

**FINANCIAL REPORT TO THE VILLAGE BOARD
FOR THE PERIOD ENDING
JUNE 30, 2019 (unaudited)**



GRAFTON
QUALITY LIFE. NATURALLY.

The attached information is a summary of the General, Fire & Rescue Operations and Enterprise (Water and Wastewater Utility) Funds.

For a review of other Funds or financial information please contact the Department of Administrative Services and a summary will be provided.

CURRENT FINANCIAL CONDITION – GENERAL FUND

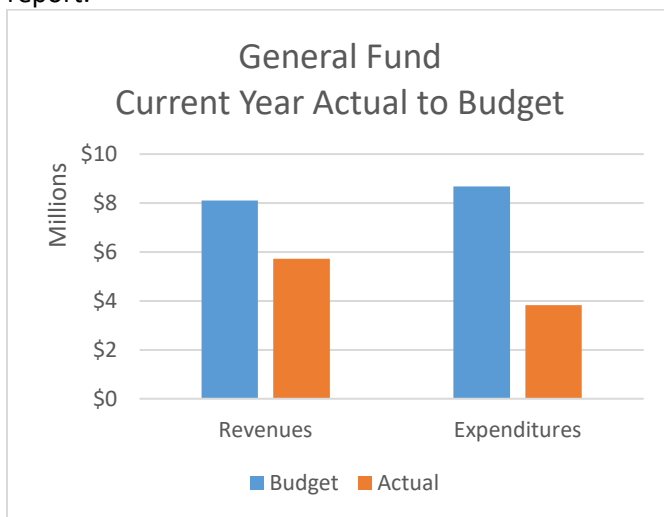
The Village budgeted the use of fund balance for 2019 in the amount of \$570,873. At the end of the second quarter revenues exceeded expenditures as all three property tax installments were due by the end of May. Historically fund balance of the General Fund increases January – August and is drawn on September – December. Current revenues and expenditures are within budgetary expectations through the second quarter.

OVERVIEW

General Fund revenues through the second quarter total \$5,728,722 or 71% of the \$8,102,786 budget. Revenues are \$115,196 higher than last year's second quarter revenue.

General Fund expenditures total \$3,823,703 for the second quarter or 44% of the \$8,673,659 budget. Expenditures ended the quarter \$236,105 less than the same period for the prior year.

Additional information on revenue categories and program area expenditures are discussed later in this report.



GENERAL FUND REVENUES

	Annual Budget	Year To Date	Percentage of Budget
Taxes	\$ 5,130,076	\$ 4,514,491	88.0%
Intergovernmental	1,317,624	445,206	33.8%
Licenses & Permits	440,630	220,884	50.1%
Fines & Forfeitures	114,500	51,923	45.3%
Charges for Services	560,986	213,384	38.0%
Intergovernmental Charges for Service	101,422	37,653	37.1%
Miscellaneous	375,935	243,632	64.8%
Other Financing Sources	61,613	1,549	2.5%
Total Revenues	\$ 8,102,786	\$ 5,728,722	70.7%




Good: Positive Indicator;



Caution: Unsettled Indicator



Problem: Negative Indicator

- ❖ **Property Taxes**  Property taxes total \$4,514,491 primarily from collected property tax. The bulk of property taxes is collected January thru May. Property Taxes are projected to be at 100% of budget at year end. This revenue is at 88% of the budget amount which is the same as the prior year.
- ❖ **Intergovernmental**  Intergovernmental revenue consists primarily of state revenues; transportation and highway aids, state shared revenue program, expenditure restraint program revenue and recycling grant. Aids are received in January, April, July, November and December. Current revenue is \$445,206 and is projected to be at 100% of budget at year end. This revenue is at 34% of budget because of timing of payments compared to 32% in the prior year.
- ❖ **Licenses and Permits**  Licenses and permits revenue consists primarily of Inspection Department issued permits, liquor licenses and cable tv franchise fees. Current revenue is \$220,884 which is a \$11,118 increase from the prior year. This is due to an increase in construction related permits. Revenues are projected to be at 100% of budget or greater at year end. This revenue is at 50% of budget amounts compared to 52% at the same period in the prior year.
- ❖ **Fines and Forfeitures**  Fines and forfeitures consists primarily of collections from the Mid-Moraine Municipal Court for Village issued citations collected through May and parking citations. Current revenue is \$51,923 which is \$2,197 less than the prior year. Revenues are projected to be at 100% of budget at year end. This revenue is at 45% of budget amounts compared to 44% at the same period in the prior year.
- ❖ **Public Charges for Services**  Public charges for services consists primarily of recycling fees, Planning Department charges, General Fund charges to other funds and engineering charges. Current revenue is \$213,384 which is \$15,651 less than the prior year. Revenues are projected to be at or near 100% of budget at year end. This revenue is at 38% of budget amounts compared to 39% in the prior year.
- ❖ **Intergovernmental Charges for Services**  Intergovernmental charges for services consists of charges received from the Village of Saukville for providing inspection services and the school districts for providing crossing guard services. Current revenue is \$37,653 which is \$7,081 less than the prior year. The bulk of billing for inspection services for the Village of Saukville occurs in May thru September. Revenues are projected to be at or near 100% of budget at year end. This revenue is at 37% of budget amounts compared to 42% in the prior year.
- ❖ **Miscellaneous**  Miscellaneous revenues primarily consists of interest earnings, PILOT payments and land/building rental. Current revenue is \$243,632 which is \$65,275 more than the prior year. Investment earnings have been greater than anticipated because of higher interest rates and the majority of PILOT payment revenue is received in October. Revenues are projected to be above 100% of budget at year end. This revenue is at 64% of budget amounts compared to 48% in the prior year.




Good: Positive Indicator;



Caution: Unsettled Indicator





Problem: Negative Indicator


- ❖ **Other Financing Sources**  Other financing sources is the annual Sewer Fund charge and interest earnings from the Woodlawn Cemetery Perpetual Care Fund. Current revenue is \$1,549 which is \$855 more than the prior year. The Sewer Fund charge is posted in December. Revenues are projected to be above 100% of budget at year end. Please note that the use of applied fund balance is only applied for budgeting purposes and is not included in this analysis. This revenue is at 3% of budget amounts compared to 1% in the prior year.

GENERAL FUND EXPENDITURES

	Annual Budget	Year To Date	Percentage of Budget
General Government	\$ 919,075	\$ 463,436	50.4%
Public Safety	3,771,919	1,686,132	44.7%
Public Works	2,984,209	1,362,870	45.7%
Community Enrichment Services	545,134	228,370	41.9%
Conservation and Development	178,198	78,430	44.0%
Unallocated	275,124	4,523	1.6%
Total Expenditures	\$ 8,673,659	\$ 3,823,761	44.1%

- ❖ **General Government**  This program area includes Village Board, Legal, Administration, Administrative Services (Finance, Clerk & Elections), Village Hall, Village Promotion & Goodwill and Assessment). Current expenditures are \$463,436 which is \$25,555 less than the prior year. The 2019 budget amount is \$47,290 less than the 2018 Budget amount. This is due to changes in staffing, health insurance and two scheduled elections in 2019 compared to four elections in 2018. This program area is at 50% of budgeted expenditures compared to 51% in the prior year.

- ❖ **Public Safety**  This program area includes Police Administration & Operations, Police Support Services, Police Building and Inspections. Current Expenditures are \$1,686,132 which is \$221,008 less than the prior year primarily due to staffing changes (resignations and open positions) with Police Operations and Police Support Services. The 2019 budget amount is \$55,875 less than the 2018 budget amount. This is mainly due to changes related to the transfer of dispatch services to Ozaukee County. This program area is at 45% of budget compared to 50% in the prior year.

- ❖ **Public Works**  This program area includes Public Works Administration, Engineering, Street Repair & Maintenance, Street Cleaning, Snow & Ice Control, Forestry, Traffic Control, Storm Water Management, Bridges & Dams, Equipment Repair & Maintenance, Buildings & Garages and Sanitation & Recycling. Current Expenditures are \$1,362,870 which is \$44,832 more than the prior year. The 2019 budget amount is \$112,674 more than the 2018 budget amount. This is mainly due to an increase in the sanitation & recycling contract, required dam repairs, required storm water mandates and the increased number of salting/snow removal operations in 2019. This program area is at 46% of budget which is the same percentage as last year.






Good: Positive Indicator;



Caution: Unsettled Indicator



Problem: Negative Indicator

-  ❖ **Community Enrichment Services** This program area includes Community Activities Administration, Adult Senior Services, Parks & Playgrounds and Woodlawn Cemetery. Current expenditure are \$228,370 which is \$27,633 less than the prior year. The 2019 budget is \$45,368 more than the 2018 budget amount. This is mainly due to an increase in Adult Senior Services programming. This increase is offset by an increase in revenues for Senior Recreation Fees. This program area is at 42% of budget compared to 51% in the prior year.
-  ❖ **Community Development** Current expenditures are \$78,430 which is \$1,718 less than the prior year. The 2019 budget is \$32,383 less than the 2018 budget amount. This is due to 2018 expenses related to a potential new business park. This program area is at 44% of budget compared to 36% in the prior year.
-  ❖ **Unclassified/Transfers** This category of expenditures includes primarily Contingency and Wage Reserve funds and Transfers to Other Funds (support of the Aquatics Fund and Recreation Fund). Current expenditures are \$4,523 which is \$8,459 less than the prior year. The 2019 budget is \$14,939 more than the 2018 budget. This is due to an increases in the required support to the Aquatics Fund and Recreation Fund. Unclassified account expenditures are at 2% of budget compared to 5% in the prior year. Budgeted amounts for the Contingency and Wage Reserve accounts will be transferred to other program areas in 2019 when approved by Resolution of the Village Board. No Resolutions have been presented to the Village Board for approval as of June 30, 2019.

CURRENT FINANCIAL CONDITION - FIRE PROTECTION AND RESCUE SERVICES FUND

The Village budgeted the use of fund balance in 2019 in the amount of \$25,307. At the end of the second quarter of 2019 revenues exceeded expenditures. Historically revenues exceed expenditures in this fund at this point of the year as the primary revenue source of this fund is Property Taxes. Current revenues and expenditures are within budgetary expectations through the second quarter.

OVERVIEW

Revenues through the second quarter total \$832,962 or 67% of the \$1,262,458 budget. Revenues are \$12,231 higher than the same period last year.

Expenditures total \$584,354 for the second quarter or 45% of the \$1,287,765 budget. Expenditures for the 6 months ending June 30, 2019 were \$3,722 more than the same period for the prior year.



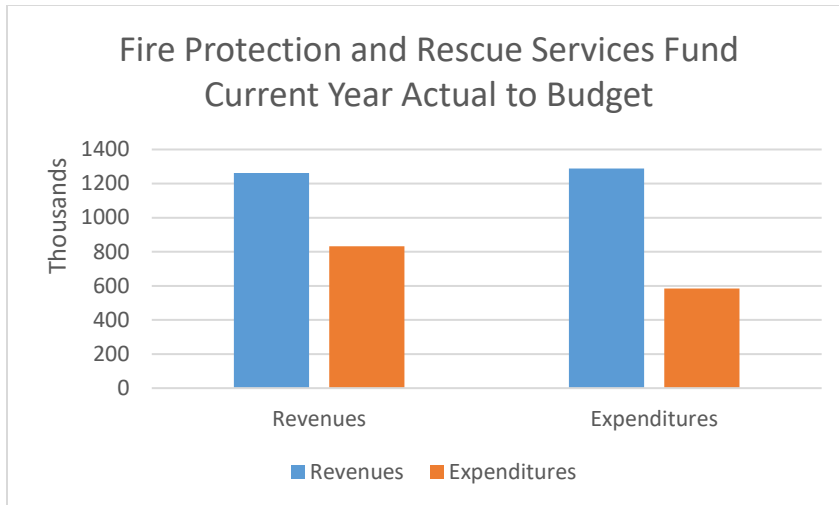
Good: Positive Indicator;



Caution: Unsettled Indicator






Problem: Negative Indicator



FIRE PROTECTION AND RESCUE SERVICES FUND REVENUES

	Annual Budget	Year To Date	Percentage of Budget
Property Taxes	\$ 614,060	\$ 549,490	89.5%
Intergovernmental Revenue	76,085	-	0.0%
Charges for Services	350,000	171,282	48.9%
Intergovernmental Charges for Services	222,313	112,190	50.5%
	\$ 1,262,458	\$ 832,962	66.0%

- ❖ **Property Taxes**  Property taxes total \$549,490 from property taxes distributed January thru June. Property Taxes will be at 100% of budget at year end. The approved property tax amount in 2019 is the same amount as 2018.
- ❖ **Intergovernmental Revenue**  Intergovernmental revenue consists of 2% Fire Insurance Dues received in August of each year from the State of Wisconsin. The Town of Grafton forwards the 2% Fire Insurance Dues they receive to the Village per State Statutes which require that the fire protection provider receives this revenue.
- ❖ **Charges for Services**  Charges for services total \$171,282 from ambulance services charges. This revenue is at 49% of budgeted amounts which is the same as the same period in 2018. The 2019 budget amount is \$25,000 more than the 2018 budget amount due to an anticipated increase in ambulance charges due to the increased number of calls for service.




Good: Positive Indicator;



Caution: Unsettled Indicator





Problem: Negative Indicator

- ❖ **Intergovernmental Charges for Services**  Intergovernmental Charges for Services is revenue received from the Town of Grafton for providing Fire Protection and Rescue Services. This amount is determined by contract and received in two installments during the year.

FIRE PROTECTION AND RESCUE SERVICES FUND EXPENDITURES

	Annual Budget	Year To Date	Percentage of Budget
Personnel	\$ 705,468	\$ 301,328	42.7%
Non-Personnel	582,297	283,026	48.6%
	\$ 1,287,765	\$ 584,354	45.4%

- ❖ **Personnel**  Personnel expenditures consist of wages and benefits for 3 full-time firefighters, the Fire Chief, the Fire Division Chief, a part-time office assistant and paid on call personnel. Current expenditures are \$301,328 which is \$19,391 more than the prior year. The 2019 budget amount is \$74,372 more than the 2018 budget amount. This is due to the addition of two full-time firefighters and related benefits. This program area is at 43% of budgeted expenditures compared to 45% at the same point in 2018.

- ❖ **Non-Personnel**  Non-Personnel expenditures consist of items such as emergency medical supplies, training and conferences, utilities, fuel, general liability and workers compensation insurance, fire hydrant charges and general fund charges for services provided by the Department of Administration and Department of Administrative Services (Finance and Clerk). Current expenditures are \$283,026 which is \$15,669 less than the prior year. The 2019 budget amount is \$45,425 less than the 2018 budget amount. This is due primarily to the transition of dispatch services to Ozaukee County. This program area is at 49% of budgeted expenditures compared to 48% at the same point in 2018.

CURRENT FINANCIAL CONDITION – WATER AND WASTEWATER FUNDS

The Village budgeted the Water and Wastewater Funds to achieve a net income of \$874,124 in 2019. At the end of the second quarter net income totaled \$1,183,982. Revenues are billed quarterly; at the end of June billings have been for 6 months of residential, 5 months of industrial and 4 months of commercial, multi-family and public authority. Water and Wastewater billings are based on water usage which has been trending down.

OVERVIEW

Revenues through the second quarter total \$2,347,659 or 43% of the \$5,409,634 budget. Revenues are \$175,911 higher than the prior year. The main reason for the increase is the wastewater rate increase approved by the Village Board effective December 20, 2018.

Expenditures total \$1,163,677 for the second quarter or 26% of the \$4,536,010 budget. Expenditures ended the quarter \$6,373 more than the same period for the prior year.



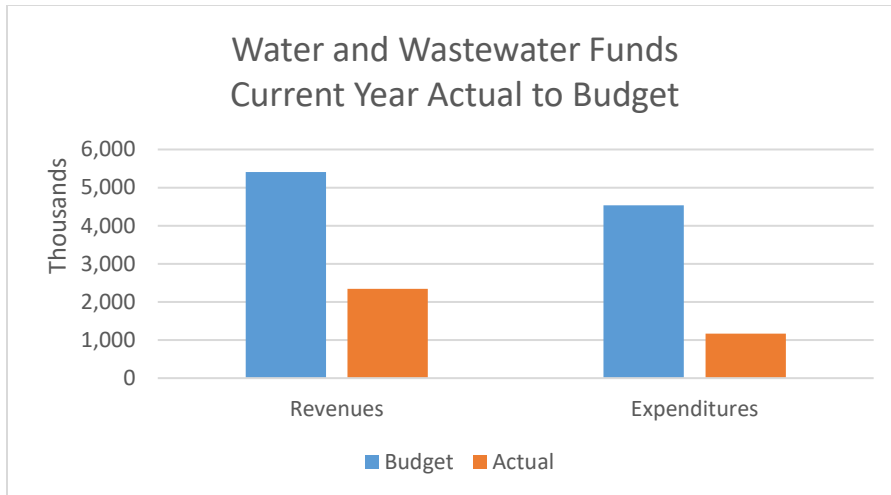
Good: Positive Indicator;



Caution: Unsettled Indicator





Problem: Negative Indicator



WATER AND WASTEWATER FUNDS REVENUES


Revenues	Annual Budget	Year To Date	Percentage of Budget
Operating Revenue	\$ 5,202,487	\$ 2,227,787	42.8%
Non-operating Revenue	207,147	117,954	56.9%
	\$ 5,409,634	\$ 2,345,741	43.4%

❖ **OPERATING REVENUE** –  Current revenue is \$2,227,787 which is \$129,574 more than the prior year. The 2019 budget amount is \$444,666 more than the 2018 budget amount primarily due to an increase in rates for the wastewater fund effective December 20, 1998. Revenues are projected to be at or near 100% of budget at year end. This revenue is at 43% of budget compared to 44% for the same period in the prior year.

❖ **NON-OPERATING REVENUE** –  Current revenue is \$117,954 which is \$46,608 more than the prior year. This is primarily due to an increase in interest earnings, and ERC contributions related to development activity. The 2019 budget amount is \$9,863 more than the 2018 budget. Revenues are projected to be over 100% of budget at year end. This revenue is at 57% of budget amounts compared to 36% for the same period in the prior year.

WATER AND WASTEWATER FUNDS EXPENDITURES

Expenditures	Annual Budget	Year To Date	Percentage of Budget
Water	\$ 1,867,507	\$ 570,998	30.6%
Sewer	2,668,503	592,679	22.2%
	\$ 4,536,010	\$ 1,163,677	25.7%

❖ **WATER** -  Current expenditures are \$570,998 which is \$59,212 more than the prior year. The 2019 budget amount is \$21,726 more than the 2018 budget amount. This program area is at 31% of



Good: Positive Indicator;



Caution: Unsettled Indicator



Problem: Negative Indicator

budgeted expenditures compared to 28% at the same point in 2018. Depreciation expense is booked at the end of the year and comprises 28% of the 2019 budget and 26% of the 2018 budget.



- ❖ **SEWER** - Current expenditures are \$592,679 which is \$66,285 less than the prior year primarily due to open positions (wages & related benefits). The 2019 budget amount is \$185,957 more than the 2018 budget amount due to SCADA improvements, WPDES Permit Renewal expenses and an inflow/infiltration study planned in 2019. This program area is at 22% of budgeted expenditures compared to 27% at the same point in 2018. Depreciation expense is booked at the end of the year and comprises 32% of the 2018 and 2019 budget.



Good: Positive Indicator;



Caution: Unsettled Indicator



Problem: Negative Indicator