
Total Capital Assets	105,685,125	107,272,637	90,536,413	88,414,957	196,221,538	195,687,594
Less Accumulated Depreciation	(35,759,553)	(36,132,758)	(28,908,741)	(27,198,137)	(64,668,294)	(63,330,895)
Capital Assets net of Depreciation	\$ 69,925,572	\$ 71,139,879	\$ 61,627,672	\$ 61,216,820	\$ 131,553,244	\$132,356,699

Additional information on the Village’s capital assets can be found in Note 3, pages 58-60 of this report.

Long-term Debt

At the end of the current year, the Village had total debt outstanding of \$29,745,969. This amount includes \$19,627,927 of general obligation debt backed by the full faith, credit and resources of the Village. Following is a comparative summary of long-term debt.

Village of Grafton's Long Term Obligations

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation debt, net of premium and discount amortization	\$ 11,089,933	\$ 14,604,532	\$ 8,845,665	\$ 9,804,997	\$ 19,935,598	\$ 24,409,529
Revenue bonds	-	-	7,627,932	8,068,959	7,627,932	8,068,959
Lease liability	80,881	125,794	-	-	80,881	125,794
Financed purchases	59,142	116,583	266,246	312,569	325,388	429,152
Vested compensated absences	508,905	522,164	64,439	62,885	573,344	585,049
Landfill post-closure obligation	449,485	449,485	-	-	449,485	449,485
Net pension liability	698,217	608,340	55,124	51,238	753,341	659,578
Total Long Term Obligations	\$ 12,886,563	\$ 16,426,898	\$ 16,859,406	\$ 18,300,648	\$ 29,745,969	\$ 34,727,546

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation. The current debt limitation for the Village is \$125,467,865, 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, 2025, the Village's outstanding debt equaled approximately 15.9% of the state authorized debt limit.

Additional information of the Village's long-term debt can be found in Note 3 on pages 63-69 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, 2025 for Ozaukee County, which includes the Village, was 2.6%. This compares with an unemployment rate of 3.1% for the State of Wisconsin and a national unemployment rate of 4.4%.
- The rate of inflation increased by 2.7% in 2025, while the 2025 equalized tax rate for taxes collected for 2026 operations decreased 11.36%. However, the tax levy increased by 3.73%.

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, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 13,423,591	\$ 2,839,879	\$ 16,263,470
Receivables:			
Taxes	13,960,131	101,397	14,061,528
Accounts	469,913	1,871,189	2,341,102
Loans	90,065	-	90,065
Leases	519,596	420,751	940,347
Inventories	-	73,013	73,013
Prepaid items	125,408	22,017	147,425
Restricted assets, cash and investments	-	1,089,318	1,089,318
Capital assets:			
Land	17,780,852	448,472	18,229,324
Construction in progress	102,134	259,504	361,638
Intangible assets	448,343	152,119	600,462
Other capital assets, net of depreciation/amortization	51,594,243	60,767,577	112,361,820
 Total assets	 <u>98,514,276</u>	 <u>68,045,236</u>	 <u>166,559,512</u>
Deferred Outflows of Resources			
Pension related items	4,252,514	354,527	4,607,041
Deferred loss on refunding	119,480	-	119,480
 Total deferred outflows of resources	 <u>4,371,994</u>	 <u>354,527</u>	 <u>4,726,521</u>
Liabilities			
Accounts payable and accrued expenses	1,091,040	336,355	1,427,395
Deposits	294,337	5,000	299,337
Unearned revenues	-	101,640	101,640
Noncurrent liabilities, due within one year	4,478,400	1,462,256	5,940,656
Noncurrent liabilities, due in more than one year	8,408,163	15,397,150	23,805,313
 Total liabilities	 <u>14,271,940</u>	 <u>17,302,401</u>	 <u>31,574,341</u>
Deferred Inflows of Resources			
Pension related items	2,028,708	196,344	2,225,052
Deferred revenue	14,462,369	420,751	14,883,120
 Total deferred inflows of resources	 <u>16,491,077</u>	 <u>617,095</u>	 <u>17,108,172</u>
Net Position			
Net investment in capital assets	58,753,748	44,881,663	103,635,411
Restricted for:			
Debt service	68,051	-	68,051
Impact fees	739,863	-	739,863
Revolving loans	567,781	-	567,781
Tax incremental financing	1,037,801	-	1,037,801
Equipment replacement	-	851,407	851,407
Park and recreation facilities	2,527,457	-	2,527,457
Cemetery, nonexpendable	129,090	-	129,090
Unrestricted	8,299,462	4,747,197	13,046,659
 Total net position	 <u>\$ 72,123,253</u>	 <u>\$ 50,480,267</u>	 <u>\$ 122,603,520</u>

See notes to financial statements

Village of Grafton

Statement of Activities

Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 1,398,186	\$ 134,572	\$ 11,978	\$ 229,397	\$ (1,022,239)	\$ -	\$ (1,022,239)
Public safety	11,804,920	4,933,251	249,521	315,982	(6,306,166)	-	(6,306,166)
Public works	5,077,560	253,748	842,106	320,677	(3,661,029)	-	(3,661,029)
Community enrichment services	2,729,521	1,485,004	180,127	182,598	(881,792)	-	(881,792)
Conservation and development	674,107	117,963	4,388	-	(551,756)	-	(551,756)
Interest	467,044	-	-	-	(467,044)	-	(467,044)
Total governmental activities	22,151,338	6,924,538	1,288,120	1,048,654	(12,890,026)	-	(12,890,026)
Business-Type Activities							
Water utility	2,031,900	2,389,651	-	-	-	357,751	357,751
Wastewater utility	3,378,782	4,266,932	-	681,768	-	1,569,918	1,569,918
Total business-type activities	5,410,682	6,656,583	-	681,768	-	1,927,669	1,927,669
Total	\$ 27,562,020	\$ 13,581,121	\$ 1,288,120	\$ 1,730,422	(12,890,026)	1,927,669	(10,962,357)
General Revenues							
Taxes:							
Property taxes levied for general purposes					10,215,565	-	10,215,565
Property taxes levied for debt service					325,000	-	325,000
Property taxes levied for TID districts					3,105,612	-	3,105,612
Other					502,521	-	502,521
Grants and contributions not restricted to specific programs					1,235,590	-	1,235,590
Investment income					938,900	184,059	1,122,959
Miscellaneous					149,033	-	149,033
Total general revenues					16,472,221	184,059	16,656,280
Change in net position before transfers					3,582,195	2,111,728	5,693,923
Special Item - transfer of operations to Ozaukee Central Fire Department					(3,178,659)	-	(3,178,659)
Transfers					1,456,189	(1,456,189)	-
Change in net position					1,859,725	655,539	2,515,264
Net Position, Beginning					70,263,528	49,824,728	120,088,256
Net Position, Ending					\$ 72,123,253	\$ 50,480,267	\$ 122,603,520

See notes to financial statements

Village of Grafton

Balance Sheet -
Governmental Funds
December 31, 2025

	General	Debt Service	Capital Projects	Capital Projects TID No. 3	Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
					Fund		
					Fire Department		
Assets							
Cash and investments	\$ 5,566,767	\$ 98,537	\$ 33,169	\$ 673,151	\$ -	\$ 7,051,967	\$ 13,423,591
Receivables:							
Taxes	6,343,610	325,000	400,000	1,076,905	2,680,887	3,133,729	13,960,131
Accounts	349,212	-	-	-	-	120,701	469,913
Leases	519,596	-	-	-	-	-	519,596
Loans	-	-	-	-	-	90,065	90,065
Due from other funds	42,338	-	-	-	-	-	42,338
Advances to other governmental funds	-	-	1,836,178	-	-	-	1,836,178
Prepaid items	116,745	-	-	-	-	8,663	125,408
Total assets	\$ 12,938,268	\$ 423,537	\$ 2,269,347	\$ 1,750,056	\$ 2,680,887	\$ 10,405,125	\$ 30,467,220
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)							
Liabilities							
Accounts payable and accrued liabilities	\$ 868,417	\$ -	\$ 33,677	\$ -	\$ -	\$ 158,460	\$ 1,060,554
Deposits	294,337	-	-	-	-	-	294,337
Due to other funds	-	-	-	-	-	42,338	42,338
Advances from other governmental funds	-	-	-	1,181,914	-	654,264	1,836,178
Total liabilities	1,162,754	-	33,677	1,181,914	-	855,062	3,233,407
Deferred Inflows of Resources							
Deferred revenue	6,845,848	325,000	400,000	1,076,905	2,680,887	3,133,729	14,462,369
Fund Balances (Deficit)							
Nonspendable	116,745	-	-	-	-	8,663	125,408
Restricted	-	98,537	-	-	-	5,001,992	5,100,529
Committed	-	-	-	-	-	1,320,463	1,320,463
Assigned	1,231,416	-	1,835,670	-	-	133,747	3,200,833
Unassigned (deficit)	3,581,505	-	-	(508,763)	-	(48,531)	3,024,211
Total fund balances (deficit)	4,929,666	98,537	1,835,670	(508,763)	-	6,416,334	12,771,444
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 12,938,268	\$ 423,537	\$ 2,269,347	\$ 1,750,056	\$ 2,680,887	\$ 10,405,125	\$ 30,467,220

See notes to financial statements

Village of Grafton

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2025

Total Fund Balance of Governmental Funds \$ 12,771,444

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	17,780,852
Intangible assets	448,343
Construction in progress	102,134
Other capital assets, net of accumulated depreciation/amortization	51,594,243

Deferred outflows of resources related to pension do not related to current financial resources and are not reported in the governmental funds. 4,252,514

Deferred inflows of resources related to pension do not related to current financial resources and are not reported in the governmental funds. (2,028,708)

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	(164,934)
Unamortized debt refunding losses	119,480

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	(10,924,999)
Financed purchase	(59,142)
Lease liability	(80,881)
Net pension liability	(698,217)
Landfill postclosure liability	(449,485)
Compensated absences	(508,905)
Accrued interest payable	(30,486)

Net Position of Governmental Activities \$ 72,123,253

Village of Grafton

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Capital Projects TID No. 3	Special Revenue Fund		Total Governmental Funds
					Fire Department	Nonmajor Governmental Funds	
Revenues							
Taxes	\$ 6,363,471	\$ 325,000	\$ 250,000	\$ 1,122,913	\$ 2,321,456	\$ 3,263,337	\$ 13,646,177
Payments in lieu of taxes	229,397	-	-	-	-	-	229,397
Other taxes	12,672	-	-	-	-	502,521	515,193
Charges for services:							
Licenses and permits	987,268	-	-	-	-	-	987,268
Fines and forfeitures	39,540	-	-	-	-	-	39,540
Public charges for services	481,330	-	-	-	648,460	281,275	1,411,065
Intergovernmental charges for services	194,639	-	-	-	-	-	194,639
Operating grants and contributions:							
Intergovernmental	1,652,363	-	75,836	30,010	3,359,291	617,043	5,734,543
Impact fees	-	-	-	-	-	1,532,518	1,532,518
Donations	5,117	-	-	-	-	47,102	52,219
Investment income	595,199	7,247	11,359	19,037	-	293,379	926,221
Miscellaneous	204,599	-	95,539	1,200	-	163,408	464,746
Total revenues	10,765,595	332,247	432,734	1,173,160	6,329,207	6,700,583	25,733,526
Expenditures							
Current:							
General government	1,562,317	-	-	1,667	-	23,085	1,587,069
Public safety	4,786,290	-	-	-	6,239,152	100,216	11,125,658
Public works	3,437,527	-	-	-	-	-	3,437,527
Community enrichment services	830,563	-	-	-	-	1,311,391	2,141,954
Conservation and development	276,350	-	-	150	-	408,966	685,466
Capital outlay	-	-	584,395	-	90,055	1,728,941	2,403,391
Debt service:							
Principal	-	3,465,000	-	-	-	132,056	3,597,056
Interest	-	467,841	-	-	-	15,151	482,992
Total expenditures	10,893,047	3,932,841	584,395	1,817	6,329,207	3,719,806	25,461,113
Excess (deficiency) of revenues over (under) expenditures	(127,452)	(3,600,594)	(151,661)	1,171,343	-	2,980,777	272,413
Other Financing Sources (Uses)							
Leases issued	-	-	-	-	-	29,702	29,702
Proceeds from sale of capital assets	-	-	-	-	-	71,300	71,300
Transfers in	491,584	3,613,523	-	1,024,433	-	125,924	5,255,464
Transfers out	(125,924)	-	-	(2,187,061)	(207,839)	(2,458,127)	(4,978,951)
Total other financing sources (uses)	365,660	3,613,523	-	(1,162,628)	(207,839)	(2,231,201)	377,515
Special Item - transfer of operations to Ozaukee Central Fire Department	-	-	-	-	-	(1,087,281)	(1,087,281)
Net change in fund balance	238,208	12,929	(151,661)	8,715	(207,839)	(337,705)	(437,353)
Fund Balances (Deficit), Beginning	4,691,458	85,608	1,987,331	(517,478)	207,839	6,754,039	13,208,797
Fund Balance (Deficit), Ending	\$ 4,929,666	\$ 98,537	\$ 1,835,670	\$ (508,763)	\$ -	\$ 6,416,334	\$ 12,771,444

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, 2025

Net Change in Fund Balances, Total Governmental Funds \$ (437,353)

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

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

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,403,391
Some items reported as capital outlay expenditures in the fund financial statements are operating expenses in the government-wide statements	(388,051)
Depreciation is reported in the government-wide statements	(2,233,798)
Net book value of capital assets retired	(2,130,612)
Capital assets contributed	1,179,676
Amortization on leased assets	(74,615)
Leases issued	29,702

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	(29,702)
Principal retired	3,597,056

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, losses on refundings of debt are recorded as expenditures in the governmental funds but amortized over the life of the debt issue on the Statement of Activities.

Amortization of discounts	(632)
Amortization of premiums	50,231
Amortization of refunding losses	(84,998)

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	13,259
Net pension liability	(89,877)
Deferred outflows of resources related to pensions	(1,219,688)
Deferred inflows of resources related to pensions	1,224,384
Accrued interest on debt	51,352

Change in Net Position of Governmental Activities \$ 1,859,725

Village of GraftonStatement of Net Position -
Proprietary Funds
December 31, 2025

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 43,834	\$ 2,796,045	\$ 2,839,879
Receivables:			
Taxes	29,051	72,346	101,397
Customers	693,616	1,115,729	1,809,345
Leases	150,217	-	150,217
Other	40,578	21,266	61,844
Inventory	73,013	-	73,013
Prepaid items	13,204	8,813	22,017
Total current assets	<u>1,043,513</u>	<u>4,014,199</u>	<u>5,057,712</u>
Noncurrent assets:			
Restricted asset, cash and investments	-	1,089,318	1,089,318
Leases receivable	270,534	-	270,534
Capital assets:			
Land	42,533	405,939	448,472
Intangible assets	101,168	50,951	152,119
Construction in progress	33,139	226,365	259,504
Plant in service	37,840,513	51,835,805	89,676,318
Accumulated depreciation	<u>(11,431,145)</u>	<u>(17,477,596)</u>	<u>(28,908,741)</u>
Total noncurrent assets	<u>26,856,742</u>	<u>36,130,782</u>	<u>62,987,524</u>
Total assets	<u>27,900,255</u>	<u>40,144,981</u>	<u>68,045,236</u>
Deferred Outflows of Resources			
Pension related items	<u>128,935</u>	<u>225,592</u>	<u>354,527</u>
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	72,449	171,109	243,558
Accrued payroll and related liabilities	13,102	18,408	31,510
Accrued interest	9,792	51,495	61,287
Deposits	5,000	-	5,000
Unearned revenue	101,640	-	101,640
Current portion of long-term liabilities	<u>227,590</u>	<u>1,234,666</u>	<u>1,462,256</u>
Total current liabilities	<u>429,573</u>	<u>1,475,678</u>	<u>1,905,251</u>
Noncurrent Liabilities:			
Noncurrent portion of long-term liabilities	<u>2,704,656</u>	<u>12,692,494</u>	<u>15,397,150</u>
Total liabilities	<u>3,134,229</u>	<u>14,168,172</u>	<u>17,302,401</u>
Deferred Inflows of Resources			
Pension related items	72,585	123,759	196,344
Deferred lease revenue	<u>420,751</u>	<u>-</u>	<u>420,751</u>
Total deferred inflows of resources	<u>493,336</u>	<u>123,759</u>	<u>617,095</u>
Net Position			
Net investment in capital assets	23,701,675	21,179,988	44,881,663
Restricted:			
Equipment replacement	-	851,407	851,407
Unrestricted	<u>699,950</u>	<u>4,047,247</u>	<u>4,747,197</u>
Total net position	<u>\$ 24,401,625</u>	<u>\$ 26,078,642</u>	<u>\$ 50,480,267</u>

See notes to financial statements

Village of Grafton

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2025

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Operating Revenues	\$ 2,389,651	\$ 4,266,932	\$ 6,656,583
Operating Expenses			
Operation and maintenance	1,032,435	1,740,854	2,773,289
Depreciation expense	776,922	1,235,745	2,012,667
Taxes	30,875	36,297	67,172
Total operating expenses	<u>1,840,232</u>	<u>3,012,896</u>	<u>4,853,128</u>
Operating income	<u>549,419</u>	<u>1,254,036</u>	<u>1,803,455</u>
Nonoperating Revenues (Expenses)			
Investment income	93,855	90,204	184,059
Interest on long-term debt	(131,704)	(369,583)	(501,287)
Amortization of debt premiums	5,793	19,371	25,164
Loss on disposal	(65,757)	(15,674)	(81,431)
Total nonoperating revenues (expenses)	<u>(97,813)</u>	<u>(275,682)</u>	<u>(373,495)</u>
Income before capital contributions and transfers	<u>451,606</u>	<u>978,354</u>	<u>1,429,960</u>
Capital Contributions	-	681,768	681,768
Contributions to Municipality	(593,312)	(586,364)	(1,179,676)
Transfers Out	<u>(205,513)</u>	<u>(71,000)</u>	<u>(276,513)</u>
Change in net position	(347,219)	1,002,758	655,539
Net Position, Beginning	<u>24,748,844</u>	<u>25,075,884</u>	<u>49,824,728</u>
Net Position, Ending	<u>\$ 24,401,625</u>	<u>\$ 26,078,642</u>	<u>\$ 50,480,267</u>

See notes to financial statements

Village of GraftonStatement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2025

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received from customers	\$ 1,977,681	\$ 4,185,800	\$ 6,163,481
Received from municipality	216,300	-	216,300
Paid to suppliers	(736,153)	(1,385,298)	(2,121,451)
Paid to employees for services	(348,219)	(447,059)	(795,278)
Net cash flows from operating activities	<u>1,109,609</u>	<u>2,353,443</u>	<u>3,463,052</u>
Cash Flows From Noncapital Financing Activities			
Tax equivalent paid to municipality	(205,513)	(10,787)	(216,300)
Transfers to governmental funds	-	(60,213)	(60,213)
Net cash flows from noncapital financing activities	<u>(205,513)</u>	<u>(71,000)</u>	<u>(276,513)</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,116,974)	(1,461,451)	(2,578,425)
Contributions to municipality	(593,312)	(586,364)	(1,179,676)
Contributions received for construction	-	681,768	681,768
Principal payments on financed purchase	-	(46,323)	(46,323)
Principal payments on debt	(216,250)	(1,158,945)	(1,375,195)
Interest on debt	(148,904)	(385,392)	(534,296)
Net cash flow from capital and related financing activities	<u>(2,075,440)</u>	<u>(2,956,707)</u>	<u>(5,032,147)</u>
Cash Flows From Investing Activities			
Marketable securities sold	1,358,538	1,619,191	2,977,729
Marketable securities purchased	(1,358,538)	(1,619,191)	(2,977,729)
Investment income	93,855	90,204	184,059
Net cash flow from investing activities	<u>93,855</u>	<u>90,204</u>	<u>184,059</u>
Net change in cash and equivalents	(1,077,489)	(584,060)	(1,661,549)
Cash and Investments, Beginning	<u>1,121,323</u>	<u>4,469,423</u>	<u>5,590,746</u>
Cash and Investments, Ending	<u>\$ 43,834</u>	<u>\$ 3,885,363</u>	<u>\$ 3,929,197</u>

See notes to financial statements

Village of Grafton

Statement of Cash Flows -

Proprietary Funds

Year Ended December 31, 2025

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	\$ 549,419	\$ 1,254,036	\$ 1,803,455
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	776,922	1,235,745	2,012,667
Depreciation charged to other funds	50,458	(50,458)	-
Changes in assets, liabilities and deferred inflows and outflows related to operations:			
Customer receivables	(248,710)	(65,189)	(313,899)
Other receivables	144,136	34,515	178,651
Inventory	(35,381)	-	(35,381)
Prepaid expenses	(7,775)	1,122	(6,653)
Accounts payable and accrued liabilities	15,115	(74,354)	(59,239)
Other current liabilities	4,580	3,986	8,566
Pension related deferrals and liability	4,712	14,040	18,752
Unearned lease revenue	(143,867)	-	(143,867)
Net cash flow from operating activities	<u>\$ 1,109,609</u>	<u>\$ 2,353,443</u>	<u>\$ 3,463,052</u>
Reconciliation of Cash and Investments to the Statement of Net Position, Proprietary Funds			
Unrestricted cash and investments	\$ 43,834	\$ 2,796,045	\$ 2,839,879
Restricted cash and investments	-	1,089,318	1,089,318
	<u>\$ 43,834</u>	<u>\$ 3,885,363</u>	<u>\$ 3,929,197</u>
Noncash Investing, Capital and Related Financing Activities			
Amortization of debt premiums	<u>\$ 5,793</u>	<u>\$ 19,371</u>	<u>\$ 25,164</u>
Construction related accounts payable	<u>\$ 3,083</u>	<u>\$ 3,083</u>	<u>\$ 6,166</u>

See notes to financial statements

Village of Grafton

Statement of Fiduciary Net Position -
Custodial Fund - Tax Collection Fund
December 31, 2025

Assets

Cash and equivalents	\$ 16,530,009
Taxes receivable	<u>2,430,545</u>
Total assets	<u>18,960,554</u>

Liabilities

Due to other taxing units	<u>18,960,554</u>
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Net Position

Total net position	<u><u>\$ -</u></u>
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Village of Grafton

Statement of Changes in Fiduciary Net Position

Custodial Fund - Tax Collection Fund

Year Ended December 31, 2025

Additions

Tax collections	<u>\$ 17,642,292</u>
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Deductions

Payments to overlaying districts	<u>17,642,292</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

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December 31, 2024

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Village of Grafton

Notes to Financial Statements
December 31, 2025

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 CDA is part of the reporting entity of the Village. However, the CDA had no financial transactions during 2025 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, 2025

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.

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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

Special Revenue Fund

Fire Department Special Revenue Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the program.

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
Room Tax	Fire Department County ARPA Grant
Library Donor	

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, 2025

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. 6

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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled 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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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.
- 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

Village of Grafton

Notes to Financial Statements
December 31, 2025

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, 2025, 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.

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 - 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
Payment in full, or	January 31, 2026
First installment due	January 31, 2026
Second installment due	March 31, 2026
Third installment due	May 31, 2026
Tax sale - 2025 delinquent real estate taxes	October 2028

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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

It is the Village's policy to record revenue when the initial loan is made from the federal and state grant funds. The net amount of the loan receivable balance is included in restricted fund balance. 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.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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.

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, 2025 were \$466,407, \$26,390 and \$38,049 in the governmental activities, water utility and wastewater utility, respectively.

Medical Leave Bank and Medical Leave Separation Bank

The Village policy regarding sick leave was changed as of January 1, 2012. For employees who had accumulated sick leave banks that needed to be rolled under the new policy the Village offered two different options. Employees were given the choice to transfer the balance of sick hours 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 sick 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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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, 2025 was \$42,498.

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 \$3,974,877, 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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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.
- 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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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 subsequent year budgeted expenditures. The unassigned balance at year-end in the general fund was \$3,581,505. That amount of unassigned fund balance in the general fund is approximately 31% of budgeted 2026 general fund expenditures.

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' 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 effective September 20, 2025 were approved by the Public Service Commission of Wisconsin on June 26, 2025. Wastewater rates effective June 20, 2025 were approved by the Village Board on November 18, 2024.

Village of Grafton

Notes to Financial Statements
December 31, 2025

2. Stewardship, Compliance and Accountability

Excess Expenditures Over Budget

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Special Revenue Fund - Room Tax	\$ 318,500	\$ 351,744	\$ 33,244
Special Revenue Fund - Park & Open Space	139,080	322,749	183,669
Special Revenue Fund - Revolving Loan	2,400	3,300	900
Special Revenue Fund - Fire Department	5,998,894	6,329,207	330,313
Special Revenue Fund - Park and Recreational Facilities	215,000	638,147	423,147
Special Revenue Fund - Aquatics	249,480	258,692	9,212
Special Revenue Fund - Library	908,643	924,485	15,842
Special Revenue Fund - Fire Department County ARPA	85,000	100,216	15,216
Capital Projects Fund - Equipment	796,507	915,252	118,745

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, 2025, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Projects Fund - TID No. 3	\$ 508,763	Expenditures exceeded revenues
Capital Projects Fund - TID No. 6	45,996	Expenditures exceeded revenues

As of December 31, 2025, TID No. 3 deficit is anticipated to be funded with future incremental taxes levied over the remaining life of the district as well as contributions from TID No. 5. The deficit fund balance is primarily due to debt service requirements exceeding tax increment. 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 on March 3, 3031 with a positive fund balance.

As of December 31, 2025, TID No. 6 deficit is anticipated to be funded with future incremental taxes levied over the remaining life of the district which will start in 2026. This TID is scheduled to close in 2052.

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 zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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	\$ 24,509,211	\$ 24,870,990	Custodial credit Credit, custodial credit - investments, interest rate, investment highly sensitive to interest rate changes,
U.S. agencies	377,144	377,144	concentration of credit Credit, custodial credit - investments, interest rate, investment highly sensitive to interest rate changes,
Certificates of deposit, negotiable	1,455,978	1,455,978	concentration of credit Credit, custodial credit - investments, interest rate, investment highly sensitive to interest rate changes,
State and local bonds	2,676,040	2,676,040	concentration of credit
LGIP	2,699,786	2,699,786	Credit Custodial credit - investments, interest rate, investment highly sensitive to interest rate changes
U.S. treasuries	2,162,969	2,162,969	
Petty cash	<u>1,669</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 33,882,797</u>	<u>\$ 34,242,907</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 16,263,470		
Restricted cash and investments	1,089,318		
Per statement of fiduciary net position, custodial fund:			
Tax Collection Fund	<u>16,530,009</u>		
Total deposits and investments	<u>\$ 33,882,797</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 non-interest-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, 2025

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. 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, 2025			
	Level 1	Level 2	Level 3	Total
Certificates of deposit, negotiable	\$ -	\$ 1,455,978	\$ -	\$ 1,455,978
U.S. agencies	-	377,144	-	377,144
State and local bonds	-	2,676,040	-	2,676,040
U.S. treasuries	-	2,162,969	-	2,162,969
Total	<u>\$ -</u>	<u>\$ 6,672,131</u>	<u>\$ -</u>	<u>\$ 6,672,131</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, 2025, \$486,831 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 486,831
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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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

As of December 31, 2025, the Village's investments were exposed to custodial credit risk as follows:

U.S. Treasuries

Neither insured nor registered and held by counterparty	\$	2,162,969
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State and Local Bonds

Neither insured nor registered and held by counterparty	\$	2,676,040
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U.S. Agencies

Neither insured nor registered and held by counterparty	\$	377,144
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Credit Risk

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

The Village held investments in U.S. Agencies which was rated by Moody's/Standard & Poor's at Aa1/AA+ or not rated.

The Village held investments in State and Local bonds which are rated by Moody's/Standard & Poor's ranging from Aa1 to Aa3 and AA to AAA respectively or not rated.

The Village held investments in negotiable certificates of deposit which were not rated.

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, 2025, 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	5.65 %

Interest Rate Risk

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

Village of Grafton

Notes to Financial Statements
December 31, 2025

As of December 31, 2025, the Village's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)	
		Less Than 1	1-5
U.S. agencies	\$ 377,144	\$ 377,144	\$ -
U.S. treasuries	2,162,969	1,775,874	387,095
Certificate of deposits, negotiable	1,455,978	949,451	506,527
State and local bonds	2,676,040	729,818	1,946,222
Total	<u>\$ 6,672,131</u>	<u>\$ 3,832,287</u>	<u>\$ 2,839,844</u>

Investments Highly Sensitive to Interest Rate Changes

At December 31, 2025, the Village held \$1,455,978, \$377,144, \$2,676,040 and \$2,162,969 in certificate of deposits, negotiable, U.S. Agencies, State and local bonds, 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 August 15, 2029. The market value of this investment at December 31, 2025, was \$253,545.

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for leases of \$781,324.

Governmental funds report *unavailable* or *deferred 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 *deferred revenue* reported in the governmental funds were as follows:

	<u>Deferred</u>
Property taxes receivable for subsequent year	\$ 13,785,697
Lease revenue receivable for subsequent years	519,596
Recycling fees	<u>157,076</u>
Total deferred/unavailable revenue for governmental funds	<u>\$ 14,462,369</u>
Deferred revenue included in deferred inflows	<u>\$ 14,462,369</u>
Total deferred revenue for governmental funds	<u>\$ 14,462,369</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 \$101,640 shown as a liability and lease revenue receivable in subsequent years in the amount of \$420,751 shown as a deferred inflow of resources.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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.

Following is a list of restricted assets at December 31, 2025:

	<u>Restricted Assets</u>
Equipment replacement account	\$ 1,089,318

Capital Assets

Capital asset activity for the year ended December 31, 2025, 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	\$ 364,945	\$ -	\$ 17,780,852
Intangible assets, easements	448,343	-	-	448,343
Construction in progress	<u>121,468</u>	<u>96,032</u>	<u>115,366</u>	<u>102,134</u>
Total capital assets not being depreciated	<u>17,985,718</u>	<u>460,977</u>	<u>115,366</u>	<u>18,331,329</u>
Capital assets being depreciated:				
Buildings and improvements	27,589,171	633,331	38,094	28,184,408
Equipment and vehicles	10,441,831	545,090	4,541,295	6,445,626
Infrastructure	<u>51,130,123</u>	<u>1,670,984</u>	<u>158,226</u>	<u>52,642,881</u>
Total capital assets being depreciated	<u>89,161,125</u>	<u>2,849,405</u>	<u>4,737,615</u>	<u>87,272,915</u>
Total capital assets	<u>107,146,843</u>	<u>3,310,382</u>	<u>4,852,981</u>	<u>105,604,244</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,197,039)	(777,151)	35,078	(12,939,112)
Equipment and vehicles	(6,322,121)	(371,570)	2,413,699	(4,279,992)
Infrastructure	<u>(17,613,598)</u>	<u>(1,085,077)</u>	<u>158,226</u>	<u>(18,540,449)</u>
Total accumulated depreciation	<u>(36,132,758)</u>	<u>(2,233,798)</u>	<u>2,607,003</u>	<u>(35,759,553)</u>
Net capital assets being depreciated	<u>53,028,367</u>	<u>615,607</u>	<u>2,130,612</u>	<u>51,513,362</u>
Total governmental activities capital assets, excluding lease assets	<u>\$ 71,014,085</u>	<u>\$ 1,076,584</u>	<u>\$ 2,245,978</u>	<u>\$ 69,844,691</u>
Lease assets, net (Note 3)				<u>\$ 80,881</u>
Total governmental activities capital assets, net as reported in the statement of net position				<u>\$ 69,925,572</u>

Village of Grafton

Notes to Financial Statements
December 31, 2025

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 52,213
Public safety	146,304
Public works	1,579,472
Community enrichment services	450,515
Conservation and development	<u>5,294</u>
Total governmental activities depreciation expense	<u>\$ 2,233,798</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water				
Capital assets not being depreciated / amortized:				
Land	\$ 42,533	\$ -	\$ -	\$ 42,533
Intangible assets, easements	101,168	-	-	101,168
Construction in progress	<u>9,351</u>	<u>1,291,206</u>	<u>1,267,418</u>	<u>33,139</u>
Total capital assets not being depreciated / amortized	<u>153,052</u>	<u>1,291,206</u>	<u>1,267,418</u>	<u>176,840</u>
Capital assets being depreciated:				
Property and equipment	<u>36,997,727</u>	<u>1,077,318</u>	<u>234,532</u>	<u>37,840,513</u>
Total capital assets being depreciated	<u>36,997,727</u>	<u>1,077,318</u>	<u>234,532</u>	<u>37,840,513</u>
Total capital assets	<u>37,150,779</u>	<u>2,368,524</u>	<u>1,501,950</u>	<u>38,017,353</u>
Less accumulated depreciation for:				
Property and equipment	<u>(10,755,476)</u>	<u>(827,380)</u>	<u>151,711</u>	<u>(11,431,145)</u>
Total accumulated depreciation	<u>(10,755,476)</u>	<u>(827,380)</u>	<u>151,711</u>	<u>(11,431,145)</u>
Net capital assets being depreciated	<u>26,242,251</u>	<u>249,938</u>	<u>82,821</u>	<u>26,409,368</u>
Net water capital assets	<u>\$ 26,395,303</u>	<u>\$ 1,541,144</u>	<u>\$ 1,350,239</u>	<u>\$ 26,586,208</u>

Village of Grafton

Notes to Financial Statements
December 31, 2025

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Wastewater				
Capital assets not being depreciated / amortized:				
Land	\$ 405,939	\$ -	\$ -	\$ 405,939
Intangible assets, easements	50,951	-	-	50,951
Construction in progress	<u>31,109</u>	<u>1,487,467</u>	<u>1,292,211</u>	<u>226,365</u>
Total capital assets not being depreciated / amortized	<u>487,999</u>	<u>1,487,467</u>	<u>1,292,211</u>	<u>683,255</u>
Capital assets being depreciated:				
Property and equipment	<u>50,776,179</u>	<u>1,238,214</u>	<u>178,588</u>	<u>51,835,805</u>
Total capital assets being depreciated	<u>50,776,179</u>	<u>1,238,214</u>	<u>178,588</u>	<u>51,835,805</u>
Total capital assets	<u>51,264,178</u>	<u>2,725,681</u>	<u>1,470,799</u>	<u>52,519,060</u>
Less accumulated depreciation for:				
Property and equipment	<u>(16,442,661)</u>	<u>(1,185,287)</u>	<u>150,352</u>	<u>(17,477,596)</u>
Total accumulated depreciation	<u>(16,442,661)</u>	<u>(1,185,287)</u>	<u>150,352</u>	<u>(17,477,596)</u>
Net capital assets being depreciated	<u>34,333,518</u>	<u>52,927</u>	<u>28,236</u>	<u>34,358,209</u>
Net wastewater capital assets	<u>\$ 34,821,517</u>	<u>\$ 1,540,394</u>	<u>\$ 1,320,447</u>	<u>\$ 35,041,464</u>
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 61,216,820</u>	<u>\$ 3,081,538</u>	<u>\$ 2,670,686</u>	<u>\$ 61,627,672</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 776,922
Wastewater	<u>1,235,745</u>
Total business-type activities depreciation expense	<u>\$ 2,012,667</u>

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

Village of Grafton

Notes to Financial Statements
December 31, 2025

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	Capital Projects - TID No. 6 Fund	\$ 42,338
Total, fund financial statements		42,338
Less fund eliminations		<u>(42,338)</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 and tax increment.

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>
Capital Projects Fund	Debt Service Fund, Impact Fees Capital Projects Fund, TID No.	\$ 654,264	\$ 654,264
Capital Projects Fund	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, 2025

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	\$ 7,232	Transfer of investment income
General Fund	Wastewater Utility	60,213	Administrative charges
General Fund	Special Revenue Fund, Fire Department	207,839	Transfer fund balance
Debt Service Fund	Special Revenue Fund, Room Tax	100,000	Debt service requirements
Debt Service Fund	Debt Service Fund, Impact Fees	600,000	Debt service requirements
Debt Service Fund	Special Revenue Fund, Park and Open Space	85,000	Debt service requirements
Debt Service Fund	Capital Project Fund, TID No. 3	2,187,061	Debt service requirements
Debt Service Fund	Capital Project Fund, TID No. 4	641,462	Debt service requirements
Special Revenue Fund, Recreation	General Fund	46,725	Support of fund
Capital Project Fund, TID No. 3	Capital Project Fund, TID No. 5	1,024,433	Donation from TID No. 5
Special Revenue Fund, Aquatics	General Fund	79,199	Support of fund
General Fund	Water Utility	205,513	Property tax equivalent
General Fund	Wastewater Utility	<u>10,787</u>	Property tax equivalent
Total, fund financial statements		5,255,464	
Less fund eliminations		<u>(4,978,951)</u>	
Plus utility financed additions contributed to municipality		<u>1,179,676</u>	
Total transfers, government-wide statement of activities		<u>\$ 1,456,189</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	<u>\$ 1,456,189</u>	
Total government-wide financial statements		<u>\$ 1,456,189</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, 2025

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2025, 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	\$ 14,049,999	\$ -	\$ 3,125,000	\$ 10,924,999	\$ 4,175,000
General obligation notes from direct borrowings and direct placements	340,000	-	340,000	-	-
Unamortized discount	(1,263)	-	(632)	(631)	-
Unamortized premium	<u>215,796</u>	<u>-</u>	<u>50,231</u>	<u>165,565</u>	<u>-</u>
Total bonds and notes payable	<u>14,604,532</u>	<u>-</u>	<u>3,514,599</u>	<u>11,089,933</u>	<u>4,175,000</u>
Other liabilities:					
Landfill postclosure liability	449,485	-	-	449,485	50,000
Compensated absences	522,164	-	13,259	508,905	155,469
Financed purchase	116,583	-	57,441	59,142	59,142
Net pension liability	<u>608,340</u>	<u>89,877</u>	<u>-</u>	<u>698,217</u>	<u>-</u>
Total other liabilities	<u>1,696,572</u>	<u>89,877</u>	<u>70,700</u>	<u>1,715,749</u>	<u>264,611</u>
Total governmental activities long-term liabilities, excluding lease liabilities	<u>\$ 16,301,104</u>	<u>\$ 89,877</u>	<u>\$ 3,585,299</u>	<u>\$ 12,805,682</u>	<u>\$ 4,439,611</u>
Lease liabilities (Note 3)				<u>\$ 80,881</u>	<u>\$ 38,789</u>
Total governmental activities long-term liabilities				<u>\$ 12,886,563</u>	<u>\$ 4,478,400</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 9,435,040	\$ -	\$ 835,000	\$ 8,600,040	\$ 840,000
General obligation notes from direct borrowings and direct placements	202,056	-	99,168	102,888	102,888
Revenue bonds from direct borrowings and direct placements	8,068,959	-	441,027	7,627,932	448,790
Unamortized premium	<u>167,901</u>	<u>-</u>	<u>25,164</u>	<u>142,737</u>	<u>-</u>
Total bonds and notes payable	<u>17,873,956</u>	<u>-</u>	<u>1,400,359</u>	<u>16,473,597</u>	<u>1,391,678</u>
Other liabilities:					
Compensated absences	62,885	1,554	-	64,439	21,480
Financed purchase	312,569	-	46,323	266,246	49,098
Net pension liability	<u>51,238</u>	<u>3,886</u>	<u>-</u>	<u>55,124</u>	<u>-</u>
Total other liabilities	<u>426,692</u>	<u>5,440</u>	<u>46,323</u>	<u>385,809</u>	<u>70,578</u>
Total business-type activities long-term liabilities	<u>\$ 18,300,648</u>	<u>\$ 5,440</u>	<u>\$ 1,446,682</u>	<u>\$ 16,859,406</u>	<u>\$ 1,462,256</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, 2025, was \$125,467,865. Total general obligation debt outstanding at year end was \$19,627,927.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2025
GO Bond	06/20/2013	06/01/2026	1.80%	\$ 7,671,701	\$ 104,999
GO Bond	08/04/2015	06/01/2026	2.83	3,510,000	885,000
GO Bond	08/04/2015	06/01/2027	2.42	9,375,000	2,685,000
GO Bond	06/08/2016	06/01/2026	2.18	1,130,000	280,000
GO Bond	07/12/2018	06/01/2026	3.00	1,210,000	195,000
GO Refunding Bond	08/22/2019	06/01/2028	2.00	4,090,000	2,690,000
GO Bond	06/22/2023	06/01/2043	4.18	1,080,000	925,000
GO Bond	06/13/2024	06/01/2044	4.18	3,300,000	3,160,000
Total governmental activities, general obligation debt					<u>\$ 10,924,999</u>

<u>Business-Type Activities</u>					Balance
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2025
GO Bond	06/20/2013	06/01/2026	1.80%	\$ 1,563,299	\$ 100,040
State Trust Fund Loan, direct	10/01/2013	03/15/2026	3.75	1,000,000	102,888
GO Bond	06/08/2016	06/01/2035	2.18	2,910,000	1,665,000
GO Promissory Note	09/14/2017	06/01/2027	2.00	2,240,000	400,000
GO Promissory Note	08/22/2019	06/01/2029	2.00	1,270,000	530,000
GO Bond	06/22/2023	06/01/2043	4.18	3,945,000	3,645,000
GO Bond	06/13/2024	06/01/2044	4.18	2,315,000	2,260,000
Total business-type activities, general obligation debt					<u>\$ 8,702,928</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2026	\$ 4,175,000	\$ 292,730	\$ 840,000	\$ 299,800
2027	2,185,000	206,215	655,000	278,175
2028	1,340,000	157,639	520,000	259,675
2029	230,000	133,469	540,000	241,750
2030	240,000	121,719	425,000	224,119
2031-2035	1,090,000	437,719	2,360,000	866,763
2036-2040	850,000	252,544	1,810,000	477,463
2041-2044	814,999	67,840	1,450,040	102,743
Total	<u>\$ 10,924,999</u>	<u>\$ 1,669,875</u>	<u>\$ 8,600,040</u>	<u>\$ 2,750,488</u>

Village of Grafton

Notes to Financial Statements
December 31, 2025

<u>Year</u>	Business-Type Activities General Obligation Notes From Direct Borrowings And Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 102,888	\$ 3,859

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 23.46% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,678,491. Principal and interest paid for the current year and total customer net revenues were \$579,160 and \$2,579,985, respectively.

Revenue debt payable at December 31, 2025, consists of the following:

Business-Type Activities Revenue Debt

<u>Wastewater Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2025</u>
Clean Water Fund Program Loan, direct	05/13/2020	05/01/2040	1.76%	\$ 9,496,020	\$ 7,627,932
Total business-type activities, revenue debt					<u>\$ 7,627,932</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>
2026	\$ 448,790	\$ 130,302
2027	456,688	122,334
2028	464,726	114,226
2029	472,905	105,974
2030	481,228	97,578
2031-2035	2,536,206	356,681
2036-2040	2,767,389	123,464
Total	<u>\$ 7,627,932</u>	<u>\$ 1,050,559</u>

Village of Grafton

Notes to Financial Statements
December 31, 2025

Financed Purchases

The Village purchased a vehicle under a financed purchase arrangement.

Financed purchases at December 31, 2025 consist of the following:

Governmental Activities					Balance
Financed Purchases	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2025
Street sweeper	12/15/2021	07/15/2026	2.96%	\$ 282,520	\$ 59,142
Total governmental activities financed purchases					<u>\$ 59,142</u>
Business-Type Activities					Balance
Financed Purchases	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2025
2023 Freightliner, sewer cleaner	05/15/2023	05/15/2028	5.99 %	\$ 421,320	\$ 266,246
Total business-type activities financed purchases					<u>\$ 266,246</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Financed Purchases		Business-Type Activities Financed Purchases	
	Principal	Interest	Principal	Interest
2026	\$ 59,142	\$ 1,753	\$ 49,098	\$ 15,948
2027	-	-	52,038	13,007
2028	-	-	165,110	9,890
Total	<u>\$ 59,142</u>	<u>\$ 1,753</u>	<u>\$ 266,246</u>	<u>\$ 38,845</u>

Other Debt Information

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

Village of Grafton

Notes to Financial Statements
December 31, 2025

Lease Disclosures

Lessee - Lease Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Lease assets being amortized:				
Vehicles	\$ 314,468	\$ 29,702	\$ -	\$ 344,170
Total lease assets being amortized	<u>314,468</u>	<u>29,702</u>	<u>-</u>	<u>344,170</u>
Less accumulated amortization for lease assets:				
Vehicles	<u>(188,674)</u>	<u>(74,615)</u>	<u>-</u>	<u>(263,289)</u>
Total accumulated amortization	<u>(188,674)</u>	<u>(74,615)</u>	<u>-</u>	<u>(263,289)</u>
Total governmental activities lease assets, net of accumulated amortization	<u>\$ 125,794</u>	<u>\$ (44,913)</u>	<u>\$ -</u>	<u>\$ 80,881</u>

Lessee - Lease Liabilities

Governmental Activities

Lease Liabilities Description	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2025
2021 Chevrolet Tahoe	02/01/2022	02/01/2026	3.73 %	\$ 48,327	\$ 1,107
2022 Chevrolet Silverado	07/01/2022	07/01/2027	5.18	41,367	13,762
2023 Chevrolet Tahoe	03/01/2023	03/01/2027	8.01	40,973	13,670
2023 Chevrolet Tahoe	01/01/2025	04/01/2028	8.01	29,702	21,578
2024 Chevrolet Equinox	05/02/2024	05/02/2029	8.37	20,423	14,860
2024 Chevrolet Equinox	05/02/2024	05/02/2029	8.37	21,857	<u>15,904</u>
Total governmental activities lease liabilities					<u>\$ 80,881</u>

Governmental Activities

Lease Liabilities	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
2021 Chevrolet Tahoe	\$ 8,837	\$ -	\$ 8,837	\$ -	\$ -
2021 Chevrolet Tahoe	8,976	-	8,976	-	-
2021 Chevrolet Tahoe	9,691	-	9,691	-	-
2021 Chevrolet Tahoe	13,884	-	12,777	1,107	1,107
2022 Chevrolet Silverado	22,263	-	8,501	13,762	9,006
2023 Chevrolet Tahoe	24,219	-	10,549	13,670	11,571
2023 Chevrolet Tahoe	-	29,702	8,124	21,578	9,004
2024 Chevrolet Equinox	18,319	-	3,459	14,860	3,913
2024 Chevrolet Equinox	<u>19,605</u>	<u>-</u>	<u>3,701</u>	<u>15,904</u>	<u>4,188</u>
Total	<u>\$ 125,794</u>	<u>\$ 29,702</u>	<u>\$ 74,615</u>	<u>\$ 80,881</u>	<u>\$ 38,789</u>

Village of Grafton

Notes to Financial Statements
December 31, 2025

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 38,789	\$ 7,067
2027	25,779	3,448
2028	12,672	1,309
2029	3,641	104
Total	<u>\$ 80,881</u>	<u>\$ 11,928</u>

Lessor - Lease Receivables

<u>Governmental Activities</u>				<u>Receivable Balance December 31, 2025</u>
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Verizon, cell tower	06/10/1997	06/10/2047	2.01%	\$ 519,596
Total governmental activities				<u>\$ 519,596</u>

<u>Business-Type Activities</u>				<u>Receivable Balance December 31, 2025</u>
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Nextel/T-Mobile/Sprint, cell tower	10/17/1997	10/17/2027	1.46%	\$ 51,656
T-Mobile/Charter, cell tower	03/14/2007	03/14/2032	1.63	315,631
U.S. Cellular, cell tower	12/02/2002	12/02/2027	1.46	53,464
Total business-type activities				<u>\$ 420,751</u>

The Village recognized \$7,697 and \$143,867 of lease revenue in the governmental and business-type activities, respectively, during the fiscal year.

The Village recognized \$14,873 and \$9,344 of interest revenue in the governmental and business-type activities, respectively, during the fiscal year.

Village of Grafton

Notes to Financial Statements
December 31, 2025

Landfill Postclosure 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.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2025, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 17,780,852
Construction in progress	102,134
Intangible assets	448,343
Other capital assets, net of accumulated depreciation/amortization	51,594,243
Less long-term debt outstanding	(10,924,999)
Less lease payable	(80,881)
Less net unamortized debt premium, discount and refunding loss	(45,454)
Less financed purchase	(59,142)
Less capital related accounts payable	<u>(61,348)</u>

Total net investment in capital assets \$ 58,753,748

Village of Grafton

Notes to Financial Statements
December 31, 2025

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2025, 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	\$ 116,745	\$ -	\$ -	\$ -	\$ 8,663	\$ 125,408
Restricted for:						
Debt service	-	98,537	-	-	-	98,537
Revolving loans	-	-	-	-	567,781	567,781
Cemetery perpetual care	-	-	-	-	129,090	129,090
Park and recreation facilities	-	-	-	-	2,527,457	2,527,457
Impact fees	-	-	-	-	739,863	739,863
Tax incremental financing	-	-	-	-	1,037,801	1,037,801
Subtotal	-	98,537	-	-	5,001,992	5,100,529
Committed to:						
Park and open space	-	-	-	-	22,418	22,418
Woodlawn cemetery capital	-	-	-	-	49,112	49,112
Library	-	-	-	-	100,044	100,044
Room tax	-	-	-	-	128,968	128,968
Environmental	-	-	-	-	233,188	233,188
Library donations	-	-	-	-	786,733	786,733
Subtotal	-	-	-	-	1,320,463	1,320,463
Assigned to:						
Subsequent year's budget	1,231,416	-	-	-	-	1,231,416
Capital improvements	-	-	1,835,670	-	133,747	1,969,417
Subtotal	1,231,416	-	1,835,670	-	133,747	3,200,833
Unassigned (Deficit)	3,581,505	-	-	(508,763)	(48,531)	3,024,211
Total fund balances (deficit)	<u>\$ 4,929,666</u>	<u>\$ 98,537</u>	<u>\$ 1,835,670</u>	<u>\$ (508,763)</u>	<u>\$ 6,416,334</u>	<u>\$ 12,771,444</u>

Village of Grafton

Notes to Financial Statements
December 31, 2025

Business-Type Activities

Net investment in capital assets:	
Land	\$ 448,472
Construction in progress	259,504
Intangible assets	152,119
Other capital assets, net of accumulated depreciation	60,767,577
Less long-term debt outstanding	(16,330,860)
Less unamortized debt premium	(142,737)
Less capital related accounts payable	(6,166)
Less financed purchase	<u>(266,246)</u>
Total net investment in capital assets	<u>\$ 44,881,663</u>

Special Item - Transfer of Operations to Ozaukee Central Fire Department

Beginning January 1, 2025, the Ozaukee Central Fire Department (OCFD) was in operation as part of a joint agreement between the Village of Grafton (Village), Town of Grafton, Village of Saukville and Town of Saukville. The OCFD is governed by a Board of Directors which consists of elected and non-elected representatives of the four municipalities. The OCFD has not yet become a member of the State of Wisconsin Employee Trust Funds and Wisconsin Retirement System and as a result, employees working for OCFD are considered employees of the Village until December 31, 2026.

A Memorandum of Understanding between OCFD and the Village has been in place since January 1, 2025 and will expire July 1, 2026 to provide vehicle maintenance and repair services. OCFD paid the Village \$12,347 for these services in 2025.

In addition, a Memorandum of Understanding between OCFD and the Village was in place to provide human resources, payroll and accounting services through December 31, 2025. OCFD paid the Village \$18,581 for these services in 2025. The Memorandum of Understanding for human resources and payroll services was extended to December 31, 2026.

The Village continued to collect ambulance receipts on behalf of the OCFD during 2025 as OCFD had not received their own billing number under which to bill for services and collect ambulance receipts as the OCFD. Effective January 1, 2026 OCFD has obtained their own billing number and ambulance receipts received by the Village in 2026 will taper off and are expected to end during 2026 as it is anticipated that any OCFD ambulance receipts billed under the Village's billing number will have been collected. Ambulance receipts which related to 2025 services provided by OCFD were remitted by the Village to OCFD.

Capital equipment assets with a net carrying value of \$2,091,378 at December 31, 2024 were transferred to the OCFD on January 1, 2025. Additionally, on January 20, 2025, the Village entered into a lease agreement for a term of eight years with OCFD for the lease of the Grafton fire station building. The lease is for a nominal amount of \$1.

During 2025, the Village paid OCFD \$1,087,281 which represented the fund balance in the Fire Department Capital Equipment Fund at December 31, 2024.

	Capital Projects Fund - Fire and Resue Equipment	Governmental Activities
Transfer of capital assets	\$ -	\$ (2,091,378)
Transfer of fund balance	<u>(1,087,281)</u>	<u>(1,087,281)</u>
Total	<u>\$ (1,087,281)</u>	<u>\$ (3,178,659)</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), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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 a retirement benefit based on a formula factor, their final 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.

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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

Postretirement 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>
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
2023	1.6	(21.0)
2024	3.6	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, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. 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 \$689,936 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2025 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.90 %	6.90 %
Protective with Social Security	6.90	14.30

Village of Grafton

Notes to Financial Statements
December 31, 2025

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

At December 31, 2025, the Village reported a liability of \$753,341 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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, 2024, the Village's proportion was 0.04584695%, which was an increase of 0.00148485% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized pension expense of \$794,463.

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 2,339,536	\$ 2,198,430
Changes in assumptions	223,530	-
Net differences between projected and actual earnings on pension plan investments	1,144,741	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	402	26,622
Employer contributions subsequent to the measurement date	<u>898,832</u>	<u>-</u>
Total	<u>\$ 4,607,041</u>	<u>\$ 2,225,052</u>

\$898,832 reported as deferred outflows of resources 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2026	\$ 442,244
2027	1,553,204
2028	(390,531)
2029	(121,760)

Village of Grafton

Notes to Financial Statements
December 31, 2025

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
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%-5.7%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

* *No postretirement 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 postretirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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, 2024			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Private Equity/Debt	20	9.5	6.7
Leverage***	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

* *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: 2.6%*

*** *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.*

Village of Grafton

Notes to Financial Statements
December 31, 2025

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 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). 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)	\$ 7,067,324	\$ 753,341	\$ (3,732,562)

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, 2025, 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.

Village of Grafton

Notes to Financial Statements
December 31, 2025

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.

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, 2025. 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 2025 were \$1,067,234. The fund balance as of December 31, 2025 is \$2,527,457.

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 2025 were \$465,284. The fund balance as of December 31, 2025 is \$739,863. 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 4. The incentive was offered 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 limits total payments to \$815,908. In 2024 the amount of taxes paid by the developer exceeded debt payments and no payment was required under the agreement and will not be required going forward. The total paid to the developer over the life of the agreement was \$539,229.

In 2024, in order to induce the Village to approve a subdivision, an agreement was entered with the developer that the combined minimum guaranteed value (assessed value) of the development will be at least \$4,800,000 by December 31, 2027. Beginning in 2028, If the property tax assessments of the combined parcels are less than the guaranteed amount the developer will pay to the Village a differential payment equal to the difference in taxes based on the actual assessed value and taxes based on a value of \$4,800,000.

Village of Grafton

Notes to Financial Statements
December 31, 2025

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

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

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>2025 Budgeted % Exp Paid</u>
Village of Grafton	4.04 %
Village of Thiensville	2.03
City of West Bend	17.64
Village of Germantown	9.53
City of Hartford	11.27
Village of Kewaskum	3.27
Village of Slinger	9.83
Village of Jackson	7.88
City of Port Washington	6.95
Village of Saukville	4.96
City of Cedarburg	2.96
City of Mequon	16.59
Village of Fredonia	0.51
Village of Newburg	0.77
Town of Hartford	0.37
Town of Trenton	1.40
Total	<u>100.00 %</u>

The Village received \$32,023 in court revenues from the Mid-Moraine Municipal Court during 2025.

Agreement With the Town of Grafton

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 a Joint Library Agreement establishing a joint library board under Wis Stats. 66.30 and 43.56 for the purpose of operating the library. In 2024 the Town of Grafton voted to withdraw from the agreement. In May of 2025 the Village provided a notice to the State of Wisconsin that the Village will take sole ownership of the library effective June 12, 2025. Per the Joint Library Agreement, at dissolution all assets become the property of the Village, but the Town of Grafton is entitled to a sum equal to 15% of the value of all books and periodicals. An amount has not yet been agreed upon but is not expected to exceed \$25,000.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,363,471	\$ 6,363,471	\$ 6,363,471	\$ -
Payments in lieu of taxes	215,157	215,157	229,397	14,240
Other taxes	12,500	12,500	12,672	172
Intergovernmental	1,560,854	1,560,854	1,652,363	91,509
Licenses and permits	698,270	698,270	987,268	288,998
Fines and forfeitures	34,914	34,914	39,540	4,626
Public charges for services	636,633	636,633	481,330	(155,303)
Intergovernmental charges for services	191,535	191,535	194,639	3,104
Donations	6,600	6,600	5,117	(1,483)
Investment income	564,441	564,441	595,199	30,758
Miscellaneous	84,661	84,661	204,599	119,938
Total revenues	<u>10,369,036</u>	<u>10,369,036</u>	<u>10,765,595</u>	<u>396,559</u>
Expenditures				
Current:				
General government	1,470,224	1,482,812	1,562,317	(79,505)
Public safety	4,688,736	4,786,290	4,786,290	-
Public works	4,126,878	3,919,420	3,437,527	481,893
Community enrichment services	708,618	830,563	830,563	-
Conservation and development	288,858	264,229	276,350	(12,121)
Total expenditures	<u>11,283,314</u>	<u>11,283,314</u>	<u>10,893,047</u>	<u>390,267</u>
Excess (deficit) of revenues over (under) expenditures	<u>(914,278)</u>	<u>(914,278)</u>	<u>(127,452)</u>	<u>786,826</u>
Other Financing Sources (Uses)				
Transfers in	285,513	285,513	491,584	206,071
Transfers out	<u>(120,423)</u>	<u>(120,423)</u>	<u>(125,924)</u>	<u>(5,501)</u>
Total other financing sources (uses)	<u>165,090</u>	<u>165,090</u>	<u>365,660</u>	<u>200,570</u>
Net change in fund balance	<u>\$ (749,188)</u>	<u>\$ (749,188)</u>	<u>238,208</u>	<u>\$ 987,396</u>
Fund Balance, Beginning			<u>4,691,458</u>	
Fund Balance, Ending			<u>\$ 4,929,666</u>	

See notes to required supplementary information

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Special Revenue Fund - Fire Department
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,321,456	\$ 2,321,456	\$ 2,321,456	\$ -
Intergovernmental	-	-	3,359,291	3,359,291
Public charges for services	3,519,643	3,519,643	648,460	(2,871,183)
Total revenues	5,841,099	5,841,099	6,329,207	488,108
Expenditures				
Current:				
Public safety	5,998,894	5,998,894	6,239,152	(240,258)
Capital outlay	-	-	90,055	(90,055)
Total expenditures	5,998,894	5,998,894	6,329,207	(330,313)
Excess (deficit) of revenues over (under) expenditures	(157,795)	(157,795)	-	157,795
Other Financing Uses				
Transfers out	-	-	(207,839)	(207,839)
Net change in fund balance	\$ (157,795)	\$ (157,795)	(207,839)	\$ (50,044)
Fund Balance, Beginning			207,839	
Fund Balance, Ending			\$ -	

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, 2025

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
12/31/15	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 %
12/31/23	0.04436210 %	659,578	6,270,810	10.52 %	98.85 %
12/31/24	0.04584695 %	753,341	6,813,841	11.06 %	98.79 %

Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2025

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
12/31/16	\$ 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	-	5,610,606	8.88 %
12/31/22	523,089	523,089	-	5,900,290	8.87 %
12/31/23	601,826	601,826	-	6,270,810	9.60 %
12/31/24	690,530	690,530	-	6,813,841	10.13 %
12/31/25	898,832	898,832	-	8,078,271	11.13 %

See notes to required supplementary information

Village of Grafton

Notes to Required Supplementary Information
Year Ended December 31, 2025

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.

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 postretirement 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 postretirement 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, 2025

	Special Revenue Funds								
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics	Library Donor
Assets									
Cash and investments	\$ 22,418	\$ 478,596	\$ 49,112	\$ 2,527,457	\$ 849	\$ 135,341	\$ 233,188	\$ 3,070	\$ 786,733
Receivables:									
Taxes	142,597	-	-	-	-	690,638	-	-	-
Accounts	-	-	-	-	-	-	-	84	-
Loans	-	90,065	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	1,634	6,128	-	901	-
Total assets	\$ 165,015	\$ 568,661	\$ 49,112	\$ 2,527,457	\$ 2,483	\$ 832,107	\$ 233,188	\$ 4,055	\$ 786,733
Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)									
Liabilities									
Accounts payable and accrued liabilities	\$ -	\$ 880	\$ -	\$ -	\$ 2,483	\$ 35,297	\$ -	\$ 4,055	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
Advances from other governmental funds	-	-	-	-	-	-	-	-	-
Total liabilities	-	880	-	-	2,483	35,297	-	4,055	-
Deferred Inflows of Resources									
Deferred revenue	142,597	-	-	-	-	690,638	-	-	-
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	1,634	6,128	-	901	-
Restricted	-	567,781	-	2,527,457	-	-	-	-	-
Committed	22,418	-	49,112	-	-	100,044	233,188	-	786,733
Assigned	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(1,634)	-	-	(901)	-
Total fund balances (deficit)	22,418	567,781	49,112	2,527,457	-	106,172	233,188	-	786,733
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 165,015	\$ 568,661	\$ 49,112	\$ 2,527,457	\$ 2,483	\$ 832,107	\$ 233,188	\$ 4,055	\$ 786,733

Special Revenue Funds		Debt Service Fund	Capital Projects Funds				Fire and Rescue Equipment	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Funds
Fire Department County ARPA Grant	Room Tax	Impact Fees	TID No. 4	TID No. 5	TID No. 6	Equipment	Fire and Rescue Equipment		
\$ -	\$ 92,763	\$ 1,394,127	\$ 1,037,801	\$ -	\$ -	\$ 161,422	\$ -	\$ 129,090	\$ 7,051,967
-	-	-	960,740	808,410	6,344	525,000	-	-	3,133,729
-	120,617	-	-	-	-	-	-	-	120,701
-	-	-	-	-	-	-	-	-	90,065
-	-	-	-	-	-	-	-	-	8,663
<u>\$ -</u>	<u>\$ 213,380</u>	<u>\$ 1,394,127</u>	<u>\$ 1,998,541</u>	<u>\$ 808,410</u>	<u>\$ 6,344</u>	<u>\$ 686,422</u>	<u>\$ -</u>	<u>\$ 129,090</u>	<u>\$ 10,405,125</u>
\$ -	\$ 84,412	\$ -	\$ -	\$ -	\$ 3,658	\$ 27,675	\$ -	\$ -	\$ 158,460
-	-	-	-	-	42,338	-	-	-	42,338
-	-	654,264	-	-	-	-	-	-	654,264
-	84,412	654,264	-	-	45,996	27,675	-	-	855,062
-	-	-	960,740	808,410	6,344	525,000	-	-	3,133,729
-	-	-	-	-	-	-	-	-	8,663
-	-	739,863	1,037,801	-	-	-	-	129,090	5,001,992
-	128,968	-	-	-	-	-	-	-	1,320,463
-	-	-	-	-	-	133,747	-	-	133,747
-	-	-	-	-	(45,996)	-	-	-	(48,531)
-	128,968	739,863	1,037,801	-	(45,996)	133,747	-	129,090	6,416,334
<u>\$ -</u>	<u>\$ 213,380</u>	<u>\$ 1,394,127</u>	<u>\$ 1,998,541</u>	<u>\$ 808,410</u>	<u>\$ 6,344</u>	<u>\$ 686,422</u>	<u>\$ -</u>	<u>\$ 129,090</u>	<u>\$ 10,405,125</u>

Village of Grafton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2025

	Special Revenue Funds								
	Park and Open Space	Revolving Loan	Woodlawn Cemetery Capital	Park and Recreational Facilities	Recreation	Library	Environmental	Aquatics	Library Donor
Revenues									
Taxes	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 680,638	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	233,593	-	-	-
Donations	-	-	-	-	-	6,004	-	-	41,098
Public charges for services	-	-	7,200	-	80,989	13,593	-	179,493	-
Impact fees	-	-	-	1,067,234	-	-	-	-	-
Investment income	607	23,684	1,761	70,676	-	-	11,065	-	31,221
Miscellaneous	141,500	-	-	4,500	500	-	-	-	-
Total revenues	192,107	23,684	8,961	1,142,410	81,489	933,828	11,065	179,493	72,319
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Community enrichment services	-	-	-	-	128,214	924,485	-	258,692	-
Conservation and development	-	3,300	-	-	-	-	45,189	-	-
Capital outlay	322,749	-	-	638,147	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	322,749	3,300	-	638,147	128,214	924,485	45,189	258,692	-
Excess (deficit) of revenues over (under) expenditures	(130,642)	20,384	8,961	504,263	(46,725)	9,343	(34,124)	(79,199)	72,319
Other Financing Sources (Uses)									
Leases issued	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	46,725	-	-	79,199	-
Transfers out	(85,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(85,000)	-	-	-	46,725	-	-	79,199	-
Special Item - transfer of operations to Ozaukee Central Fire Department	-	-	-	-	-	-	-	-	-
Net change in fund balance	(215,642)	20,384	8,961	504,263	-	9,343	(34,124)	-	72,319
Fund Balances (Deficit), Beginning	238,060	547,397	40,151	2,023,194	-	96,829	267,312	-	714,414
Fund Balance (Deficit), Ending	\$ 22,418	\$ 567,781	\$ 49,112	\$ 2,527,457	\$ -	\$ 106,172	\$ 233,188	\$ -	\$ 786,733

Special Revenue Funds		Debt Service Fund	Capital Projects Funds					Permanent Fund	Total
Fire Department County ARPA Grant	Room Tax	Impact Fees	TID No. 4	TID No. 5	TID No. 6	Equipment	Fire and Rescue Equipment	Cemetery Perpetual Care	Nonmajor Funds
\$ -	\$ -	\$ -	\$ 1,076,637	\$ 906,062	\$ -	\$ 550,000	\$ -	\$ -	\$ 3,263,337
-	502,521	-	-	-	-	-	-	-	502,521
100,216	-	-	92,247	88,528	-	102,459	-	-	617,043
-	-	-	-	-	-	-	-	-	47,102
-	-	-	-	-	-	-	-	-	281,275
-	-	465,284	-	-	-	-	-	-	1,532,518
-	-	54,008	47,675	31,660	-	13,790	-	7,232	293,379
-	-	-	4,388	-	-	5,320	-	7,200	163,408
100,216	502,521	519,292	1,220,947	1,026,250	-	671,569	-	14,432	6,700,583
-	-	-	1,668	1,667	19,750	-	-	-	23,085
100,216	-	-	-	-	-	-	-	-	100,216
-	351,744	-	8,583	150	-	-	-	-	1,311,391
-	-	-	-	-	-	768,045	-	-	408,966
-	-	-	-	-	-	-	-	-	1,728,941
-	-	-	-	-	-	132,056	-	-	132,056
-	-	-	-	-	-	15,151	-	-	15,151
100,216	351,744	-	10,251	1,817	19,750	915,252	-	-	3,719,806
-	150,777	519,292	1,210,696	1,024,433	(19,750)	(243,683)	-	14,432	2,980,777
-	-	-	-	-	-	29,702	-	-	29,702
-	-	-	-	-	-	71,300	-	-	71,300
-	-	-	-	-	-	-	-	-	125,924
-	(100,000)	(600,000)	(641,462)	(1,024,433)	-	-	-	(7,232)	(2,458,127)
-	(100,000)	(600,000)	(641,462)	(1,024,433)	-	101,002	-	(7,232)	(2,231,201)
-	-	-	-	-	-	-	(1,087,281)	-	(1,087,281)
-	50,777	(80,708)	569,234	-	(19,750)	(142,681)	(1,087,281)	7,200	(337,705)
-	78,191	820,571	468,567	-	(26,246)	276,428	1,087,281	121,890	6,754,039
\$ -	\$ 128,968	\$ 739,863	\$ 1,037,801	\$ -	\$ (45,996)	\$ 133,747	\$ -	\$ 129,090	\$ 6,416,334

Village of Grafton

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Taxes				
General property taxes	\$ 6,363,471	\$ 6,363,471	\$ 6,363,471	\$ -
Payments in lieu of taxes	215,157	215,157	229,397	14,240
Interest and penalties on delinquent taxes	12,500	12,500	12,672	172
Total taxes	6,591,128	6,591,128	6,605,540	14,412
Intergovernmental Revenues				
Shared revenues	617,960	617,960	711,742	93,782
General highway aids	744,144	744,144	743,495	(649)
Computer aid	58,647	58,647	58,647	-
Police training	6,080	6,080	6,400	320
Connecting streets	74,463	74,463	74,463	-
Recycling	24,165	24,165	24,148	(17)
Other, state	35,395	35,395	33,468	(1,927)
Total intergovernmental revenues	1,560,854	1,560,854	1,652,363	91,509
Licenses and Permits				
Licenses:				
Liquor and malt beverage	16,170	16,170	16,675	505
Operators	6,155	6,155	8,090	1,935
Cigarette	1,100	1,100	1,000	(100)
Bicycle	15	15	295	280
Dog and cat	1,700	1,700	1,625	(75)
Amusement device	1,700	1,700	1,925	225
Business and occupational	150	150	150	-
Permits:				
Building	350,000	350,000	471,106	121,106
Electrical	60,000	60,000	110,637	50,637
Plumbing	60,000	60,000	84,177	24,177
Heating and air conditioning	30,000	30,000	111,353	81,353
Other	780	780	2,765	1,985
Land use fees	10,000	10,000	33,635	23,635
Cable television	112,000	112,000	94,560	(17,440)
Street opening	43,000	43,000	39,900	(3,100)
Signs	4,000	4,000	7,575	3,575
Fire protection permits	1,500	1,500	1,800	300
Total licenses and permits	698,270	698,270	987,268	288,998
Fines and Forfeitures				
Court fines	26,414	26,414	32,023	5,609
Other municipal court	300	300	106	(194)
Parking violations	7,500	7,500	6,599	(901)
Miscellaneous forfeitures	700	700	812	112
Total fines and forfeitures	34,914	34,914	39,540	4,626

Village of Grafton

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Charges for Services				
Recycling fees	\$ 149,884	\$ 149,884	\$ 152,752	\$ 2,868
Property inquiry fees	7,000	7,000	6,168	(832)
Weights and measures	2,500	2,500	4,550	2,050
Assessing records maintenance	30,000	30,000	45,947	15,947
License publication fees	450	450	480	30
Materials sold	800	800	988	188
Park fees	68,625	68,625	48,011	(20,614)
Planning charges	25,000	25,000	76,753	51,753
Copy fees	500	500	839	339
Miscellaneous charges	217,939	217,939	108,813	(109,126)
Senior recreation fees	45,592	45,592	35,018	(10,574)
Engineering/Inspection fees	88,343	88,343	1,011	(87,332)
Total public charges for services	636,633	636,633	481,330	(155,303)
Intergovernmental Charges for Services				
Public safety personnel	71,535	71,535	65,640	(5,895)
Inspection services	120,000	120,000	106,028	(13,972)
Other charges for services	-	-	22,971	22,971
Total intergovernmental charges for services	191,535	191,535	194,639	3,104
Donations	6,600	6,600	5,117	(1,483)
Investment Income	564,441	564,441	595,199	30,758
Miscellaneous				
Miscellaneous general revenue	10,500	10,500	129,224	118,724
Rent	10,726	10,726	10,778	52
Recycling	55,935	55,935	59,097	3,162
Other	7,500	7,500	5,500	(2,000)
Total miscellaneous	84,661	84,661	204,599	119,938
Total revenues	\$ 10,369,036	\$ 10,369,036	\$ 10,765,595	\$ 396,559

Village of Grafton

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
General Government				
Village board	\$ 51,274	\$ 51,274	\$ 50,709	\$ 565
Legal	40,000	40,000	43,704	(3,704)
Administration	311,642	316,642	616,006	(299,364)
Clerk	189,637	192,295	171,538	20,757
Elections	27,356	27,356	27,248	108
Finance	408,795	418,601	428,821	(10,220)
Assessing	75,903	76,027	84,932	(8,905)
Village hall expenses	57,211	57,211	63,364	(6,153)
Other general government	91,154	91,154	75,995	15,159
Contingency	217,252	212,252	-	212,252
Total general government	1,470,224	1,482,812	1,562,317	(79,505)
Public Safety				
Police administration	545,280	554,428	566,109	(11,681)
Police operations	3,175,821	3,246,334	3,309,360	(63,026)
Police support	339,423	339,423	315,539	23,884
Police building	84,042	84,042	82,643	1,399
Fire station	-	-	35	(35)
Inspection	544,170	562,063	512,604	49,459
Total public safety	4,688,736	4,786,290	4,786,290	-
Public Works				
Public works administration	276,067	262,187	234,757	27,430
Engineering	430,550	410,166	392,538	17,628
Street maintenance	1,361,345	1,338,151	1,027,791	310,360
Street cleaning	63,524	63,524	35,755	27,769
Snow removal	177,021	177,021	151,790	25,231
Forestry	106,586	106,586	106,332	254
Traffic control	49,937	49,937	59,003	(9,066)
Storm water management	130,664	130,664	137,372	(6,708)
Bridges and dams	226,051	76,051	36,351	39,700
Equipment maintenance	365,474	365,474	333,341	32,133
Garage and building	134,165	134,165	110,639	23,526
Recycling	805,494	805,494	811,858	(6,364)
Total public works	4,126,878	3,919,420	3,437,527	481,893
Community Enrichment Services				
Adult senior services	156,666	159,814	156,576	3,238
Parks and playgrounds	257,375	371,837	362,619	9,218
Community activities administration	281,706	286,041	303,498	(17,457)
Cemetery	12,871	12,871	7,870	5,001
Total community enrichment services	708,618	830,563	830,563	-
Conservation and Development				
Community development	288,858	264,229	276,350	(12,121)
Total conservation and development	288,858	264,229	276,350	(12,121)
Total expenditures	\$ 11,283,314	\$ 11,283,314	\$ 10,893,047	\$ 390,267

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Debt Service Fund

Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 325,000	\$ 325,000	\$ 325,000	\$ -
Investment income	12,500	12,500	7,247	(5,253)
Total revenues	<u>337,500</u>	<u>337,500</u>	<u>332,247</u>	<u>(5,253)</u>
Expenditures				
Debt service:				
Principal	3,465,000	3,465,000	3,465,000	-
Interest	571,721	571,721	467,841	103,880
Total expenditures	<u>4,036,721</u>	<u>4,036,721</u>	<u>3,932,841</u>	<u>103,880</u>
Excess (deficit) of revenues over (under) expenditures	<u>(3,699,221)</u>	<u>(3,699,221)</u>	<u>(3,600,594)</u>	<u>98,627</u>
Other Financing Sources				
Transfers in	<u>3,663,523</u>	<u>3,663,523</u>	<u>3,613,523</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ (35,698)</u>	<u>\$ (35,698)</u>	<u>12,929</u>	<u>\$ 48,627</u>
Fund Balance, Beginning			<u>85,608</u>	
Fund Balance, Ending			<u>\$ 98,537</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Capital Projects Fund
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Intergovernmental	145,300	145,300	75,836	(69,464)
Public charges for services	112,500	112,500	-	(112,500)
Investment income	28,000	28,000	11,359	(16,641)
Miscellaneous	124,830	124,830	95,539	(29,291)
	<u>660,630</u>	<u>660,630</u>	<u>432,734</u>	<u>(227,896)</u>
Total revenues				
Expenditures				
Capital outlay	<u>602,999</u>	<u>602,999</u>	<u>584,395</u>	<u>18,604</u>
Net change in fund balance	<u>\$ 57,631</u>	<u>\$ 57,631</u>	<u>(151,661)</u>	<u>\$ (209,292)</u>
Fund Balance, Beginning			<u>1,987,331</u>	
Fund Balance, Ending			<u>\$ 1,835,670</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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,047,012	\$ 1,047,012	\$ 1,122,913	\$ 75,901
Intergovernmental	10,426	10,426	30,010	19,584
Investment income	17,500	17,500	19,037	1,537
Miscellaneous	3,000	3,000	1,200	(1,800)
Total revenues	<u>1,077,938</u>	<u>1,077,938</u>	<u>1,173,160</u>	<u>95,222</u>
Expenditures				
Current:				
General government	1,750	1,750	1,667	83
Conservation and development	150	150	150	-
Total expenditures	<u>1,900</u>	<u>1,900</u>	<u>1,817</u>	<u>83</u>
Excess of revenues over expenditures	<u>1,076,038</u>	<u>1,076,038</u>	<u>1,171,343</u>	<u>95,305</u>
Other Financing Sources (Uses)				
Transfers in	958,144	958,144	1,024,433	66,289
Transfers out	<u>(2,187,061)</u>	<u>(2,187,061)</u>	<u>(2,187,061)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,228,917)</u>	<u>(1,228,917)</u>	<u>(1,162,628)</u>	<u>66,289</u>
Net change in fund balance	<u>\$ (152,879)</u>	<u>\$ (152,879)</u>	8,715	<u>\$ 161,594</u>
Fund Balance (Deficit), Beginning			<u>(517,478)</u>	
Fund Balance (Deficit), Ending			<u>\$ (508,763)</u>	

Village of Grafton

Schedule of Operating Revenues and Expenses -

Water Utility

Year Ended December 31, 2025

Operating Revenues

Sales of water:

Metered sales:

Residential	\$ 1,066,299
Multifamily	134,935
Commercial	223,144
Industrial	89,060
Public authorities	31,811

Total metered sales 1,545,249

Bulk sales	5,169
Private fire protection	91,362
Public fire protection	542,730

Total sales related to water 2,184,510

Other operating revenues:

Customer forfeited discounts	7,866
Other water revenues	197,275

Total operating revenues 2,389,651

Operating Expenses

Source of supply expenses:

Operation labor	14,568
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Total source of supply expenses 14,568

Pumping expenses:

Operation labor	45,254
Power purchased for pumping	87,417
Operation supplies	7,483
Maintenance	47,287

Total pumping expenses 187,441

Water treatment expenses:

Operation labor	18,351
Chemicals	36,368

Total water treatment expenses 54,719

Village of Grafton

Schedule of Operating Revenues and Expenses -

Water Utility

Year Ended December 31, 2025

Operating Expenses (continued)

Transmission and distribution:

Operation supplies	\$ 88,377
Maintenance:	
Reservoirs	43,612
Mains	750
Services	3,760
Meters	6,647
Hydrants	75,511
	<u>218,657</u>

Total transmission and distribution 218,657

Customer accounts:

Meter reading labor	1,218
Accounting and collecting labor	47,121
Supplies	12,104
	<u>60,443</u>

Total customer accounts 60,443

Administrative and general:

Salaries	166,390
Outside services	100,334
Office supplies and expenses	11,021
Property insurance	41,728
Injuries and damages	9,317
Employee pensions and benefits	90,021
Maintenance	73,277
Miscellaneous	4,519
	<u>496,607</u>

Total administrative and general 496,607

Total operation and maintenance 1,032,435

Other operating expenses:

Depreciation	776,922
Taxes	30,875
	<u>807,797</u>

Total other operating expenses 807,797

Total operating expenses 1,840,232

Operating income \$ 549,419

Village of Grafton

Schedule of Operating Revenues and Expenses -

Wastewater Utility

Year Ended December 31, 2025

Operating Revenues

Residential	\$ 2,844,866
Multifamily	359,788
Commercial	633,876
Industrial	172,991
Public authorities	47,500
Other	167,583

Total metered sales 4,226,604

Other operating revenues:

Customer forfeited discounts	19,851
Other sewer revenues	20,477

Total operating revenues 4,266,932

Operating Expenses

Operation:

Supervision and labor	104,529
Operation supplies	12,571
Power and fuel for pumping	66,648
Treatment chemicals	45,343
Power, fuel and sludge hauling	358,240
Transportation	15,342

Total operation 602,673

Maintenance:

Meters	25,252
Sewage collection system	63,541
Pumping equipment	72,135
Treatment equipment	238,704
General plant	154,105

Total maintenance 553,737

Customer accounts:

Billing, collecting and accounting	12,053
Meter reading	265

Total customer accounts 12,318

Village of Grafton

Schedule of Operating Revenues and Expenses -

Wastewater Utility

Year Ended December 31, 2025

Operating Expenses (continued)

General:

Salaries	\$	116,064
Office supplies		11,284
Outside services employed		253,127
Insurance		46,174
Employee pensions and benefits		137,925
Miscellaneous		<u>7,552</u>

Total general 572,126

Total operation and maintenance 1,740,854

Other operating expenses:

Depreciation		1,235,745
Taxes		<u>36,297</u>

Total other operating expenses 1,272,042

Total operating expenses 3,012,896

Operating income \$ 1,254,036

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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Investment income	12,500	12,500	607	(11,893)
Miscellaneous	85,000	85,000	141,500	56,500
	<u>147,500</u>	<u>147,500</u>	<u>192,107</u>	<u>44,607</u>
Expenditures				
Capital outlay	<u>139,080</u>	<u>139,080</u>	<u>322,749</u>	<u>(183,669)</u>
Excess (deficit) of revenues over (under) expenditures	<u>8,420</u>	<u>8,420</u>	<u>(130,642)</u>	<u>(139,062)</u>
Other Financing Uses				
Transfers out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (76,580)</u>	<u>\$ (76,580)</u>	<u>(215,642)</u>	<u>\$ (139,062)</u>
Fund Balance, Beginning			<u>238,060</u>	
Fund Balance, Ending			<u>\$ 22,418</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 25,082	\$ 25,082	\$ 23,684	\$ (1,398)
Expenditures				
Current:				
Conservation and development	2,400	2,400	3,300	(900)
Net change in fund balance	<u>\$ 22,682</u>	<u>\$ 22,682</u>	20,384	<u>\$ (2,298)</u>
Fund Balance, Beginning			<u>547,397</u>	
Fund Balance, Ending			<u>\$ 567,781</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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Public charges for services	\$ 3,200	\$ 3,200	\$ 7,200	\$ 4,000
Investment income	2,000	2,000	1,761	(239)
Total revenues	<u>5,200</u>	<u>5,200</u>	<u>8,961</u>	<u>3,761</u>
Expenditures				
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	<u>\$ (4,800)</u>	<u>\$ (4,800)</u>	8,961	<u>\$ 13,761</u>
Fund Balance, Beginning			<u>40,151</u>	
Fund Balance, Ending			<u>\$ 49,112</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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 912,068	\$ 912,068	\$ 1,067,234	\$ 155,166
Investment income	20,000	20,000	70,676	50,676
Miscellaneous	4,500	4,500	4,500	-
Total revenues	<u>936,568</u>	<u>936,568</u>	<u>1,142,410</u>	<u>205,842</u>
Expenditures				
Current:				
Conservation and development	15,000	15,000	-	15,000
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>638,147</u>	<u>(438,147)</u>
Total expenditures	<u>215,000</u>	<u>215,000</u>	<u>638,147</u>	<u>(423,147)</u>
Net change in fund balance	<u>\$ 721,568</u>	<u>\$ 721,568</u>	504,263	<u>\$ (217,305)</u>
Fund Balance, Beginning			<u>2,023,194</u>	
Fund Balance, Ending			<u>\$ 2,527,457</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Special Revenue Fund - Recreation

Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Public charges for services	\$ 94,224	\$ 94,224	\$ 80,989	\$ (13,235)
Miscellaneous	-	-	500	500
Total revenues	94,224	94,224	81,489	(12,735)
Expenditures				
Current:				
Community enrichment services	139,512	139,512	128,214	11,298
Deficit of revenues under expenditures	(45,288)	(45,288)	(46,725)	(1,437)
Other Financing Sources				
Transfers in	45,288	45,288	46,725	1,437
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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 680,638	\$ 680,638	\$ 680,638	\$ -
Intergovernmental	219,527	219,527	233,593	14,066
Donations	-	-	6,004	6,004
Public charges for services	9,360	9,360	13,593	4,233
	<u>909,525</u>	<u>909,525</u>	<u>933,828</u>	<u>24,303</u>
Total revenues				
Expenditures				
Current:				
Community enrichment services	908,643	908,643	924,485	(15,842)
	<u>908,643</u>	<u>908,643</u>		
Net change in fund balance	<u>\$ 882</u>	<u>\$ 882</u>	9,343	<u>\$ 8,461</u>
Fund Balance, Beginning			96,829	
Fund Balance, Ending			<u>\$ 106,172</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Special Revenue Fund - Environmental
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 11,065</u>	<u>\$ (3,935)</u>
Expenditures				
Current:				
Conservation and development	<u>50,000</u>	<u>50,000</u>	<u>45,189</u>	<u>4,811</u>
Net change in fund balance	<u><u>\$ (35,000)</u></u>	<u><u>\$ (35,000)</u></u>	<u>(34,124)</u>	<u><u>\$ 876</u></u>
Fund Balance, Beginning			<u>267,312</u>	
Fund Balance, Ending			<u><u>\$ 233,188</u></u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Special Revenue Fund - Aquatics

Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Public charges for services	<u>\$ 174,345</u>	<u>\$ 174,345</u>	<u>\$ 179,493</u>	<u>\$ 5,148</u>
Expenditures				
Current:				
Community enrichment services	<u>249,480</u>	<u>249,480</u>	<u>258,692</u>	<u>(9,212)</u>
Deficit of revenues under expenditures	<u>(75,135)</u>	<u>(75,135)</u>	<u>(79,199)</u>	<u>(4,064)</u>
Other Financing Sources				
Transfers in	<u>75,135</u>	<u>75,135</u>	<u>79,199</u>	<u>4,064</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 -
Special Revenue Fund - Library Donor
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Donations	\$ -	\$ -	\$ 41,098	\$ 41,098
Investment income	2,500	2,500	31,221	28,721
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>72,319</u>	<u>69,819</u>
Expenditures				
Current:				
Community enrichment services	235,000	235,000	-	235,000
Net change in fund balance	<u>\$ (232,500)</u>	<u>\$ (232,500)</u>	72,319	<u>\$ 304,819</u>
Fund Balance, Beginning			<u>714,414</u>	
Fund Balance, Ending			<u>\$ 786,733</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 100,216</u>	<u>\$ 15,216</u>
Expenditures				
Current:				
Public safety	<u>85,000</u>	<u>85,000</u>	<u>100,216</u>	<u>(15,216)</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 -
Special Revenue Fund - Room Tax
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	<u>\$ 455,000</u>	<u>\$ 455,000</u>	<u>\$ 502,521</u>	<u>\$ 47,521</u>
Expenditures				
Current:				
Conservation and development	<u>318,500</u>	<u>318,500</u>	<u>351,744</u>	<u>(33,244)</u>
Excess of revenues over expenditures	<u>136,500</u>	<u>136,500</u>	<u>150,777</u>	<u>14,277</u>
Other Financing Uses				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(100,000)</u>	<u>50,000</u>
Net change in fund balance	<u>\$ (13,500)</u>	<u>\$ (13,500)</u>	<u>50,777</u>	<u>\$ 64,277</u>
Fund Balance, Beginning			<u>78,191</u>	
Fund Balance, Ending			<u>\$ 128,968</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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 448,982	\$ 448,982	\$ 465,284	\$ 16,302
Investment income	10,000	10,000	54,008	44,008
Total revenues	<u>458,982</u>	<u>458,982</u>	<u>519,292</u>	<u>60,310</u>
Other Financing Uses				
Transfers out	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (141,018)</u>	<u>\$ (141,018)</u>	<u>(80,708)</u>	<u>\$ 60,310</u>
Fund Balance, Beginning			<u>820,571</u>	
Fund Balance, Ending			<u>\$ 739,863</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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,010,369	\$ 1,010,369	\$ 1,076,637	\$ 66,268
Intergovernmental revenues	13,742	13,742	92,247	78,505
Investment income	30,000	30,000	47,675	17,675
Miscellaneous	-	-	4,388	4,388
Total revenues	<u>1,054,111</u>	<u>1,054,111</u>	<u>1,220,947</u>	<u>166,836</u>
Expenditures				
Current:				
General government	2,250	2,250	1,668	582
Conservation and development	<u>11,000</u>	<u>11,000</u>	<u>8,583</u>	<u>2,417</u>
Total expenditures	<u>13,250</u>	<u>13,250</u>	<u>10,251</u>	<u>2,999</u>
Excess of revenues over expenditures	<u>1,040,861</u>	<u>1,040,861</u>	<u>1,210,696</u>	<u>169,835</u>
Other Financing Uses				
Transfers out	<u>(641,462)</u>	<u>(641,462)</u>	<u>(641,462)</u>	<u>-</u>
Net change in fund balance	<u>\$ 399,399</u>	<u>\$ 399,399</u>	<u>569,234</u>	<u>\$ 169,835</u>
Fund Balance, Beginning			<u>468,567</u>	
Fund Balance, Ending			<u>\$ 1,037,801</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 900,089	\$ 900,089	\$ 906,062	\$ 5,973
Intergovernmental revenues	34,896	34,896	88,528	53,632
Investment income	18,000	18,000	31,660	13,660
Total revenues	<u>952,985</u>	<u>952,985</u>	<u>1,026,250</u>	<u>73,265</u>
Expenditures				
Current:				
General government	1,750	1,750	1,667	83
Conservation and development	<u>2,500</u>	<u>2,500</u>	<u>150</u>	<u>2,350</u>
Total expenditures	<u>4,250</u>	<u>4,250</u>	<u>1,817</u>	<u>2,433</u>
Excess of revenues over expenditures	<u>948,735</u>	<u>948,735</u>	<u>1,024,433</u>	<u>75,698</u>
Other Financing Uses				
Transfers out	<u>(958,144)</u>	<u>(958,144)</u>	<u>(1,024,433)</u>	<u>(66,289)</u>
Net change in fund balance	<u>\$ (9,409)</u>	<u>\$ (9,409)</u>	<u>-</u>	<u>\$ 9,409</u>
Fund Balance, Beginning			<u>-</u>	
Fund Balance, Ending			<u>\$ -</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual -
Capital Project Fund - Tax Incremental Financing District No. 6
Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current:				
General government	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 19,750</u>	<u>\$ 5,250</u>
Net change in fund balance	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>(19,750)</u>	<u>\$ 5,250</u>
Fund Balance (Deficit), Beginning			<u>(26,246)</u>	
Fund Balance (Deficit), Ending			<u>\$ (45,996)</u>	

Village of Grafton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Capital Project Fund - Equipment

Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 550,000	\$ 550,000	\$ 550,000	\$ -
Intergovernmental revenues	103,443	103,443	102,459	(984)
Investment income	18,000	18,000	13,790	(4,210)
Miscellaneous income	-	-	5,320	5,320
Total revenues	<u>671,443</u>	<u>671,443</u>	<u>671,569</u>	<u>126</u>
Expenditures				
Capital outlay	796,507	796,507	768,045	28,462
Debt service:				
Principal	-	-	132,056	(132,056)
Interest	-	-	15,151	(15,151)
Total expenditures	<u>796,507</u>	<u>796,507</u>	<u>915,252</u>	<u>(118,745)</u>
Deficit of revenues under expenditures	<u>(125,064)</u>	<u>(125,064)</u>	<u>(243,683)</u>	<u>(118,619)</u>
Other Financing Sources				
Leases issued	-	-	29,702	29,702
Proceeds from sale of capital assets	70,000	70,000	71,300	1,300
Total other financing sources	<u>70,000</u>	<u>70,000</u>	<u>101,002</u>	<u>31,002</u>
Net change in fund balance	<u>\$ (55,064)</u>	<u>\$ (55,064)</u>	<u>(142,681)</u>	<u>\$ (87,617)</u>
Fund Balance, Beginning			<u>276,428</u>	
Fund Balance, Ending			<u>\$ 133,747</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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Special Item - transfer of operations to Ozaukee Central Fire Department	<u>\$ (1,100,993)</u>	<u>\$ (1,100,993)</u>	<u>\$ (1,087,281)</u>	<u>\$ 13,712</u>
Net change in fund balance	<u><u>\$ (1,100,993)</u></u>	<u><u>\$ (1,100,993)</u></u>	<u>(1,087,281)</u>	<u><u>\$ 13,712</u></u>
Fund Balance, Beginning			<u>1,087,281</u>	
Fund Balance, Ending			<u><u>\$ -</u></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, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Investment income	\$ 8,500	\$ 8,500	\$ 7,232	\$ (1,268)
Miscellaneous	3,200	3,200	7,200	4,000
Total revenues	<u>11,700</u>	<u>11,700</u>	<u>14,432</u>	<u>2,732</u>
Other Financing Uses				
Transfer out	<u>(8,500)</u>	<u>(8,500)</u>	<u>(7,232)</u>	<u>1,268</u>
Net change in fund balance	<u>\$ 3,200</u>	<u>\$ 3,200</u>	<u>7,200</u>	<u>\$ 4,000</u>
Fund Balance, Beginning			<u>121,890</u>	
Fund Balance, Ending			<u>\$ 129,090</u>	

Village of Grafton

Schedule of Capital Assets Used in the Operation of Governmental Funds by Function Activity
Year Ended December 31, 2025

	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	-	57,730	2,037,604	-	-	-	2,253,641
Police department	37,201	-	149,435	4,380,826	387,828	344,170	-	5,299,460
Emergency government	-	-	-	-	14,000	-	-	14,000
Building inspection and assessment	-	-	-	-	70,761	-	-	70,761
Total public safety	195,508	-	207,165	6,418,430	472,589	344,170	-	7,637,862
Public Works								
Right of way	13,266,537	-	-	-	-	-	-	13,266,537
Infrastructure	102,133	448,343	-	-	-	-	52,642,881	53,193,357
Other public works	88,842	-	1,085,461	5,477,348	5,073,013	-	-	11,724,664
Recycling	-	-	-	-	6,018	-	-	6,018
Total public works	13,457,512	448,343	1,085,461	5,477,348	5,079,031	-	52,642,881	78,190,576
Community Enrichment Services								
Library	-	-	9,100	2,289,747	22,980	-	-	2,321,827
Senior center	52,800	-	27,380	486,178	5,378	-	-	571,736
Community center	25,000	-	-	241,937	-	-	-	266,937
Parks	1,924,107	-	5,146,143	2,850,453	598,999	-	-	10,519,702
Aquatics	-	-	146,100	1,192,464	142,720	-	-	1,481,284
Cemetery	-	-	11,250	5,326	15,093	-	-	31,669
Total culture, recreation and education	2,001,907	-	5,339,973	7,066,105	785,170	-	-	15,193,155
Conservation and Development								
Planning and development	1,392,870	-	117,450	-	-	-	-	1,510,320
Total conservation and development	1,392,870	-	117,450	-	-	-	-	1,510,320
Grand total	\$ 17,882,986	\$ 448,343	\$ 6,807,185	\$ 21,377,223	\$ 6,445,626	\$ 344,170	\$ 52,642,881	\$ 105,948,414

Village of GraftonSchedule of Changes in Capital Assets Used in the Operation of Governmental Funds by Function and Activity
Year Ended December 31, 2025

	Balance January 1, 2025	Additions	Disposals	Balance December 31, 2025
General Government				
Administration	\$ 3,384,902	\$ -	\$ -	\$ 3,384,902
Elections	31,599	-	-	31,599
Total general government	<u>3,416,501</u>	<u>-</u>	<u>-</u>	<u>3,416,501</u>
Public Safety				
Fire department	6,557,804	-	(4,304,163)	2,253,641
Police department	5,212,405	137,230	(50,175)	5,299,460
Emergency government	14,000	-	-	14,000
Building inspection and assessment	70,761	-	-	70,761
Total public safety	<u>11,854,970</u>	<u>137,230</u>	<u>(4,354,338)</u>	<u>7,637,862</u>
Public Works				
Right of way	13,266,537	-	-	13,266,537
Infrastructure	51,620,037	1,731,547	(158,227)	53,193,357
Other public works	11,386,806	486,116	(148,258)	11,724,664
Recycling	6,018	-	-	6,018
Total public works	<u>76,279,398</u>	<u>2,217,663</u>	<u>(306,485)</u>	<u>78,190,576</u>
Culture, Recreation and Education				
Library	2,321,827	-	-	2,321,827
Senior center	571,736	-	-	571,736
Community center	266,937	-	-	266,937
Parks	9,749,675	846,819	(76,792)	10,519,702
Aquatics	1,458,278	23,006	-	1,481,284
Cemetery	31,669	-	-	31,669
Total culture, recreation and education	<u>14,400,122</u>	<u>869,825</u>	<u>(76,792)</u>	<u>15,193,155</u>
Conservation and Development				
Planning and development	1,510,320	-	-	1,510,320
Grand total	<u>\$ 107,461,311</u>	<u>\$ 3,224,718</u>	<u>\$ (4,737,615)</u>	<u>\$ 105,948,414</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

	2016	2017	2018	2019
Governmental Activities				
Net investment in capital assets	\$27,262,506	\$30,213,447	\$32,215,913	\$33,372,215
Restricted	3,432,955	2,766,826	3,320,918	2,536,119
Unrestricted	6,868,548	6,243,854	4,675,449	5,633,888
Total Governmental Activities Net Position	<u>\$37,564,009</u>	<u>\$39,224,127</u>	<u>\$40,212,280</u>	<u>\$41,542,222</u>
Business-type Activities				
Net investment in capital assets	\$29,401,861	\$30,112,884	\$30,858,712	\$33,502,227
Restricted	1,467,346	1,658,937	1,781,228	1,288,028
Unrestricted	3,782,870	3,507,408	3,245,489	2,721,151
Total Business-Type Activities Net Position	<u>\$34,652,077</u>	<u>\$35,279,229</u>	<u>\$35,885,429</u>	<u>\$37,511,406</u>
Primary Government				
Net investment in capital assets	\$56,664,367	\$60,326,331	\$63,074,625	\$66,874,442
Restricted	4,900,301	4,425,763	5,102,146	3,824,147
Unrestricted	10,651,418	9,751,262	7,920,938	8,355,039
Total Primary Government Net Position	<u>\$72,216,086</u>	<u>\$74,503,356</u>	<u>\$76,097,709</u>	<u>\$79,053,628</u>

Source: Village of Grafton Financial Statements

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

LAST TEN FISCAL YEARS

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$40,556,179	\$45,267,918	\$46,651,034	\$52,724,482	\$56,359,493	\$ 58,753,748
3,868,669	5,108,983	6,604,851	2,385,761	5,072,670	5,070,043
3,933,816	2,668,976	2,998,550	6,212,313	8,831,365	8,299,462
<u>\$48,358,664</u>	<u>\$53,045,877</u>	<u>\$56,254,435</u>	<u>\$61,322,556</u>	<u>\$70,263,528</u>	<u>\$72,123,253</u>
\$37,848,216	\$37,876,260	\$39,756,377	\$41,589,500	\$43,048,339	\$ 44,881,663
1,825,906	2,230,822	2,259,456	2,132,408	1,050,170	851,407
2,533,458	2,850,889	2,541,526	4,380,806	5,726,219	4,747,197
<u>\$42,207,580</u>	<u>\$42,957,971</u>	<u>\$44,557,359</u>	<u>\$48,102,714</u>	<u>\$49,824,728</u>	<u>\$50,480,267</u>
\$78,404,395	\$83,144,178	\$86,407,411	\$94,313,982	\$99,407,832	\$103,635,411
5,694,575	7,339,805	8,864,307	4,518,169	6,122,840	5,921,450
6,467,274	5,519,865	5,540,076	10,593,119	14,557,584	13,046,659
<u>\$90,566,244</u>	<u>\$96,003,848</u>	<u>\$100,811,794</u>	<u>\$109,425,270</u>	<u>\$120,088,256</u>	<u>\$122,603,520</u>

VILLAGE OF GRAFTON, WISCONSIN

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2016	2017	2018
Expenses			
Governmental Activities			
General Government	\$1,257,685	\$1,146,738	\$1,213,948
Public Safety	5,152,180	5,518,536	5,557,515
Public Works	4,439,578	4,307,753	4,318,793
Community Enrichment Services	1,602,818	1,598,696	1,611,026
Conservation and Development	2,341,224	1,208,012	1,063,990
Interest and Fiscal Charges	1,018,660	940,450	918,213
Total Governmental Expenses	<u>15,812,145</u>	<u>14,720,185</u>	<u>14,683,485</u>
Business-Type Activities			
Water Utility	1,425,214	1,522,301	1,515,548
Wastewater Utility	2,436,586	2,336,304	2,367,729
Total Business-Type Expenses	<u>3,861,800</u>	<u>3,858,605</u>	<u>3,883,277</u>
Total Expenses	<u>\$19,673,945</u>	<u>\$18,578,790</u>	<u>\$18,566,762</u>
Program Revenues			
Governmental Activities			
General Government	\$465,539	\$432,815	\$492,409
Public Safety	931,325	1,068,602	786,251
Public Works	1,546,515	2,326,067	1,059,497
Community Enrichment Services	409,547	394,204	402,708
Conservation and Development	413,866	394,843	402,669
Total Governmental Program Revenues	<u>3,766,792</u>	<u>4,616,531</u>	<u>3,143,534</u>
Business-Type Activities			
Water	1,787,660	2,002,466	1,943,562
Wastewater	2,380,907	2,734,346	2,779,949
Total Business-Type Program Revenues	<u>4,168,567</u>	<u>4,736,812</u>	<u>4,723,511</u>
Total Program Revenues	<u>\$7,935,359</u>	<u>\$9,353,343</u>	<u>\$7,867,045</u>
Net Revenue (Expense)			
Governmental Activities	\$ (12,045,353)	\$ (10,103,654)	\$ (11,539,951)
Business Type Activities	306,767	878,207	840,234
Total Net Expense	<u>(\$11,738,586)</u>	<u>(\$9,225,447)</u>	<u>(\$10,699,717)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes	\$ 10,373,807	\$ 10,157,155	\$ 10,921,656
Grants and Contributions not restricted to specific programs	1,322,522	1,176,851	954,537
Investment Income (Loss)	70,560	104,081	272,198
Miscellaneous	66,191	49,143	103,200
Gain on disposal/sale of capital asset	135,441	-	-
Special item - transfer of operations to Ozaukee Central			
Fire Department	-	-	-
Transfers	531,530	276,542	276,513
Total Governmental Activities General Revenues	<u>12,500,051</u>	<u>11,763,772</u>	<u>12,528,104</u>
Business-Type Activities			
Investment Income (Loss)	19,629	25,487	42,479
Transfers	(531,530)	(276,542)	(276,513)
Total Business Type Activities General Revenues	<u>(511,901)</u>	<u>(251,055)</u>	<u>(234,034)</u>
Total General Revenues and Other Changes in Net Position	<u>\$ 11,988,150</u>	<u>\$ 11,512,717</u>	<u>\$ 12,294,070</u>
Change in Net Position			
Governmental Activities	\$ 454,698	\$ 1,660,118	\$ 988,153
Business-Type Activities	(205,134)	627,152	606,200
Total Change in Net Position	<u>\$ 249,564</u>	<u>\$ 2,287,270</u>	<u>\$ 1,594,353</u>

Source: Village of Grafton Financial Statements

VILLAGE OF GRAFTON, WISCONSIN

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

2019	2020	2021	2022	2023	2024	2025
\$1,234,614	\$1,210,035	\$1,109,959	\$1,132,736	\$1,258,263	\$1,354,481	\$1,398,186
5,607,750	5,720,238	5,716,147	6,136,174	6,990,817	7,262,849	11,804,920
4,753,291	4,279,109	4,274,809	4,386,100	5,313,895	5,169,916	5,077,560
1,769,521	1,644,720	1,817,162	1,875,055	2,185,091	2,362,835	2,729,521
802,686	927,565	685,171	745,375	583,707	705,244	674,107
981,111	643,076	581,810	537,883	514,002	539,222	467,044
15,148,973	14,424,743	14,185,058	14,813,323	16,845,775	17,394,547	22,151,338
1,563,259	1,366,918	1,574,127	1,494,682	1,813,881	2,071,995	2,031,900
2,317,376	2,397,830	4,268,324	2,722,526	3,022,315	3,134,913	3,378,782
3,880,635	3,764,748	5,842,451	4,217,208	4,836,196	5,206,908	5,410,682
\$19,029,608	\$18,189,491	\$20,027,509	\$19,030,531	\$21,681,971	\$22,601,455	\$27,562,020
\$455,964	\$441,063	\$530,207	\$471,902	\$460,231	\$409,732	\$375,947
844,142	1,080,856	1,228,165	1,470,317	1,118,705	3,138,408	5,498,754
1,078,863	5,505,853	3,848,038	1,669,092	4,444,673	3,211,584	1,416,531
427,587	569,575	402,174	457,121	531,664	3,581,329	1,847,729
343,248	341,634	368,999	266,224	259,565	71,282	122,351
3,149,804	7,938,981	6,377,583	4,334,656	6,814,838	10,412,335	9,261,312
2,254,221	3,823,371	2,415,087	1,983,352	3,364,170	2,315,018	2,389,651
3,447,429	4,848,039	4,454,486	4,034,532	4,976,157	4,617,260	4,948,700
5,701,650	8,671,410	6,869,573	6,017,884	8,340,327	6,932,278	7,338,351
\$8,851,454	\$16,610,391	\$13,247,156	\$10,352,540	\$15,155,165	\$17,344,613	\$16,599,663
\$ (11,999,169)	\$ (6,485,762)	\$ (7,807,475)	\$ (10,478,667)	\$ (10,030,937)	\$ (6,982,212)	\$ (12,890,026)
1,821,015	4,906,662	1,027,122	1,800,676	3,504,131	1,725,370	1,927,669
(\$10,178,154)	(\$1,579,100)	(\$6,780,353)	(\$8,677,991)	(\$6,526,806)	(\$5,256,842)	(\$10,962,357)
\$ 11,150,059	\$ 11,387,266	\$ 10,965,992	\$ 11,833,132	\$ 11,807,399	\$ 12,325,384	\$ 14,148,698
978,429	1,270,651	1,199,515	1,424,625	1,821,900	2,125,076	1,235,590
449,131	208,042	(4,771)	36,306	811,730	1,081,414	938,900
474,979	159,732	57,439	233,238	492,902	114,797	149,033
-	-	-	-	-	-	-
-	-	-	-	-	-	(3,178,659)
276,513	276,513	276,513	159,924	165,127	276,513	1,456,189
13,329,111	13,302,204	12,494,688	13,687,225	15,099,058	15,923,184	14,749,751
81,475	66,025	(218)	(41,364)	206,351	273,157	184,059
(276,513)	(276,513)	(276,513)	(159,924)	(165,127)	(276,513)	(1,456,189)
(195,038)	(210,488)	(276,731)	(201,288)	41,224	(3,356)	(1,272,130)
\$ 13,134,073	\$ 13,091,716	\$ 12,217,957	\$ 13,485,937	\$ 15,140,282	\$ 15,919,828	\$ 13,477,621
\$ 1,329,942	\$ 6,816,442	\$ 4,687,213	\$ 3,208,558	\$ 5,068,121	\$ 8,940,972	\$ 1,859,725
1,625,977	4,696,174	750,391	1,599,388	3,545,355	1,722,014	655,539
\$ 2,955,919	\$ 11,512,616	\$ 5,437,604	\$ 4,807,946	\$ 8,613,476	\$ 10,662,986	\$ 2,515,264

FUND BALANCES (DEFICIT), GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 102,938	\$ 82,267	\$ 84,731	\$ 77,277	\$ 82,966
Assigned	1,144,008	583,733	570,873	622,045	744,181
Unassigned	2,056,179	2,878,837	2,826,071	2,683,012	2,691,943
Total General Fund	<u>\$3,303,125</u>	<u>\$3,544,837</u>	<u>\$3,481,675</u>	<u>\$3,382,334</u>	<u>\$3,519,090</u>
Other Governmental Funds					
Nonspendable	\$ 1,037,377	\$ 692,489	\$ 30,832	\$ 19,976	\$ 14,352
Restricted	2,535,822	2,198,044	2,315,211	2,586,468	2,701,104
Committed	702,140	740,677	693,798	743,629	644,603
Assigned	2,695,397	2,827,567	2,462,964	2,225,439	1,911,658
Unassigned (deficit)	(385,867)	(1,440,729)	(549,438)	(675,197)	(611,284)
Total Other Funds	<u>\$6,584,869</u>	<u>\$5,018,048</u>	<u>\$4,953,367</u>	<u>\$4,900,315</u>	<u>\$4,660,433</u>
Total Governmental Funds					
Nonspendable	\$ 1,140,315	\$ 774,756	\$ 115,563	\$ 97,253	\$ 97,318
Restricted	2,535,822	2,198,044	2,315,211	2,586,468	2,701,104
Committed	702,140	740,677	693,798	743,629	644,603
Assigned	3,839,405	3,411,300	3,033,837	2,847,484	2,655,839
Unassigned	1,670,312	1,438,108	2,276,633	2,007,815	2,080,659
Total Governmental Funds	<u>\$ 9,887,994</u>	<u>\$ 8,562,885</u>	<u>\$ 8,435,042</u>	<u>\$ 8,282,649</u>	<u>\$ 8,179,523</u>

Source: Village of Grafton Financial Statements

VILLAGE OF GRAFTON

Table 3

FUND BALANCES (DEFICIT), GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

2021	2022	2023	2024	2025
\$ 71,303	\$ 83,404	\$ 95,676	\$ 97,189	\$ 116,745
772,446	456,825	495,182	749,188	1,231,416
2,507,223	2,491,028	2,872,148	3,845,081	3,581,505
<u>\$3,350,972</u>	<u>\$3,031,257</u>	<u>\$3,463,006</u>	<u>\$4,691,458</u>	<u>\$4,929,666</u>
\$ 18,381	\$ 24,264	\$ 1,934,611	\$ 19,732	\$ 8,663
2,786,881	3,506,694	2,367,620	5,329,844	5,100,529
675,561	621,127	878,004	1,619,530	1,320,463
1,715,544	2,017,874	200,486	2,091,957	1,969,417
(803,270)	(533,704)	(541,623)	(543,724)	(557,294)
<u>\$4,393,097</u>	<u>\$5,636,255</u>	<u>\$4,839,098</u>	<u>\$8,517,339</u>	<u>\$7,841,778</u>
\$ 89,684	\$ 107,668	\$ 2,030,287	\$ 116,921	\$ 125,408
2,786,881	3,506,694	2,367,620	5,329,844	5,100,529
675,561	621,127	878,004	1,619,530	1,320,463
2,487,990	2,474,699	695,668	2,841,145	3,200,833
1,703,953	1,957,324	2,330,525	3,301,357	3,024,211
<u>\$ 7,744,069</u>	<u>\$ 8,667,512</u>	<u>\$ 8,302,104</u>	<u>\$ 13,208,797</u>	<u>\$ 12,771,444</u>

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2016	2017	2018	2019
Revenues				
Taxes	\$10,553,416	\$10,336,694	\$11,101,995	\$11,335,572
Licenses and Permits	505,140	632,556	463,105	466,307
Fines, Forfeitures and Penalties	116,430	112,441	108,309	99,573
Public Charges for Services	1,163,859	1,069,249	1,119,603	1,182,037
Intergovernmental Charges for Services	788,242	618,438	405,022	327,473
Intergovernmental Operating Grants	1,716,249	1,834,148	1,851,782	1,716,058
Impact Fees	503,886	524,800	31,629	73,084
Donations	38,740	23,289	26,793	9,455
Special Assessments	292,364	29,787	29,031	32,800
Investment Income (Loss)	70,563	102,229	272,197	447,827
Miscellaneous	126,442	89,378	148,679	123,035
Total Revenues	<u>15,875,331</u>	<u>15,373,009</u>	<u>15,558,145</u>	<u>15,813,221</u>
Expenditures by Function				
General Government	\$1,198,714	\$1,082,066	\$1,084,975	\$1,062,157
Public Safety	4,791,895	4,916,791	4,988,672	4,889,832
Public Works	2,736,698	2,757,185	2,783,888	3,042,685
Community Enrichment Services	1,434,809	1,422,654	1,451,972	1,522,839
Conservation and Development	579,042	889,616	968,130	771,614
Capital Outlay	2,630,545	2,728,521	2,710,988	1,621,845
Debt Service				
Principal	2,763,744	2,683,764	2,465,584	6,917,739
Interest	1,040,765	864,179	825,288	924,089
Total Expenditures	<u>17,176,212</u>	<u>17,344,776</u>	<u>17,279,497</u>	<u>20,752,800</u>
Excess of Expenses Over Revenues	(1,300,881)	(1,971,767)	(1,721,352)	(4,939,579)
Other Financing Sources (Uses)				
Leases Issued	-	-	-	-
Proceeds from Sale of Capital Assets	149,191	30,116	73,739	420,673
Transfers in	5,034,071	4,548,754	5,700,800	5,232,964
Transfers out	(4,502,541)	(4,272,212)	(5,424,287)	(4,956,451)
Debt Issued and Debt Premiums	1,177,092	340,000	1,243,257	4,090,000
Total Other Financing Sources	<u>1,857,813</u>	<u>646,658</u>	<u>1,593,509</u>	<u>4,787,186</u>
Special item - transfer of operations to Ozaukee Central Fire Department	-	-	-	-
Net Change in Fund Balances	<u>\$ 556,932</u>	<u>\$ (1,325,109)</u>	<u>\$ (127,843)</u>	<u>\$ (152,393)</u>
Debt Service as a percentage of non-capital outlay expenditures	26.17%	24.31%	22.62%	41.03%

Source: Village of Grafton Financial Statements

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

2020	2021	2022	2023	2024	2025
\$11,575,384	\$11,147,697	\$12,043,640	\$12,033,505	\$12,551,479	\$14,390,767
678,341	676,535	811,604	621,583	1,215,151	987,268
52,391	55,293	54,452	42,517	29,106	39,540
1,008,491	1,302,286	1,297,665	1,307,949	1,515,549	1,411,065
357,822	443,802	485,115	665,001	973,193	3,306,868
2,076,225	1,897,308	2,055,038	2,350,018	2,979,655	2,622,314
472,821	471,487	700,927	507,503	2,655,847	1,532,518
5,070	6,688	5,318	1,156	738,574	52,219
25,466	7,290	3,209	15,175	-	-
207,754	(4,977)	36,243	797,765	1,050,254	926,221
139,198	127,755	163,287	518,192	455,526	464,746
<u>16,598,963</u>	<u>16,131,164</u>	<u>17,656,498</u>	<u>18,860,364</u>	<u>24,164,334</u>	<u>25,733,526</u>
\$1,120,879	\$1,065,368	\$1,058,975	\$1,173,366	\$1,370,496	\$1,587,069
5,192,527	5,416,068	5,904,468	6,190,061	6,760,547	11,125,658
2,780,812	2,837,552	3,091,361	3,485,475	3,539,988	3,437,527
1,364,429	1,556,632	1,661,388	1,749,136	1,917,927	2,141,954
553,782	577,972	622,052	596,969	594,361	685,466
2,294,083	2,394,725	1,643,198	3,683,541	5,226,390	2,403,391
3,201,693	2,719,636	2,964,725	3,373,156	3,448,518	3,597,056
560,347	496,237	450,054	408,355	474,526	482,992
<u>17,068,552</u>	<u>17,064,190</u>	<u>17,396,221</u>	<u>20,660,059</u>	<u>23,332,753</u>	<u>25,461,113</u>
(469,589)	(933,026)	260,277	(1,799,695)	831,581	272,413
-	221,059	372,214	48,625	34,628	29,702
89,950	-	131,028	51,242	382,340	71,300
5,649,559	4,290,741	4,305,859	4,742,512	5,294,070	5,255,464
(5,373,046)	(4,014,228)	(4,145,935)	(4,577,385)	(5,017,557)	(4,978,951)
-	-	-	1,169,293	3,381,631	-
<u>366,463</u>	<u>497,572</u>	<u>663,166</u>	<u>1,434,287</u>	<u>4,075,112</u>	<u>377,515</u>
-	-	-	-	-	(1,087,281)
<u>\$ (103,126)</u>	<u>\$ (435,454)</u>	<u>\$ 923,443</u>	<u>\$ (365,408)</u>	<u>\$ 4,906,693</u>	<u>\$ (437,353)</u>
25.47%	21.94%	21.68%	22.30%	21.68%	17.71%

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
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
2024	2025	-	2,447,940	10,540,564	12,220,496	1,437,786
2025	2026	-	2,633,678	10,933,300	12,687,784	1,602,400

Levy Year	Collection Year	Tax MATC	Tax Incremental Districts	Gross Tax Levy	Total Collections	Percent Collected
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	27,888,912	99.99%
2022	2023	1,451,826	2,736,521	27,460,677	27,368,973	99.67%
2023	2024	1,514,123	2,957,470	28,985,781	28,907,628	99.73%
2024	2025	1,566,394	3,105,612	31,318,792	31,265,051	99.83%
2025	2026	1,746,382	2,852,398	32,455,943	*	

* 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	Village 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
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	100.00%
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%	5,520,777	8,891,837	99.73%
2024	10,540,564	4,294,356	40.74%	6,228,121	10,522,477	99.83%
2025	10,933,300	5,415,592	49.53%	*	*	*

*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	<u>Residential</u>	<u>Commercial</u>	<u>Manufacturing</u>	<u>Agricultural, Swamp & Forest</u>
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
2024	1,167,123,500	441,719,600	52,415,800	185,800
2025	1,768,762,100	581,417,500	69,176,300	104,000

Year	<u>Other</u>	<u>Total Real Estate</u>	<u>Personal Property</u>	<u>Total Assessed</u>
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
2024	64,300	1,661,509,000	-	1,661,509,000
2025	26,000	2,419,485,900	-	2,419,485,900

Source: Statement of Assessment

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
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
2024	2025	1,661,509,000	2,170,902,400	**	**
2025	2026	2,419,485,900	2,509,357,300	**	**
TOTAL					
Levy Year	Fiscal Year	Assessed Value	Equalized Value	Ratio of Assessed to Equalized Value	Computer Exemption Equalized Value
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	*
2024	2025	1,661,509,000	2,170,902,400	0.7654	*
2025	2026	2,419,485,900	2,509,357,300	0.9642	*

* 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.

** Effective January 1, 2024 personal property is exempt from taxation under 2023 Wisconsin Act 12

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>
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
2024	2025	-	1.6348	7.0394	9.2012
2025	2026	-	1.1934	4.9543	6.5848

**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>
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
2024	2025	-	1.6348	7.0394	8.4955
2025	2026	-	1.1934	4.9543	5.6509

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>
\$ 1.3258	\$ 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
1.0461	18.9215	1.7760	17.1455	1,492,267,200
0.7914	13.5238	1.1920	12.3319	2,135,921,700

**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>
\$ 1.3258	\$ 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
1.0461	18.2157	1.7760	16.4397	169,241,800
0.7914	12.5900	1.1920	11.3980	283,564,200

VILLAGE OF GRAFTON, WISCONSIN

**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>
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
2024	2025	-	1.2512	5.3876	7.0422
2025	2026	-	1.1507	4.7769	6.2427

**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>
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
2024	2025	-	1.2512	5.3876	6.5020
2025	2026	-	1.1507	4.7769	6.2500

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

VILLAGE OF GRAFTON, WISCONSIN

**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>MATC</u>	<u>Total</u>	<u>School State Credit</u>	<u>Net Tax Rate</u>	<u>Equalized Valuation</u>
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
2024	2025	0.8006	14.4817	1.3593	13.1224	1,949,773,596
2025	2026	0.7630	12.9332	1.1493	11.7839	2,252,973,254

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

LAST TEN FISCAL YEARS

PROPERTIES WITHIN THE CEDARBURG SCHOOL DISTRICT

<u>Levy Year</u>	<u>Collection Year</u>	<u>MATC</u>	<u>Total</u>	<u>School State Credit</u>	<u>Net Tax Rate</u>	<u>Equalized Valuation</u>
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
2024	2025	0.8006	13.9415	1.3593	12.5822	221,128,804
2025	2026	0.7630	12.9405	1.1493	11.7913	256,384,046

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

TEN LARGEST TAXPAYERS - 2025

Name of Taxpayer	Nature of Business	Equalized Value	Net Taxes Paid	Percent of Total Taxes Levied
BMA PW60 Grafton Commons LLC	Commercial Real Estate	\$ 32,799,800	\$ 389,827	1.20%
FRED-Grafton HC LLC	Multi-family Residential Buildings	23,609,600	280,648	0.86%
1505 Grafton LLC	Multi-family Residential Buildings	22,675,000	279,513	0.86%
Meijer Stores Limited Partnership	Retail	20,377,400	242,234	0.75%
AMC Holdings LLC	Hospital	18,140,700	215,565	0.66%
Arrowhead Apartments, LLC	Multi-family Residential Buildings	17,569,300	208,677	0.64%
Arrowhead Associates LLC	Multi-family Residential Buildings	15,484,700	183,946	0.57%
Tillman Corporation	Multi-family Residential Buildings	16,800,000	206,221	0.64%
Costco Wholesale Corporation	Retail	15,474,700	183,942	0.57%
Exchangeright Net Leased Portfolio	Commercial Real Estate	11,008,300	130,834	0.40%
Total for Ten Largest Taxpayers		<u>\$ 193,939,500</u>	<u>\$ 2,321,409</u>	<u>7.15%</u>

TEN LARGEST TAXPAYERS - 2016

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	\$16,627,400	\$329,055	1.29%
Costco Wholesale Corporation	Retail	14,590,900	288,874	1.13%
Meijer Stores Limited Partnership	Retail	12,940,800	256,199	1.00%
Grafton, LLC	Retail	11,209,300	222,260	0.87%
Tillmann Corporation	Condominiums	10,654,700	210,370	0.82%
AMC Holdings LLC	Hospital	9,375,400	185,606	0.73%
Arrowhead Apartments LLC	Multi-family Residential Buildings	8,761,800	177,993	0.70%
Home Depot	Retail	8,600,300	170,241	0.67%
Arrowhead Associates LLC	Multi-family Residential Buildings	8,200,200	162,172	0.64%
Dayton Hudson Corp (Targets)	Retail	8,165,400	161,484	0.63%
Total for Ten Largest Taxpayers		<u>\$109,126,200</u>	<u>\$2,164,254</u>	<u>8.48%</u>

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
2016	4,525	207,499	\$ 905,215	240	63,330	\$ 186,735	72	27,585	\$ 85,726
2017	4,537	192,850	887,046	246	62,372	188,881	73	30,281	93,001
2018	4,537	194,193	891,300	246	65,059	201,764	73	31,073	99,547
2019	4,549	194,117	873,812	247	60,855	192,875	72	31,601	101,713
2020	4,618	202,441	916,770	247	55,486	179,933	72	35,788	111,668
2021	4,947	199,152	914,189	250	60,079	191,110	72	29,580	94,409
2022	4,965	191,280	900,126	246	65,065	206,707	70	28,411	88,054
2023	4,941	206,986	950,919	249	68,926	200,721	72	31,861	95,531
2024	5,067	208,203	959,405	251	61,331	198,485	73	29,696	101,871
2025	5,143	202,539	1,066,299	247	62,882	223,144	79	36,821	134,935

*Thousands of gallons

**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

Table 12

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				
78	30,878	\$ 86,248	25	6,203	\$ 21,586	\$ 38,430	\$ 335,273	335,495	\$ 1,659,213
67	30,859	90,549	26	4,779	18,570	39,400	345,764	321,141	1,663,212
67	31,371	90,471	25	5,599	24,859	59,025	436,081	327,295	1,803,047
68	27,473	84,230	25	5,460	22,489	64,570	465,845	319,506	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
68	24,864	69,484	23	6,565	19,640	73,183	477,460	339,202	1,886,938
65	18,134	63,267	23	4,999	20,970	84,853	481,675	322,363	1,910,526
62	25,470	89,060	21	8,557	31,811	91,362	542,730	336,269	2,179,341

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
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
2024	4,897	194,638	2,759,367	237	58,652	595,477	72	29,137	295,880
2025	4,999	192,987	2,844,866	238	60,588	633,876	73	34,031	359,788

*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**

Year	Industrial			Public Authorities			Other Sewerage Revenues	Total Gallons Metered*	Total Sewerage Revenues
	Average Number of Customers	Gallons Metered*	Revenue	Average Number of Customers	Gallons Metered*	Revenue			
2016	70	29,499	\$ 116,218	17	4,166	\$ 27,949	\$ 107,932	325,283	\$ 2,216,589
2017	62	15,780	131,873	19	3,928	29,992	137,648	294,668	2,392,934
2018	67	19,875	152,477	18	5,520	35,695	124,204	312,231	2,771,231
2019	66	17,905	172,167	18	5,359	45,134	114,177	300,746	3,194,835
2020	62	14,614	152,857	16	2,294	36,963	117,238	299,977	3,600,848
2021	61	16,150	175,451	16	3,198	45,180	170,170	295,524	3,913,844
2022	60	11,103	180,823	16	3,007	45,755	170,272	286,671	3,913,379
2023	60	15,771	177,630	17	3,822	49,217	177,680	311,153	4,050,762
2024	61	11,780	171,133	18	3,464	49,389	215,398	297,671	4,086,643
2025	61	11,644	172,991	18	3,074	47,500	207,912	302,324	4,266,933

VILLAGE OF GRAFTON, WISCONSIN

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

Name of Customer	Nature of Business	2025		
		Gallons Used**	Usage Charges	% of Total
Aurora Medical Center	Health Care Provider	20,178	\$ 245,994	4.05%
Village Pointe Commons	Senior Residential Facility	5,787	79,760	1.31%
FRED-Grafton	Multi Family Housing	5,503	64,384	1.06%
Grafton Public Schools	Education	3,316	52,731	0.87%
Key Mgmt	Multi Family Housing	2,986	43,336	0.71%
Full Service Car Wash	Car Wash	2,707	35,053	0.58%
Costco	Retail	2,959	34,747	0.57%
Kapco	Metal Stamping Fabricator	1,762	33,741	0.56%
Village of Grafton	Government	1,055	33,146	0.55%
Prospect Management	Multi Family Housing	2,116	32,069	0.53%
				10.79%

Name of Customer	Nature of Business	2016		
		Gallons Used	Est. Usage Charges	% of Total
Aurora Medical Center	Health Care Provider	19,364	\$ 151,559	4.00%
Pace Industries	Die Casting and Manufacturing	9,389	73,548	1.94%
Exacto Spings	Wireform Manufacturer	3,824	30,039	0.79%
Costco	Retail	2,941	23,324	0.61%
Hampton	Hotel	2,637	20,868	0.55%
Full Service Car Wash	Car Wash	2,515	19,939	0.53%
Calibre	Manufacturing	2,070	15,844	0.42%
Grafton Public Schools	Education	1,957	24,347	0.64%
Manchester Apartments	Multi Family Residential	1,639	13,604	0.36%
Rexnord	Machinery Industrial Manufacturer	1,575	13,693	0.36%
				10.20%

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

As of December 31	Total G.O. Debt Outstanding	Less: Funds Available for Debt Service	Net Debt Outstanding	Equalized Value	Statutory Debt Capacity (5% of Equalized Value)
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	23,039,062	124,024	22,915,038	2,013,893,300	100,694,665
2024	24,409,529	3,770	24,405,759	2,170,902,400	108,545,120
2025	19,935,598	68,051	19,867,547	2,509,357,300	125,467,865

As of December 31	Ratio of Net Debt to Debt Capacity	Population	Net Debt Per Capita	Net Debt Per \$1,000 of Equalized Value
2016	60.21%	11,519	\$ 3,250	\$ 30.10
2017	56.22%	11,549	3,246	28.11
2018	50.09%	11,745	3,007	25.05
2019	44.51%	11,803	2,811	22.25
2020	37.64%	11,959	2,427	18.82
2021	31.94%	11,989	2,125	15.97
2022	24.39%	12,155	1,797	12.20
2023	22.76%	12,298	1,863	11.38
2024	22.48%	12,351	1,976	11.24
2025	15.83%	13,124	1,514	7.92

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				Business-Type Activities				
	General Obligation Debt	Capital Lease Debt	Financed Purchases	Total	Revenue Bonds	General Obligation Debt	Capital Lease Debt	Financed Purchases	Total
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	14,601,956	157,183	172,371	14,931,510	8,502,359	8,437,069	-	356,274	17,295,702
2024	14,604,532	125,794	116,583	14,846,909	8,068,959	9,804,997	-	312,569	18,186,525
2025	10,924,999	80,881	59,142	11,065,022	7,627,932	8,600,040	-	266,246	16,494,218

Fiscal Year	Total					Population	Net Debt Per Capita
	Revenue Bond Debt	General Obligation Debt	Capital Lease Debt	Financed Purchases Debt	Total		
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	23,039,024	157,183	528,645	32,227,211	12,351	1,865
2024	8,068,959	24,409,529	125,794	429,152	33,033,434	12,782	1,910
2025	7,627,932	19,525,039	80,881	325,388	27,559,240	13,124	1,488

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
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	14,931,510	100.00%	14,931,510	21,325,000	10.57%	2,254,163
2024	14,846,909	100.00%	14,846,909	18,985,000	10.73%	2,036,679
2025	11,065,022	100.00%	11,065,022	16,570,000	11.36%	1,882,352

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
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
2024	45,985,000	63.44%	29,172,279	47,560,000	5.54%	2,634,824
2025	42,600,000	63.72%	27,144,720	44,820,000	5.76%	2,581,632

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
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
2024	120,780,000	1.65%	1,989,308	233,310,000	15.36%	35,833,090
2025	122,725,000	1.84%	2,258,140	226,715,000	14.94%	33,866,844

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
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	14,931,510	100.00%	14,931,510	247,941,510	19.09%	47,342,691
2024	14,846,909	100.00%	14,846,909	248,156,909	20.42%	50,679,999
2025	11,065,022	100.00%	11,065,022	237,780,022	18.90%	44,931,866

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

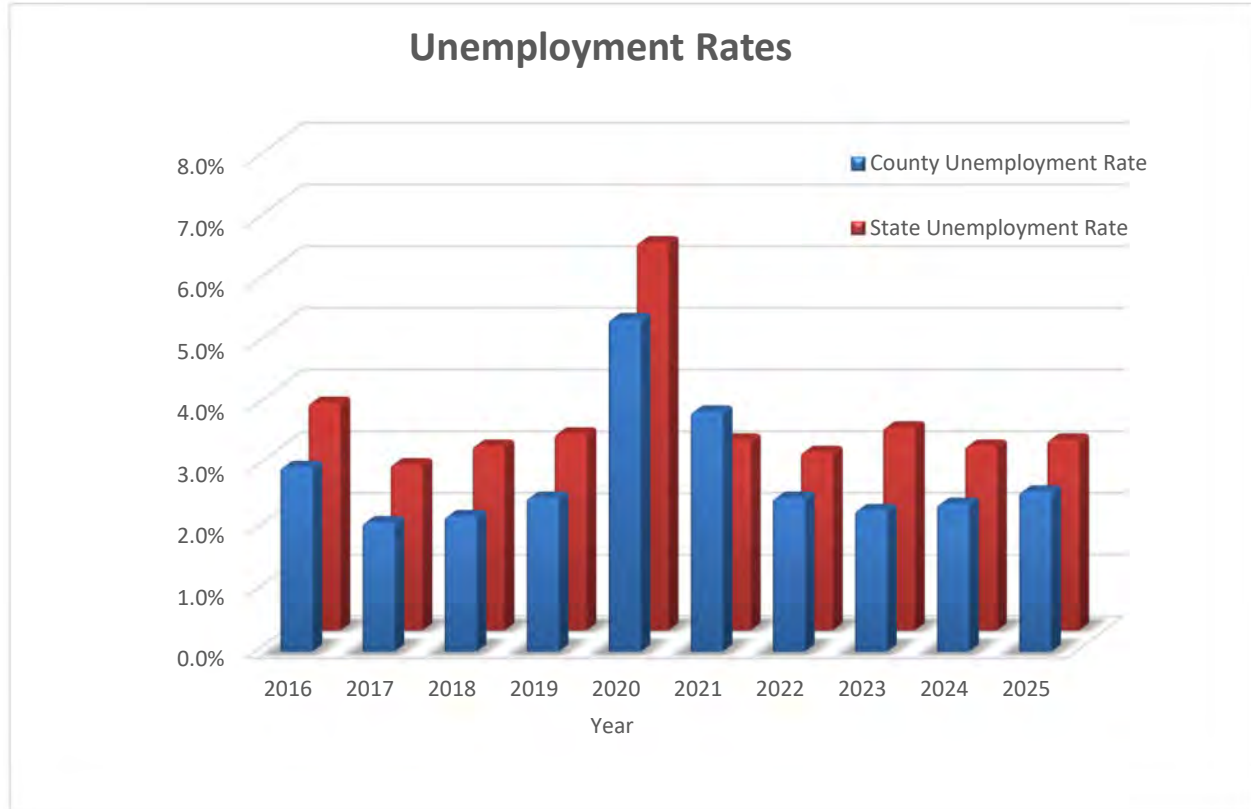
DEMOGRAPHIC STATISTICS

Area - Square Miles		Population	
2024	5.503	2025	13,124
2023	5.275	2024	12,782
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
Age (2025)		Education Attainment (2025)	
Under 5 years	5.3%	(Population 25 years and over)	
5 to 19 years	19.4%	High school graduate	22.0%
20 to 64 years	54.7%	Some college, no degree/Associate's	29.2%
65 and over	20.6%	Bachelor's degree	29.7%
		Graduate or professional degree	17.5%
Race (2025, estimated)		Families and Living Arrangements (2020-2024)	
White	89.50%	Households	5,575
Asian	1.10%	Average Persons per Household	2.23
Hispanic	3.50%		
Black or African American	2.50%	Housing (2020-2024)	
Some Other Race	3.40%	Owner Occupied	61.30%
		Non-Owner Occupied	38.70%
School Registration (2025-2026)		Income & Poverty (2020-2024)	
Elementary Schools (Grades PK-5)	1006	Median Household Income	\$ 89,861
John Long Middle School (Grades 6-8)	451	Per Capita Income in past 12 months	\$ 47,360
Grafton High School (Grades 9-12)	726	Persons in poverty	3.70%

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

VILLAGE OF GRAFTON, WISCONSIN

DEMOGRAPHIC INFORMATION



**Employment Information
(Ozaukee County)**

Year	Employment	Unemployment Rate
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%
2024	48,446	2.40%
2025	48,746	2.60%

Source: Wisconsin Department of Workforce Development

VILLAGE OF GRAFTON, WISCONSIN

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

TEN LARGEST EMPLOYERS - 2025

Name of Employer	Nature of Business	Approximate Number of Employees
Aurora Health Care	Health Care Provider	1,916
Kapco	Metal Stamping Fabricator	400
Village of Grafton	Municipal Government	300
Grafton School District	Education	282
Costco	Retail	257
Meijer	Retail	179
Exacto Springs Corporation	Wireform Manufacturer	156
Target	Retail	159
Pace Industries	Die Casting and Manufacturing	129
Home Depot	Retail	120

TEN LARGEST EMPLOYERS - 2016

Name of Employer	Nature of Business	Approximate Number of Employees
Aurora Hospital	Health Care Provider	1,067
Pace Industries	Die Casting and Manufacturing	500
Grafton School District	Education	338
Village of Grafton	Municipal Government	310
Kapco	Metal Stamping Fabricator	270
Rexnord Corporation - Plastics Div.	Plastic Injection Molding	258
Calibre	Paint Finisher	250
Costco	Retail	175
Target	Retail	170
Sendiks	Retail	155

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 2016-2025**

Table 21

GENERAL FUND

General Government	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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
Asst. Administrator/Comm Dev. Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00
Administrative Assistant I	0.75	0.75	0.75	0.75	0.75	0.75	0.00	0.00	0.00	0.00
Human Resources Generalist	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.75	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	1.85	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	0.75	0.75	0.75	0.75	0.75	0.75
Human Resources Generalist	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25
Administrative Assistant I	0.25	0.25	0.25	0.25	0.25	0.25	0.00	0.00	0.00	0.00
Administrative Secretary II	0.50	0.50	0.50	0.50	0.50	0.00	0.00	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	0.90	0.90	0.00	0.00	0.00	0.00
Office Assistant	0.00	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	0.10	0.60	0.50	0.50	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	0.10	0.10	0.10	0.10	0.10	0.10
Total Dept. of Administrative Services	5.48	5.48	5.48	5.48	5.50	5.60	4.60	4.60	4.60	4.60
Assessing Division										
Assessment Clerk/Technician	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.00	0.00
Administrative Assistant - Community Development	0.25	0.25	0.25	0.25	0.00	0.00	0.05	0.05	0.05	0.05
Total Assessing Division	0.75	0.75	0.75	0.75	0.50	0.50	0.05	0.05	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	1.00	1.00	1.00	1.00	1.00
Captain	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00
Administrative Assistant II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Assistant I	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court Clerk/Telecommunicator	0.00	0.00	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	5.00	5.00	5.00	5.00	5.00	5.00
School Resource Officer	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
Patrol Officer	14.00	14.00	14.00	14.00	14.00	14.00	13.00	13.00	14.00	14.00
K-9 Officer Handler	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
K-9 Officer (canine)	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	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	6.50	6.50	6.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police Support Specialists	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Court Clerk/Telecommunicator	0.00	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	33.00	33.00	33.00	34.00	34.00	35.00	35.00
Inspection Department										
Building Inspector	1.00	1.00	1.00	1.00	1.50	1.50	1.00	1.00	1.00	1.00
Assistant Building Inspector	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Building Inspector Consultant	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.25	0.25
Building Plan Reviewer Consultant	0.00	0.00	0.00	0.00	0.00	0.25	0.25	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	0.25	0.25	0.25	0.25	0.25	0.25
Administrative Assistant - Community Development	0.00	0.00	0.00	0.00	0.50	0.50	1.45	1.45	1.45	1.45
Assessment Technician	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.00	0.00
Office Assistant	0.25	0.25	0.25	0.50	0.25	0.00	0.00	0.00	0.00	0.50
Total Inspection Department	2.00	2.00	2.00	2.25	3.25	3.75	4.70	4.70	4.45	4.95

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2016-2025**

Table 21

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Works										
Public Works Department										
Administration/Engineering										
Director	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Village Engineer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	0.68	0.00	0.00	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	0.10	0.10	0.00	0.00	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	1.00	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	10.00	11.00	10.33	11.00	11.00	11.00
Custodian	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Total Public Works Department	14.75	14.75	14.75	14.75	15.85	16.85	16.75	16.75	18.75	19.00
Community Enrichment Services										
Parks and Recreation Department										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative 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	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Aquatics Coordinator/Recreation Program Supervisor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.30
Crewperson	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Program Specialist	0.46	0.46	0.46	0.46	0.00	0.46	0.00	0.00	0.00	0.00
Office Assistant	1.00	1.00	1.00	1.00	0.46	0.00	0.46	0.46	0.00	0.00
Senior Center Assistant	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Total Parks and Recreation Department	5.56	5.56	5.56	5.56	3.56	3.56	3.56	3.56	3.40	3.40
Conservation and Development										
Community Development										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.90	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	1.40	1.50
TOTAL GENERAL FUND	66.29	66.29	66.29	65.04	64.91	66.51	66.91	66.91	69.50	70.25
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	0.00	0.00	0.00
Circulation Services Manager	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Reference Librarian	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Library Assistant II	0.90	0.94	0.90	0.90	0.90	0.90	0.94	0.00	0.00	0.00
Teen Services Librarian	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Technical Services Associate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	0.80
Library Assistant I	3.56	3.67	3.56	3.56	3.56	3.56	3.68	0.00	0.00	0.00
Circulation Aide	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.68	2.87	3.20
Library Page	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.25	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	8.95	9.10	8.95	8.95	8.95	8.95	9.11	9.17	9.11	9.47
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	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Fire Chief	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Captain	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	3.00
Lieutenant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
Firefighter/Paramedic	0.00	0.00	0.50	3.00	3.00	4.00	7.00	7.00	9.00	9.00
Engineer/EMT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
Engineer/Paramedic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
Administrative Assistant	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.00
Business Manager	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Office Assistant	0.50	0.50	0.50	0.50	0.50	1.00	0.00	0.00	0.00	0.00
Total Fire Protection and Rescue	3.00	3.00	3.50	6.00	6.00	8.00	10.00	10.00	13.00	25.00
Recreation										
Senior Coordinator/Recreation Supervisor	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Aquatics Coordinator/Recreation Program Supervisor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.35	0.35
Total Recreation	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.70	0.70	0.70
Aquatics										
Aquatics Coordinator/Recreation Program Supervisor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.35	0.35
Total Aquatics	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.35	0.35
TOTAL SPECIAL REVENUE FUND	12.30	12.45	12.80	15.30	15.30	17.30	19.46	20.22	23.16	35.52

**PERSONNEL SCHEDULE
AUTHORIZED PERMANENT POSITIONS 2016-2025**

Table 21

Proprietary Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	0.00
Assistant Utility Director/Engineering	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	0.00
Utility Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Utility Superintendent	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Program Coordinator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facility Operations Coordinator	0.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Administrativ Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Utility Clerk I	0.25	0.25	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00
Accounting Clerk	0.25	0.25	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00
Office Assistant	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Operations										
Utility Maintenance Field Operator	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Lead Field Operator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Field Operations Coordinator	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Operator	6.00	6.00	6.00	6.00	7.00	7.00	8.00	8.00	8.00	7.00
Total Water and Wastewater Utility	9.75	9.75	9.75	9.75	10.25	10.25	11.25	11.25	11.25	12.00
TOTAL ENTERPRISE FUND	9.75	9.75	9.75	9.75	10.25	10.25	11.25	11.25	11.25	12.00

**TOTAL PERSONAL BY DEPARTMENT
AUTHORIZED PERMANENT POSITIONS 2016-2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Office of the Village Administrator	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.85	1.75
Department of Administrative Services	3.98	3.98	3.98	3.98	4.00	4.00	3.00	3.00	3.10	3.10
Office of the Village Clerk	1.50	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.50	1.50
Assessing Division	0.75	0.75	0.75	0.75	0.50	0.50	0.05	0.05	0.05	0.05
Police Department	34.50	34.50	34.50	33.00	33.00	33.00	34.00	34.00	35.00	35.00
Inspection Department	2.00	2.00	2.00	2.25	3.25	3.75	4.70	4.70	4.45	4.95
Public Works Department	14.75	14.75	14.75	14.75	15.85	16.85	16.75	16.75	18.75	19.00
Parks and Recreation Department	5.56	5.56	5.56	5.56	3.56	3.56	3.56	3.56	3.40	3.40
Planning and Development Department	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.40	1.50
Library	8.95	9.10	8.95	8.95	8.95	8.95	9.11	9.17	9.11	9.47
Fire Protection and Rescue Services	1.50	3.00	3.50	6.00	6.00	8.00	10.00	10.00	13.00	25.00
Recreation	0.00	0.35	0.35	0.35	0.35	0.35	0.35	0.70	0.70	0.70
Water and Wastewater Utility	9.75	9.75	9.75	9.75	10.25	10.25	11.25	11.25	11.25	12.00
TOTAL VILLAGE PERSONNEL	86.49	88.49	88.84	90.09	90.46	94.06	97.62	98.03	103.91	117.77

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

FUNCTION	2016	2017	2018
Public Safety			
Police			
Citations Issued	3,748	3,283	3,319
Calls for Service	23,673	20,683	20,959
Number of Sworn Officers	22	22	22
Inspection			
Total Permits Issued	890	1,121	1,098
Value of Permits Issued (millions)	\$ 29.8	\$ 69.7	\$ 23.5
Public Works			
Asphalt Placed by Village Staff (Tons)	452	165	206
Square Feet of Sidewalk Replaced	5,085	5,387	6,036
Curbside Brush Collections	2,176	2,332	2,548
Residential Yard Waste Site Users	1,219	1,234	1,226
Tons of Salt Used	1,499	1,221	1,442
Culture, Recreation and Education			
Community Activities			
Average Daily Attendance at Senior Center	57	52	58
Family Aquatic Center Total Attendance	25,679	23,109	24,203
Recreation Program Participants	3,338	3,841	3,875
Library			
Circulation (including digital items)	194,298	190,654	192,669
Program Attendance	5,584	5,879	5,289
Water and Wastewater			
Water and Wastewater Bills Processed	20,044	20,060	20,048
Water Meters Installed ***	670	472	461
Water Pumped *	379,467	390,274	396,755
Annual Inflow at Wastewater Treatment Plant*	543,850	581,000	585,544

* 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.

*** Meters installed includes new meters, meter change outs and deduct meters.

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**

2019	2020	2021	2022	2023	2024	2025
2,394	1,599	2,697	2,106	1,217	1,153	1,191
18,187	16,513	17,148	15,775	16,199	14,640	15,012
22	22	22	22	22	22	22
1,060	1,599	1,849	1,674	1,573	2,025	1,829
\$ 20.4	\$ 45.9	\$ 41.1	\$ 32.0	\$ 49.5	\$ 170.2	\$ 108.2
178	342	287	321	193	243	115
-	7,202	5,158	6,000	5,143	-	0
2,389	2,414	2,229	2,136	2,709	3,046	2,471
1,221	1,265	1,225	1,287	1,290	1,308	1,372
1,765	900	1,600	1,100	941	1,036	1,090
55	74**	44	37	45	48	43
22,763	-	22,922	24,680	22,139	23,636	23,220
3,613	1,639	3,614	3,971	3,906	3,812	3,751
197,009	165,039	187,367	177,390	197,722	205,452	210,265
4,652	1,392	1,603	4,052	4,984	6,809	7,214
20,174	20,319	19,476	20,278	18,305	20,998	21,829
671	739	729	313	153	752	1,025
352,815	348,975	353,685	373,788	456,256	408,615	424,063
626,343	602,025	485,085	490,352	527,300	547,920	409,500

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

FUNCTION	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	13	12	13	16	15	19	17	13	13	15
Public Works										
Miles of Local Roads and Streets	52.97	52.97	52.97	53.21	53.21	58.19	58.19	60	61	62.20
Miles of Sidewalks	82.64	82.64	82.64	82.64	85.39	86.53	86.53	89.01	93.02	104.19
Number of Streetlights	1,659	1,659	1,659	1,675	1,675	1,675	1,675	1,675	1,918	1,691
Culture, Recreation and Education										
Community Activities										
Number of Parks	17	17	17	17	17	19	20	20	20	20
Water and Wastewater										
Miles of Water Main	70.33	71.27	71.27	72.10	73.46	73.46	73.76	75.01	75.82	75.80
Number of Hydrants	725	743	750	769	787	793	845	859	865	868
Miles of Sanitary Sewer	54.67	55.31	55.31	56.04	56.84	55.31	55.31	56.45	57.05	57.05

FORM OF LEGAL OPINION

(See following pages)

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

June 25, 2026

Re: Village of Grafton, Wisconsin ("Issuer")
\$5,525,000 General Obligation Promissory Notes, Series 2026A,
dated June 25, 2026 ("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>
2027	\$ 80,000	___%
2028	475,000	___
2029	390,000	___
2030	415,000	___
2031	410,000	___
2032	340,000	___
2033	355,000	___
2034	375,000	___
2035	365,000	___
2036	170,000	___
2037	180,000	___
2038	185,000	___
2039	195,000	___
2040	200,000	___
2041	210,000	___
2042	215,000	___
2043	225,000	___
2044	240,000	___
2045	245,000	___
2046	255,000	___

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2027.

The Notes maturing on June 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on June 1, 2034 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 \$5,525,000 General Obligation Promissory Notes, Series 2026A, dated June 25, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 4, 2026, as supplemented by an Approving Certificate, dated _____, 2026 (collectively, 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 _____, 2026 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, 20__, 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 25th day of June, 2026.

Daniel Delorit
President

(SEAL)

Kathleen Olsen
Village Clerk

NOTICE OF SALE

**\$5,525,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
VILLAGE OF GRAFTON, WISCONSIN**

Bids for the purchase of \$5,525,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the Village of Grafton, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on June 4, 2026, at which time they will be opened, read and tabulated. **The Village Board adopted a resolution on May 4, 2026 (the "Parameters Resolution"), which authorizes the Director of Administrative Services or the Village Administrator to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 4, 2026, neither the Director of Administrative Services nor the Village Administrator will have the authority to accept a bid for the Notes, and all bids for the Notes will be 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, water system and sanitary sewer system improvement 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 25, 2026, 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>
2027	\$80,000	2034	\$375,000	2041	\$210,000
2028	475,000	2035	365,000	2042	215,000
2029	390,000	2036	170,000	2043	225,000
2030	415,000	2037	180,000	2044	240,000
2031	410,000	2038	185,000	2045	245,000
2032	340,000	2039	195,000	2046	255,000
2033	355,000	2040	200,000		

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, up to an increase of \$260,000 or a decrease of \$75,000 for the 2027 maturity or mandatory redemption amount and an increase or decrease of up to \$150,000 for the maturities or mandatory redemption amounts in the years 2028 through 2046. 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, 2027, 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, 2035 shall be subject to optional redemption prior to maturity on June 1, 2034 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 25, 2026, 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 \$5,455,937.50, nor more than \$5,967,000, plus accrued interest on the principal sum of \$5,525,000 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 \$110,500 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. **The Notes will not be awarded if the TIC (computed taking the purchaser's compensation into account) exceeds 4.50% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

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 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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Village Board

Kathleen Olsen, Village Clerk
Village of Grafton, Wisconsin

BID FORM

Village of Grafton, Wisconsin (the "Village")

June 4, 2026

RE: **\$5,525,000* General Obligation Promissory Notes, Series 2026A (the "Notes")**

DATED: **June 25, 2026**

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 \$5,455,937.50, nor more than \$5,967,000) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % 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	_____ % due	2045
_____ % due	2032	_____ % due	2039	_____ % due	2046
_____ % due	2033	_____ % due	2040		

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, up to an increase of \$260,000 or a decrease of \$75,000 for the 2027 maturity or mandatory redemption amount and an increase or decrease of up to \$150,000 for the maturities or mandatory redemption amounts in the years 2028 through 2046. 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 \$110,500 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 25, 2026.

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 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 25, 2026 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf of the Village of Grafton, Wisconsin, on June 4, 2026.

By: _____

Title: _____