

Village of Butler

Financial Statements and
Supplementary Information

December 31, 2020

Village of Butler

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December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Butler
Butler, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Butler, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Butler's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Butler's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Butler's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Butler, Wisconsin, as of December 31, 2020 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.

To the Village Board
Village of Butler

Other Matters

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, 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 Butler'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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Butler's basic financial statements. The other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly US, LLP

Milwaukee, Wisconsin
June 2, 2021

Village of Butler, Wisconsin

Management's Discussion and Analysis As of and for the year ended December 31, 2020 (unaudited)

As management of the Village of Butler (the "Village"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2020. The discussion and analysis presents the highlights of financial activities and financial position for the Village of Butler. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the Village.

Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,032,034 (net position). Of this amount, \$1,657,153 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decrease by \$50,115.
- At the close of the 2020 fiscal year, the Village's governmental funds reported combined ending fund balances of \$2,316,904, an increase of \$834,987 in comparison with the prior year. Approximately 21% of this total amount, \$479,199, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the 2020 fiscal year, unassigned fund balance for the General Fund was \$466,143 or 21% of the total general fund expenditures.
- The Village of Butler's total long-term debt, including compensated absences and other postemployment benefits, increased by \$942,883 during fiscal year ended December 31, 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Butler's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Village of Butler's finances, in a manner similar to a private-sector business.

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 is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation and sick leave).

Both the government-wide financial statements distinguish functions of the Village of Butler that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Butler include general government, public safety, public works, community development, health and sanitation and library, parks and recreation. Business-type activities of the Village include the Sewer Service Utility, Water Utility and the Storm Water Utility.

Village of Butler, Wisconsin

Management Discussion and Analysis As of and for the year ended December 31, 2020 (unaudited)

The government-wide financial statements include the Village of Butler and the Community Development Authority as a blended component unit. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the Village.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Butler, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Butler maintains six 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 Special Revenue Funds for the Library and Park and Recreation, the Debt Service Fund, and the Capital Projects Funds for the Equipment and Borrowed Money Funds.

The Village of Butler adopts an annual appropriated budget for its General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Library Special Revenue Fund to demonstrate compliance with its budget on pages 60 and 61 of this report.

The basic governmental fund financial statements can be found on pages 15 through 17 of this report.

Proprietary funds – The Village of Butler maintains three types of proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and storm water operations, all of which are considered to be major funds of the Village. The basic proprietary fund financial statements can be found on pages 18 through 20 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village of Butler's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund for the Village is a custodial fund used to account for tax collections.

The basic fiduciary fund financial statement can be found on pages 21 and 22 of this report.

Village of Butler, Wisconsin

**Management Discussion and Analysis
As of and for the year ended December 31, 2020
(unaudited)**

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 59 of this report.

Other information –The budget to actual comparison for the debt service fund and the comparative schedule of taxes and valuation can be found on pages 66 and 67 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Village of Butler, assets and deferred outflows exceeded liabilities and deferred inflows by \$9,032,034 as of December 31, 2020, compared with net position at December 31, 2019 of \$9,082,149.

The largest portion of the Village of Butler’s net position reflects its net investment in capital assets (e.g., land, buildings, improvements, machinery and equipment and intangibles), less any debt used to acquire those assets that is still outstanding. The Village of Butler uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village’s net investment in capital assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Butler's Net Position

	Governmental Activities 2020	Business-type Activities 2020	Total
Current assets	\$ 4,848,271	\$ 1,487,549	\$ 6,335,820
Capital assets	7,034,458	4,774,639	11,809,097
Total Assets	11,882,729	6,262,188	18,144,917
Deferred outflows related to OPEBs	31,803	10,262	42,065
Deferred outflows related to pension	571,805	91,332	663,137
Total Deferred Outflows of Resources	603,608	101,594	705,202
Current liabilities	244,034	227,296	471,330
Noncurrent liabilities outstanding	5,257,294	1,172,833	6,430,127
Total Liabilities	5,501,328	1,400,129	6,901,457
Unearned revenue	2,033,540	-	2,033,540
Deferred inflows related to OPEBs	32,367	8,877	41,244
Deferred inflows related to pension	724,070	117,774	841,844
Total Deferred Inflows of Resources	2,789,977	126,651	2,916,628
Net Position:			
Net investment in capital assets	3,381,624	3,637,823	7,019,447
Restricted	268,180	87,254	355,434
Unrestricted	545,228	1,111,925	1,657,153
Total Net Position	\$ 4,195,032	\$ 4,837,002	\$ 9,032,034

Village of Butler, Wisconsin

Management Discussion and Analysis
As of and for the year ended December 31, 2020
(unaudited)

Village of Butler's Net Position

	<u>Governmental Activities 2019</u>	<u>Business-type Activities 2019</u>	<u>Total</u>
Current assets	\$ 3,950,918	\$ 1,941,135	\$ 5,892,053
Capital assets	6,441,685	4,628,937	11,070,622
Total Assets	<u>10,392,603</u>	<u>6,570,072</u>	<u>16,962,675</u>
Deferred outflows related to OPEBs	5,412	1,373	6,785
Deferred outflows related to pension	708,178	111,093	819,271
Total Deferred Outflows of Resources	<u>713,590</u>	<u>112,466</u>	<u>826,056</u>
Current liabilities	786,500	453,096	1,239,596
Noncurrent liabilities outstanding	3,792,602	1,209,854	5,002,456
Total Liabilities	<u>4,579,102</u>	<u>1,662,950</u>	<u>6,242,052</u>
Unearned property taxes	2,031,542	-	2,031,542
Deferred inflows related to OPEBs	13,304	3,589	16,893
Deferred inflows related to pension	361,042	55,053	416,095
Total Deferred Inflows of Resources	<u>2,405,888</u>	<u>58,642</u>	<u>2,464,530</u>
Net Position:			
Net investment in capital assets	3,430,878	3,355,147	6,786,025
Restricted	26,884	47,799	74,683
Unrestricted	663,441	1,558,000	2,221,441
Total Net Position	<u>\$ 4,121,203</u>	<u>\$ 4,960,946</u>	<u>\$ 9,082,149</u>

A restricted portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$1,657,153 and \$2,221,441 for 2020 and 2019 respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of both the 2020 and 2019 years, the Village is able to report positive balances in all three categories of net position. The Village's total net position decreased by \$50,115 during the current fiscal year.

Village of Butler, Wisconsin

**Management Discussion and Analysis
As of and for the year ended December 31, 2020
(unaudited)**

Analysis of the Village's Operations - The following schedule highlights the Village's revenues and expenses for the fiscal years ended December 31, 2020 and 2019. The table utilizes the full accrual method of accounting. The table below demonstrates that governmental activities increased by \$73,829 and business-type activities decreased the Village's net position by \$123,944 in 2020.

Village of Butler's Changes in Net Position

	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019	Total 2020	Total 2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 405,361	\$ 407,364	\$ 1,961,190	\$ 1,823,906	\$ 2,366,551	\$ 2,231,270
Operating Grants and Contributions	277,379	185,201	-	-	277,379	185,201
Capital Grants and Contributions	4,000	-	-	-	4,000	-
General revenues						
Property Tax For						
General Purposes	1,439,704	1,313,267	-	-	1,439,704	1,313,267
Parks and Recreation	17,400	-	-	-	17,400	-
Equipment	58,975	181,050	-	-	58,975	181,050
Debt Service	420,903	424,272	-	-	420,903	424,272
Library	94,561	94,557	-	-	94,561	94,557
Intergovernmental revenues not restricted to specific programs	129,935	199,402	-	-	129,935	199,402
Investment earnings	12,298	44,929	3,841	16,054	16,139	60,983
Other	47,187	54,329	-	-	47,187	54,329
Transfers	48,543	43,747	(48,543)	(43,747)	-	-
Total Revenues and transfers	2,956,246	2,948,118	1,916,488	1,796,213	4,872,734	4,744,331
Expenses:						
General government	762,433	778,185	-	-	762,433	778,185
Public safety	1,174,334	1,206,868	-	-	1,174,334	1,206,868
Public works	464,695	407,826	-	-	464,695	407,826
Health and sanitation	119,276	117,285	-	-	119,276	117,285
Community development	33,156	-	-	-	33,156	-
Library, parks and recreation	142,291	166,065	-	-	142,291	166,065
Interest and fiscal charges	186,232	154,021	-	-	186,232	154,021
Sewer Service	-	-	1,113,923	1,093,338	1,113,923	1,093,338
Water	-	-	694,937	500,098	694,937	500,098
Storm Water	-	-	231,572	249,782	231,572	249,782
Total expenses	2,882,417	2,830,250	2,040,432	1,843,218	4,922,849	4,673,468
Change in net position	73,829	117,868	(123,944)	(47,005)	(50,115)	70,863
Net position – beginning	4,121,203	4,003,335	4,960,946	5,007,951	9,082,149	9,011,286
Net position – ending	\$ 4,195,032	\$ 4,121,203	\$ 4,837,002	\$ 4,960,946	\$ 9,032,034	\$ 9,082,149

Village of Butler, Wisconsin

Management Discussion and Analysis
As of and for the year ended December 31, 2020
(unaudited)

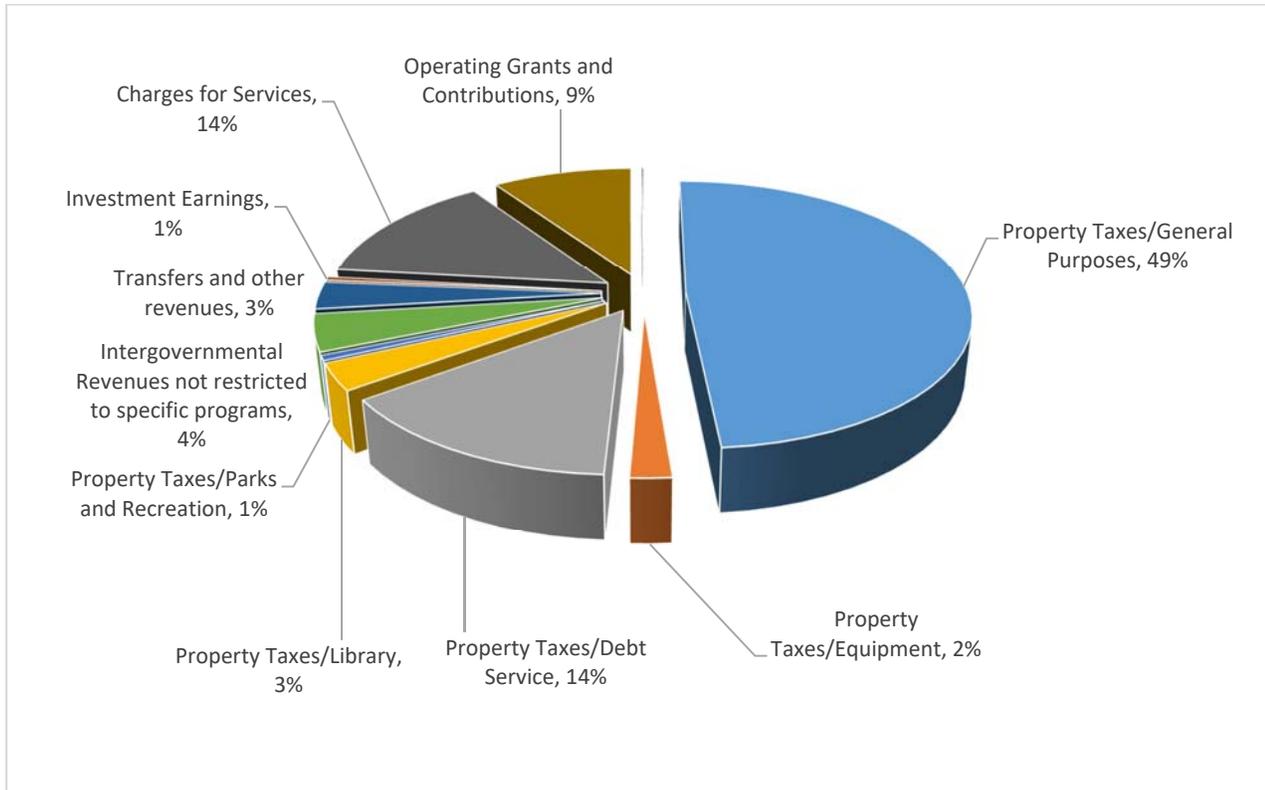
Governmental Activities

The table below discloses cost of services for the Governmental Activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put net costs that must be covered by local taxes or other general revenue or transfers.

Programs	Total Cost of Services 2020	Total Cost of Services 2019	Net (Expense) of Services 2020	Net (Expense) of Services 2019
General government	\$ 762,433	\$ 778,185	\$ (649,745)	\$ (650,819)
Public safety	1,174,334	1,206,868	(877,989)	(963,561)
Public works	464,695	407,826	(274,001)	(242,287)
Health and sanitation	119,276	117,285	(78,368)	(85,918)
Community development	33,156	-	-	-
Library, parks and recreation	142,291	166,065	(129,342)	(141,079)
Interest on long-term debt	186,232	154,021	(186,232)	(154,021)
	<u>\$ 2,882,417</u>	<u>\$ 2,830,250</u>	<u>\$ (2,195,677)</u>	<u>\$ (2,237,685)</u>

Net cost of services is 76% of total cost of services in 2020 and 79% in 2019. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

The graph below shows the 2020 percentage of the total governmental activities revenues allocated by each revenue type.



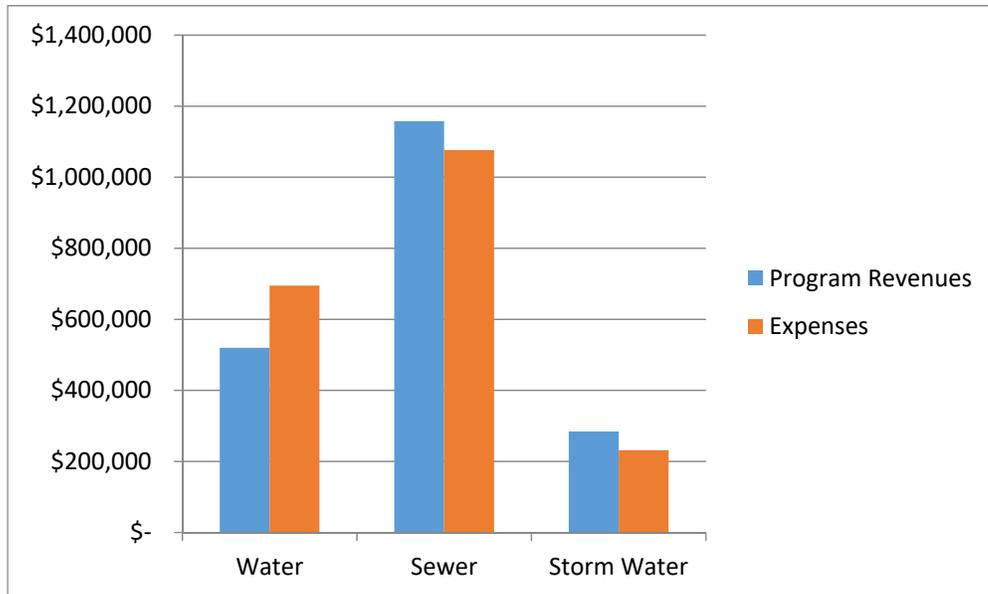
Village of Butler, Wisconsin

Management Discussion and Analysis
As of and for the year ended December 31, 2020
(unaudited)

Business-Type Activities

Total Business-type activities' charges for service revenues for the years ending December 31, 2020 and 2019 were \$1,961,190 and \$1,823,906, respectively. The Business-type activities decreased the Village of Butler's net position by \$123,944 in 2020 and decreased the Village of Butler's net position by \$47,005 in 2019.

The graph below shows the relationship between the 2020 revenues and expenses for the Village of Butler Sewer Service, Water and Storm Water Utilities.



Village of Butler, Wisconsin

Management Discussion and Analysis As of and for the year ended December 31, 2020 (unaudited)

Financial Analysis of the Government's Funds

As noted earlier, the Village of Butler uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This section will discuss major developments within the Village's governmental funds and proprietary funds.

Governmental funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds – General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds – reported a combined ending fund balance of \$2,316,904, an increase of \$834,987 in comparison with the prior year. Approximately 21% of this total amount (\$479,199) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Village. During 2020, the General Fund balance increased by \$53,893. At the end of the year, the unassigned fund balance of the General Fund was \$466,143 while total fund balance was \$591,372. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21% of total general fund expenditures and transfers.

Fund balance in the Debt Service Fund decreased by \$13,032 during 2020. Fund balance in the Equipment Fund increased by \$266,600 during 2020. Fund balance in the Borrowed Money Fund increased \$512,479 during 2020. Fund balance in the Library Fund increased \$1,991 during 2020. Fund balance in the Park and Recreation Fund increased \$13,056 during 2020.

Proprietary funds. The Village's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the Sewer Service Utility at the end of the year amounted to \$1,098,641, the Water Utility totaled \$1,506,654 and for the Storm Water Utility the total net position was \$2,231,707. Total change in net position for the Water, Storm Water and Sewer Service Utilities were a decrease of \$223,060, an increase of \$54,105, and an increase of \$45,011, respectively.

General Fund Budgetary Highlights.

- The total original and final revenue and transfer budget was \$2,250,042 and actual revenues and transfers on a budgetary non-GAAP basis were \$2,295,818.
- In total, the General Fund had an increase in fund balance of \$53,893 because of increased intergovernmental revenues along with spending less than budgeted amounts in several functional areas.

Village of Butler, Wisconsin

Management Discussion and Analysis
As of and for the year ended December 31, 2020
(unaudited)

Capital Assets and Debt Administration

Capital Assets. The Village of Butler’s investment in capital assets for its governmental and business-type activities as of December 31, 2020 and 2019 amounted to \$11.8 million and \$11.07 million, respectively (net of accumulated depreciation/amortization). The Village’s investment in capital assets includes land, buildings and improvements, equipment, intangibles and infrastructure.

Village of Butler
Capital Assets at Year-end
Net of Accumulated Depreciation

	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019	Total 2020	Total 2019
Land	\$ 344,080	\$ 344,080	\$ 18,293	\$ 18,293	\$ 362,373	\$ 362,373
Construction in progress	34,819	28,554	20,643	4,366	55,462	32,920
Land Improvements	721,394	670,155	-	-	721,394	670,155
Buildings	2,812,633	2,804,483	179,662	179,662	2,992,295	2,984,145
Machinery & Equipment	2,369,895	2,364,918	285,863	285,863	2,655,758	2,650,781
Infrastructure	4,387,713	3,550,785	-	-	4,387,713	3,550,785
Intangibles	62,964	62,964	9,205	9,205	72,169	72,169
Water Distribution System	-	-	2,849,728	2,791,597	2,849,728	2,791,597
Storm Water Systems	-	-	3,532,363	3,439,223	3,532,363	3,439,223
Sewer Collection System	-	-	950,959	943,284	950,959	943,284
Accumulated depreciation	(3,699,040)	(3,384,254)	(3,072,077)	(3,042,556)	(6,771,117)	(6,426,810)
	<u>\$ 7,034,458</u>	<u>\$ 6,441,685</u>	<u>\$ 4,774,639</u>	<u>\$ 4,628,937</u>	<u>\$ 11,809,097</u>	<u>\$ 11,070,622</u>

Additional information on the Village’s capital assets can be found in Note 4 on pages 37 through 38 of this report.

Village of Butler, Wisconsin

**Management Discussion and Analysis
As of and for the year ended December 31, 2020
(unaudited)**

Long-term debt - As of December 31, 2020 the Village of Butler governmental activities had general obligation bonds and notes outstanding totaling \$5,041,550. The Village of Butler has business-type activities notes payable totaling \$1,125,000. In the current year, the Village paid \$319,883 in principal and \$111,961 in interest on outstanding governmental activities debt. Business-Type Activities paid \$135,000 in principal and \$37,938 in interest on outstanding debt in the current year.

Village of Butler's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019	Total 2020	Total 2019
General Obligations Bonds & Notes	\$ 5,041,550	\$ 3,646,433	\$ 1,125,000	\$ 1,260,000	\$ 6,166,550	\$ 4,906,433

Additional information about the Village's long-term debt can be found in Note 4 on pages 40 through 42 of the financial statements.

Economic Factors

The following economic factors are noteworthy:

- The equalized value of the Village of Butler increased by \$7,101,100 in 2020 due to economic redevelopment.
- The tax levy for local purposes in year 2020 is \$2,033,540 compared to the prior year levy of \$2,031,542.
- The Village of Butler's 2020 budget qualified the Village to receive the Expenditure Restraint Shared Revenue payment; as it did in 2019 and 2020.
- General fund unassigned fund balance is 21% of the 2021 general fund budgeted expenditures.

Requests for information

This financial report is designed to provide a general overview of the Village of Butler's finances for all those with an interest in the government's finances. Readers having question about any of the information in this report or needing additional information should contact Village Administrator, Village of Butler, 12621 W. Hampton Avenue, Butler, WI 53007, call 262-783-2525 or e-mail kthorpe@butlerwi.gov.

Village of Butler

Statement of Net Position

December 31, 2020

	Governmental Activities	Business- Type Activities	Totals
Assets			
Cash and investments			
Unrestricted	\$ 2,372,538	\$ 1,033,517	\$ 3,406,055
Restricted	-	48,036	48,036
Receivables	2,249,659	298,585	2,548,244
Inventories	-	18,850	18,850
Prepaid items	24,124	9,963	34,087
Internal balances	(39,380)	39,380	-
Restricted asset, net pension asset	241,330	39,218	280,548
Capital assets			
Land	344,080	18,293	362,373
Construction in progress	34,819	20,643	55,462
Property and equipment (net)	6,655,559	4,735,703	11,391,262
Total assets	11,882,729	6,262,188	18,144,917
Deferred Outflows of Resources			
Deferred outflows related to OPEBs	31,803	10,262	42,065
Deferred outflows related to pension	571,805	91,332	663,137
Total deferred outflows of resources	603,608	101,594	705,202
Liabilities			
Accounts payable and other liabilities	189,844	213,228	403,072
Accrued interest payable	54,190	14,068	68,258
Noncurrent liabilities:			
Due within one year	365,407	85,000	450,407
Due in more than one year	4,891,887	1,087,833	5,979,720
Total liabilities	5,501,328	1,400,129	6,901,457
Deferred Inflows of Resources			
Unearned revenue	2,033,540	-	2,033,540
Deferred inflows related to OPEBs	32,367	8,877	41,244
Deferred inflows related to pension	724,070	117,774	841,844
Total deferred inflows of resources	2,789,977	126,651	2,916,628
Net Position			
Net investment in capital assets	3,381,624	3,637,823	7,019,447
Restricted for pension	241,330	39,218	280,548
Restricted for equipment replacement	-	48,036	48,036
Restricted for library purposes	26,850	-	26,850
Unrestricted	545,228	1,111,925	1,657,153
Total net position	\$ 4,195,032	\$ 4,837,002	\$ 9,032,034

See notes to financial statements

Village of Butler

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental Activities							
General government	\$ 762,433	\$ 112,688	\$ -	\$ -	\$ (649,745)	\$ -	\$ (649,745)
Public safety	1,174,334	246,086	46,259	4,000	(877,989)	-	(877,989)
Health and sanitation	119,276	33,638	7,270	-	(78,368)	-	(78,368)
Public works	464,695	-	190,694	-	(274,001)	-	(274,001)
Library, parks and recreation	142,291	12,949	-	-	(129,342)	-	(129,342)
Community development	33,156	-	33,156	-	-	-	-
Interest and fiscal charges	186,232	-	-	-	(186,232)	-	(186,232)
Total governmental activities	2,882,417	405,361	277,379	4,000	(2,195,677)	-	(2,195,677)
Business-Type Activities							
Water utility	694,937	519,598	-	-	-	(175,339)	(175,339)
Sewer service	1,113,923	1,157,525	-	-	-	43,602	43,602
Storm water	231,572	284,067	-	-	-	52,495	52,495
Total business-type activities	2,040,432	1,961,190	-	-	-	(79,242)	(79,242)
Totals	\$ 4,922,849	\$ 2,366,551	\$ 277,379	\$ 4,000	(2,195,677)	(79,242)	(2,274,919)
General revenues							
Taxes:							
Property taxes levied for general purposes					1,439,704	-	1,439,704
Property taxes levied for equipment					58,975	-	58,975
Property taxes levied for debt service					420,903	-	420,903
Property taxes levied for parks and recreation					17,400	-	17,400
Property taxes levied for library					94,561	-	94,561
Intergovernmental revenues not restricted to specific programs					129,935	-	129,935
Investment income					12,298	3,841	16,139
Other					47,187	-	47,187
Transfers					48,543	(48,543)	-
Total general revenues and transfers					2,269,506	(44,702)	2,224,804
Change in net position					73,829	(123,944)	(50,115)
Net Position, Beginning					4,121,203	4,960,946	9,082,149
Net Position, Ending					\$ 4,195,032	\$ 4,837,002	\$ 9,032,034

See notes to financial statements

Village of Butler

Balance Sheet
Governmental Funds
December 31, 2020

	General	Special Revenue Library	Debt Service	Capital Projects Funds		Nonmajor Governmental Fund	Total Governmental Funds
				Equipment	Borrowed Money	Special Revenue Park and Recreation	
Assets							
Cash and investments	\$ 569,828	\$ 30,786	\$ 39,236	\$ 545,644	\$ 1,173,988	\$ 13,056	\$ 2,372,538
Receivables:							
Taxes	1,501,942	94,565	475,378	22,946	-	17,400	2,112,231
Accounts	124,396	-	-	-	5,771	-	130,167
Special assessments	7,261	-	-	-	-	-	7,261
Prepaid items	24,124	-	-	-	-	-	24,124
Due from other funds	26,752	-	-	-	-	-	26,752
Total assets	\$ 2,254,303	\$ 125,351	\$ 514,614	\$ 568,590	\$ 1,179,759	\$ 30,456	\$ 4,673,073
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 29,610	\$ 2,021	\$ 6,000	\$ -	\$ 73,013	\$ -	\$ 110,644
Accrued liabilities	77,285	1,915	-	-	-	-	79,200
Due to other funds	66,132	-	-	-	-	-	66,132
Total liabilities	173,027	3,936	6,000	-	73,013	-	255,976
Deferred Inflows of Resources							
Unearned revenues	1,423,251	94,565	475,378	22,946	-	17,400	2,033,540
Unavailable revenues	66,653	-	-	-	-	-	66,653
Total deferred inflows of resources	1,489,904	94,565	475,378	22,946	-	17,400	2,100,193
Fund Balances							
Nonspendable	51,259	-	-	-	-	-	51,259
Restricted	-	26,850	33,236	-	1,106,746	-	1,166,832
Committed	36,725	-	-	545,644	-	-	582,369
Assigned	37,245	-	-	-	-	-	37,245
Unassigned	466,143	-	-	-	-	13,056	479,199
Total fund balances	591,372	26,850	33,236	545,644	1,106,746	13,056	2,316,904
Total liabilities, deferred inflows of resources and fund balances	\$ 2,254,303	\$ 125,351	\$ 514,614	\$ 568,590	\$ 1,179,759	\$ 30,456	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. See Note 2.	7,034,458
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	66,653
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	241,330
Deferred outflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds.	603,608
Deferred inflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds.	(756,437)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds. See Note 2.	(5,311,484)
Net position of governmental activities	\$ 4,195,032

See notes to financial statements

Village of Butler

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2020

	General	Special Revenue Library	Debt Service	Capital Projects Funds		Nonmajor Governmental Fund Special Revenue Park and Recreation	Total Governmental Funds
				Equipment	Borrowed Money		
Revenues							
Taxes	\$ 1,439,704	\$ 94,561	\$ 420,903	\$ 58,975	\$ -	\$ 17,400	\$ 2,031,543
Intergovernmental	404,579	6,735	-	-	-	-	411,314
Licenses and permits	89,719	-	-	-	-	-	89,719
Fines, forfeitures and penalties	116,199	-	-	-	-	-	116,199
Public charges for services	95,309	2,848	-	-	-	1,623	99,780
Investment income	6,482	-	308	1,756	3,752	-	12,298
Interdepartmental revenues	78,000	-	-	-	-	-	78,000
Miscellaneous revenue	15,074	1,523	-	-	28,924	1,666	47,187
Total revenues	2,245,066	105,667	421,211	60,731	32,676	20,689	2,886,040
Expenditures							
Current:							
General government	709,268	-	-	-	-	-	709,268
Public safety	1,121,225	-	-	-	-	-	1,121,225
Public works	257,660	-	-	-	-	-	257,660
Community development	33,156	-	-	-	-	-	33,156
Health and sanitation	119,276	-	-	-	-	-	119,276
Library, parks and recreation	-	103,676	-	-	-	7,633	111,309
Capital outlay	4,965	-	-	35,631	928,729	-	969,325
Debt service:							
Principal retirement	-	-	319,883	-	-	-	319,883
Interest and fiscal charges	-	-	114,360	8,500	56,468	-	179,328
Total expenditures	2,245,550	103,676	434,243	44,131	985,197	7,633	3,820,430
Excess (deficiency) of revenues over expenditures	(484)	1,991	(13,032)	16,600	(952,521)	13,056	(934,390)
Other Financing Sources							
Proceeds from sale of capital assets	5,834	-	-	-	-	-	5,834
Debt issued	-	-	-	250,000	1,465,000	-	1,715,000
Transfers in	48,543	-	-	-	-	-	48,543
Total other financing sources	54,377	-	-	250,000	1,465,000	-	1,769,377
Net changes fund balances	53,893	1,991	(13,032)	266,600	512,479	13,056	834,987
Fund Balances, Beginning	537,479	24,859	46,268	279,044	594,267	-	1,481,917
Fund Balances, Ending	\$ 591,372	\$ 26,850	\$ 33,236	\$ 545,644	\$ 1,106,746	\$ 13,056	\$ 2,316,904

See notes to financial statements

Village of Butler

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2020

Net change in fund balances, total governmental funds \$ 834,987

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 activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	969,325
Capital addition not recorded in capital outlay	4,000
Less certain items reported as capital outlay not capitalized	(49,361)
Depreciation/amortization is reported in the government-wide statements	(331,191)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

21,663

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.

Principal repaid	319,883
Debt issued	(1,715,000)

Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position these are deferred and reported as additions or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization	3,043
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	21,752
Net pension asset	499,338
Net OPEB liabilities - Health and Life	(2,590)
Deferred outflows of resources related to pension and OPEBs	(109,982)
Deferred inflows of resources related to pension and OPEBs	(382,091)
Accrued interest on debt	(9,947)

Change in Net Position of Governmental Activities \$ 73,829

Village of Butler

Statement of Net Position
 Proprietary Funds
 December 31, 2020

	Business-Type Activities - Enterprise Funds			Totals
	Water Utility	Storm Water Utility	Sewer Service Utility	
Assets				
Current Assets				
Cash and investments	\$ 401,952	\$ -	\$ 631,565	\$ 1,033,517
Accounts receivable	64,929	26,516	207,140	298,585
Due from other funds	19,825	8,578	37,729	66,132
Prepaid items	3,690	3,039	3,234	9,963
Inventories	18,850	-	-	18,850
Total current assets	<u>509,246</u>	<u>38,133</u>	<u>879,668</u>	<u>1,427,047</u>
Noncurrent Assets				
Restricted assets:				
Cash and investments	-	-	48,036	48,036
Net pension asset	13,847	12,036	13,335	39,218
Capital assets:				
Land	18,293	-	-	18,293
Construction in progress	18,545	1,103	995	20,643
Property and equipment	3,160,537	3,605,545	1,041,698	7,807,780
Less accumulated depreciation	(1,058,911)	(1,329,446)	(683,720)	(3,072,077)
Total noncurrent assets	<u>2,152,311</u>	<u>2,289,238</u>	<u>420,344</u>	<u>4,861,893</u>
Total assets	<u>2,661,557</u>	<u>2,327,371</u>	<u>1,300,012</u>	<u>6,288,940</u>
Deferred Outflows of Resources				
Deferred outflows related to OPEBs	3,560	3,216	3,486	10,262
Deferred outflows related to pension	31,633	28,316	31,383	91,332
Total deferred outflows	<u>35,193</u>	<u>31,532</u>	<u>34,869</u>	<u>101,594</u>
Liabilities				
Current Liabilities				
Accounts payable	20,727	10,185	182,316	213,228
Accrued interest payable	13,568	500	-	14,068
Due to other funds	-	26,752	-	26,752
Current portion of general obligation debt	45,000	40,000	-	85,000
Total current liabilities	<u>79,295</u>	<u>77,437</u>	<u>182,316</u>	<u>339,048</u>
Noncurrent Liabilities				
OPEB liabilities	12,670	11,119	12,228	36,017
General obligation debt	1,051,816	-	-	1,051,816
Total noncurrent liabilities	<u>1,064,486</u>	<u>11,119</u>	<u>12,228</u>	<u>1,087,833</u>
Total liabilities	<u>1,143,781</u>	<u>88,556</u>	<u>194,544</u>	<u>1,426,881</u>
Deferred Inflows of Resources				
Deferred inflows related to OPEBs	3,100	2,780	2,997	8,877
Deferred inflows related to pension	43,215	35,860	38,699	117,774
	<u>46,315</u>	<u>38,640</u>	<u>41,696</u>	<u>126,651</u>
Net Position				
Net investment in capital assets	1,041,648	2,237,202	358,973	3,637,823
Restricted for pension	13,847	12,036	13,335	39,218
Restricted for equipment replacement	-	-	48,036	48,036
Unrestricted (deficit)	451,159	(17,531)	678,297	1,111,925
Total net position	<u>\$ 1,506,654</u>	<u>\$ 2,231,707</u>	<u>\$ 1,098,641</u>	<u>\$ 4,837,002</u>

See notes to financial statements

Village of Butler

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds			
	Water Utility	Storm Water Utility	Sewer Service Utility	Totals
Operating Revenues				
Charges for services	\$ 519,065	\$ 284,067	\$ 1,157,124	\$ 1,960,256
Other operating revenue	533	-	401	934
Total operating revenues	<u>519,598</u>	<u>284,067</u>	<u>1,157,525</u>	<u>1,961,190</u>
Operating Expenses				
Operation and maintenance	594,878	180,910	1,094,254	1,870,042
Depreciation	56,698	47,077	19,669	123,444
Taxes	6,097	-	-	6,097
Total operating expenses	<u>657,673</u>	<u>227,987</u>	<u>1,113,923</u>	<u>1,999,583</u>
Operating income (loss)	<u>(138,075)</u>	<u>56,080</u>	<u>43,602</u>	<u>(38,393)</u>
Nonoperating Revenues (Expenses)				
Investment income	139	1,610	2,092	3,841
Interest expense	(38,623)	(4,200)	-	(42,823)
Amortization	1,359	615	-	1,974
Total nonoperating revenues (expenses)	<u>(37,125)</u>	<u>(1,975)</u>	<u>2,092</u>	<u>(37,008)</u>
(Loss) income before transfers	<u>(175,200)</u>	<u>54,105</u>	<u>45,694</u>	<u>(75,401)</u>
Transfers				
Transfers in	683	-	-	683
Transfers out	(48,543)	-	(683)	(49,226)
Total transfers	<u>(47,860)</u>	<u>-</u>	<u>(683)</u>	<u>(48,543)</u>
Change in net position	<u>(223,060)</u>	<u>54,105</u>	<u>45,011</u>	<u>(123,944)</u>
Net Position, Beginning	<u>1,729,714</u>	<u>2,177,602</u>	<u>1,053,630</u>	<u>4,960,946</u>
Net Position, Ending	<u>\$ 1,506,654</u>	<u>\$ 2,231,707</u>	<u>\$ 1,098,641</u>	<u>\$ 4,837,002</u>

See notes to financial statements

Village of Butler

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Proprietary Fund Types Enterprise Funds			Totals
	Water Utility	Storm Water Utility	Sewer Service Utility	
Cash Flows From Operating Activities				
Received from customers	\$ 516,926	\$ 283,472	\$ 1,078,044	\$ 1,878,442
Paid to vendors for goods and services	(557,631)	(107,354)	(1,094,620)	(1,759,605)
Paid to employees for services	(72,937)	(63,144)	(70,233)	(206,314)
Net cash flows from operating activities	<u>(113,642)</u>	<u>112,974</u>	<u>(86,809)</u>	<u>(87,477)</u>
Cash Flows From Investing Activities				
Investment income	<u>139</u>	<u>1,610</u>	<u>2,092</u>	<u>3,841</u>
Cash Flows From Noncapital Financing Activities				
Transfers out	<u>(47,860)</u>	<u>-</u>	<u>(683)</u>	<u>(48,543)</u>
Cash Flows From Capital and Related Financing Activities				
Principal paid on long-term debt	(45,000)	(90,000)	-	(135,000)
Interest paid on long-term debt	(33,138)	(4,800)	-	(37,938)
Acquisition and construction of capital assets	<u>(87,187)</u>	<u>(157,521)</u>	<u>(12,111)</u>	<u>(256,819)</u>
Net cash flows from capital and related financing activities	<u>(165,325)</u>	<u>(252,321)</u>	<u>(12,111)</u>	<u>(429,757)</u>
Net change in cash and cash equivalents	(326,688)	(137,737)	(97,511)	(561,936)
Cash and Cash Equivalents, Beginning	<u>728,640</u>	<u>137,737</u>	<u>777,112</u>	<u>1,643,489</u>
Cash and Cash Equivalents, Ending	<u>\$ 401,952</u>	<u>\$ -</u>	<u>\$ 679,601</u>	<u>\$ 1,081,553</u>
Cash and Cash Equivalents, Ending				
Unrestricted	\$ 401,952	\$ -	\$ 631,565	\$ 1,033,517
Restricted	-	-	48,036	48,036
	<u>\$ 401,952</u>	<u>\$ -</u>	<u>\$ 679,601</u>	<u>\$ 1,081,553</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities				
Operating income/(loss)	\$ (138,075)	\$ 56,080	\$ 43,602	\$ (38,393)
Adjustments to reconcile operating income/(loss) to net cash flows from operating activities:				
Depreciation expense	56,698	47,077	19,669	123,444
Depreciation charged to other funds	215	-	-	215
Changes in assets, deferred outflows, deferred inflows and liabilities:				
Accounts receivable	(3,786)	(2,860)	(83,185)	(89,831)
Due from other funds	(996)	662	1,914	1,580
Inventory	(5,323)	-	-	(5,323)
Prepaid items	(1,017)	(615)	(678)	(2,310)
OPEB related amounts	2,745	1,876	2,513	7,134
Deferred outflows and inflows	(1,197)	(1,172)	(1,232)	(3,601)
Pension related amounts	435	325	323	1,083
Accounts payable	<u>(23,341)</u>	<u>11,601</u>	<u>(69,735)</u>	<u>(81,475)</u>
Net cash flows from operating activities	<u>\$ (113,642)</u>	<u>\$ 112,974</u>	<u>\$ (86,809)</u>	<u>\$ (87,477)</u>
Noncash Investing, Capital and Financing Activities				
Capital assets in accounts payable	<u>\$ 7,572</u>	<u>\$ 4,571</u>	<u>\$ 399</u>	<u>\$ 12,542</u>

See notes to financial statements

Village of Butler

Statement of Fiduciary Net Position
December 31, 2020

	<u>Custodial Fund</u> <u>Tax</u> <u>Collection</u> <u>Fund</u>
Assets	
Cash and investments	\$ 2,004,666
Taxes receivable	<u>742,937</u>
Total assets	<u>2,747,603</u>
Liabilities	
Due to other governmental units	<u>2,747,603</u>
Net Position	
Total net position	<u>\$ -</u>

See notes to financial statements

Village of Butler

Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2020

	<u>Custodial Fund</u> <u>Tax</u> <u>Collection</u> <u>Fund</u>
Additions	
Tax collections	\$ 1,990,005
Deductions	
Payments to overlying districts	<u>1,990,005</u>
Change in net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

Village of Butler

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December 31, 2020

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Village of Butler

Notes to Financial Statements
December 31, 2020

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Butler, 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 Village has not identified any organizations that meet this criteria.

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.

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 percent 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 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Village of Butler

Notes to Financial Statements
December 31, 2020

- 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.

Governmental Funds

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.

Special Revenue Fund

Special Revenue Fund - Library Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the library 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 - Equipment Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

Capital Projects Fund - Borrowed Money Fund - used to account for and report financial resources that were borrowed or committed for road and infrastructure projects.

Enterprise Funds

The Village reports the following major enterprise funds:

Water Utility - accounts for operations of the water system.

Sewer Service Utility - accounts for operations of the sanitary sewer system.

Stormwater Utility - accounts for operations of the stormwater system.

The Village reports the following nonmajor governmental fund:

Special Revenue Fund

Special Revenue Fund 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 Recreation Fund

Village of Butler

Notes to Financial Statements
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In addition, the Village reports the following fund types:

Custodial Funds

Custodial Fund are 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, sewer service, and storm water utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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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 Village's enterprise funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

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

Deposits and Investments

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

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

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

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- 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. The Village's investment policy addresses in general terms custodial credit risk, credit risk, and interest rate risk. At year end, the Village did not comply with the investment policy provision concerning the maximum limit of \$750,000 at any financial institution. At December 31, 2020, one financial institution held \$3.7 million, however, the entire balance was either insured or collateralized. Another institution held \$768,000 of which \$518,915 and was uninsured and uncollateralized. All funds throughout the year and at year end were invested in locally approved banks and the LGIP.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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, 2020, 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 4. for further information.

Receivables

Property taxes are levied in November on the assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for and remitted to the county government as well as the local school district and technical college district. 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 - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

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 sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

Village of Butler

Notes to Financial Statements
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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.

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.

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 Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets and \$5,000 for infrastructure assets and an estimated useful life in excess of 1 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, overhead and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Village of Butler

Notes to Financial Statements
December 31, 2020

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	20-40	Years
Land Improvements	20	Years
Machinery and Equipment	5-20	Years
Utility System	15-100	Years
Infrastructure	20-75	Years
Intangibles	8-10	Years

Fund Financial Statements

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

Deferred Outflows of Resources

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

Compensated Absences

The Village does not accrue accumulated vacation time, but rather expenses this cost as paid. Vacation time is not cumulative from year to year. Accumulated sick leave benefits are converted to a termination benefit and payable to employees upon retirement or death. Estimated future payments of accumulated termination benefits are recorded in the government-wide financial statements. There are no provisions to pay accumulated sick leave or termination benefits if an employee terminates (except in the case of death) prior to retirement age.

Long-Term Obligations

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 effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

Deferred Inflows of Resources

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

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 Administrator 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 Butler

Notes to Financial Statements
December 31, 2020

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 working capital fund of 10% of the subsequent year's general fund operating budget. The balance at year end was \$226,711 and is included in unassigned general fund fund balance.

See Note 4. for further information.

Pension

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, the Village OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

Basis for Existing Rates

Water, Storm Water and Sewer Service Funds

Rates for the water, storm water and sewer service utilities are based on rates approved on July 1, 2019 for water, January 1, 2016 sewer service and January 1, 2020 for storm water.

Village of Butler

Notes to Financial Statements
December 31, 2020

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance, total governmental funds and net position, governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

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

Land	\$	344,080
Construction in progress		34,819
Land improvements		721,394
Buildings		2,812,633
Machinery and equipment		2,369,895
Infrastructure		4,387,713
Intangibles		62,964
Less accumulated depreciation		<u>(3,699,040)</u>
Combined adjustment for capital assets	\$	<u>7,034,458</u>

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	\$	5,041,550
Compensated absences		74,489
Accrued interest		54,190
Unamortized debt premium		24,677
OPEB - Health		61,392
OPEB - Life		<u>55,186</u>
Combined adjustment for long-term liabilities	\$	<u>5,311,484</u>

3. Stewardship, Compliance and Accountability

Excess Expenditures Over Appropriations

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service Fund	\$ 422,003	\$ 434,243	\$ 12,240

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

Village of Butler

Notes to Financial Statements
December 31, 2020

Limitations on the Village's Tax Levy

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

4. 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	\$ 4,473,558	\$ 4,494,717	Custodial Credit
LGIP	984,959	984,959	Credit
Petty cash	240	-	N/A
Total deposits and investments	<u>\$ 5,458,757</u>	<u>\$ 5,479,676</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 3,406,055		
Restricted cash and investments	48,036		
Per statement of fiduciary net position			
Custodial Fund	<u>2,004,666</u>		
Total deposits and investments	<u>\$ 5,458,757</u>		

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

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

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.

Village of Butler

Notes to Financial Statements
December 31, 2020

As of December 31, 2020, \$2,753,182 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	518,915
Uninsured and collateral held by the pledging financial institution		<u>2,234,267</u>
Total	\$	<u><u>2,753,182</u></u>

Credit Risk

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

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

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 \$19,947 of ambulance receivables, \$7,188 of delinquent personal property taxes and \$7,261 of special assessments.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 2,033,540	\$ -
Special assessments not yet due	-	7,261
Police citations receivable	<u>-</u>	<u>59,392</u>
Total unearned/unavailable revenue for governmental funds	<u><u>\$ 2,033,540</u></u>	<u><u>\$ 66,653</u></u>

Village of Butler

Notes to Financial Statements
December 31, 2020

Restricted Assets

The following represent the balances of the restricted assets:

Equipment Replacement Account

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

Net Pension Asset

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

Following is a list of restricted assets at December 31, 2020:

	Restricted Assets
Equipment replacement account	\$ 48,036
Net pension asset	<u>280,548</u>
Total	<u><u>\$ 328,584</u></u>

Village of Butler

Notes to Financial Statements
December 31, 2020

Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 344,080	\$ -	\$ -	\$ 344,080
Construction in progress	<u>28,554</u>	<u>34,819</u>	<u>28,554</u>	<u>34,819</u>
Total capital assets not being depreciated/amortized	<u>372,634</u>	<u>34,819</u>	<u>28,554</u>	<u>378,899</u>
Capital assets being depreciated/amortized:				
Land Improvements	670,155	63,239	12,000	721,394
Buildings	2,804,483	8,150	-	2,812,633
Machinery and equipment	2,364,918	9,382	4,405	2,369,895
Infrastructure	3,550,785	836,928	-	4,387,713
Intangibles	<u>62,964</u>	<u>-</u>	<u>-</u>	<u>62,964</u>
Total capital assets being depreciated/amortized	<u>9,453,305</u>	<u>917,699</u>	<u>16,405</u>	<u>10,354,599</u>
Total capital assets	<u>9,825,939</u>	<u>952,518</u>	<u>44,959</u>	<u>10,733,498</u>
Less accumulated depreciation/amortization for:				
Land Improvements	(327,919)	(26,662)	12,000	(342,581)
Buildings	(827,703)	(67,801)	-	(895,504)
Machinery and equipment	(1,653,892)	(119,555)	4,405	(1,769,042)
Infrastructure	(538,400)	(109,756)	-	(648,156)
Intangibles	<u>(36,340)</u>	<u>(7,417)</u>	<u>-</u>	<u>(43,757)</u>
Total accumulated depreciation/amortization	<u>(3,384,254)</u>	<u>(331,191)</u>	<u>16,405</u>	<u>(3,699,040)</u>
Net capital assets being depreciated/amortized	<u>6,069,051</u>	<u>586,508</u>	<u>-</u>	<u>6,655,559</u>
Total governmental activities capital assets, net of accumulated depreciation/amortization	<u>\$ 6,441,685</u>	<u>\$ 621,327</u>	<u>\$ 28,554</u>	<u>\$ 7,034,458</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 40,830
Public safety	85,811
Public works	169,485
Library, parks and recreation	<u>35,065</u>

Total governmental activities depreciation / amortization expense \$ 331,191

Village of Butler

Notes to Financial Statements
December 31, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 18,293	\$ -	\$ -	\$ 18,293
Construction in progress	4,366	20,643	4,366	20,643
Total capital assets not being depreciated/amortized	22,659	20,643	4,366	38,936
Capital assets being depreciated/amortized:				
Buildings and improvements	179,662	-	-	179,662
Machinery and equipment	285,863	-	-	285,863
Water distribution system	2,791,597	76,214	18,083	2,849,728
Storm water system	3,439,223	163,405	70,265	3,532,363
Sewer collection system	943,284	13,465	5,790	950,959
Intangibles	9,205	-	-	9,205
Total capital assets being depreciated/amortized	7,648,834	253,084	94,138	7,807,780
Total capital assets	7,671,493	273,727	98,504	7,846,716
Less accumulated depreciation/amortization for:				
Buildings and improvements	(142,733)	(2,273)	-	(145,006)
Machinery and equipment	(115,960)	(24,335)	-	(140,295)
Water distribution system	(791,813)	(42,190)	18,083	(815,920)
Storm water system	(1,339,901)	(41,368)	70,265	(1,311,004)
Sewer collection system	(650,815)	(12,757)	5,790	(657,782)
Intangibles	(1,334)	(736)	-	(2,070)
Total accumulated depreciation/amortization	(3,042,556)	(123,659)	94,138	(3,072,077)
Net capital assets being depreciated/amortized	4,606,278	129,425	-	4,735,703
Business-type capital assets, net of accumulated depreciation/amortization	<u>\$ 4,628,937</u>	<u>\$ 150,068</u>	<u>\$ 4,366</u>	<u>\$ 4,774,639</u>

Depreciation/amortization expense was charged to functions as follows:

Business-Type Activities

Sewer	\$ 19,669
Water	56,698
Stormwater	<u>47,077</u>
Total business-type activities depreciation/amortization expense	<u>\$ 123,444</u>

Depreciation expense is different from additions because of joint metering.

Village of Butler

Notes to Financial Statements
December 31, 2020

Interfund Receivables/Payables 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>
Water Utility	General Fund	\$ 19,825
Sewer Service Utility	General Fund	37,729
Storm Water Utility	General Fund	8,578
General Fund	Storm Water Utility	<u>(26,752)</u>
Total		<u>\$ 39,380</u>

All amounts are due within one year.

The primary reason for the above interfund amounts relates to a time lag between the dates the transactions are recorded and the dates payments are made between funds.

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>
Water Utility	Sewer Utility	\$ 683	Shared meter cost
General Fund	Water Utility	<u>48,543</u>	Tax equivalent
Total - Fund Financial Statements		49,226	
Less fund eliminations		<u>(683)</u>	
Total transfers, government-wide statement of activities		<u>\$ 48,543</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 Butler

Notes to Financial Statements
December 31, 2020

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, 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	\$ 3,570,000	\$ 1,465,000	\$ 305,000	\$ 4,730,000	\$ 320,000
General obligation notes from direct borrowings and direct placements	76,433	250,000	14,883	311,550	38,388
(Discounts)/Premiums:	<u>27,720</u>	<u>-</u>	<u>3,043</u>	<u>24,677</u>	<u>-</u>
Subtotal	<u>3,674,153</u>	<u>1,715,000</u>	<u>322,926</u>	<u>5,066,227</u>	<u>358,388</u>
Other liabilities:					
Net pension liability	258,008	-	258,008	-	-
Compensated absences	96,241	4,483	26,235	74,489	7,019
Other postemployment benefits - Health	83,785	10,900	33,293	61,392	-
Other postemployment benefits - Life	<u>30,203</u>	<u>24,983</u>	<u>-</u>	<u>55,186</u>	<u>-</u>
Total other liabilities	<u>468,237</u>	<u>40,366</u>	<u>317,536</u>	<u>191,067</u>	<u>7,019</u>
Total governmental activities long-term liabilities	<u>\$ 4,142,390</u>	<u>\$ 1,755,366</u>	<u>\$ 640,462</u>	<u>\$ 5,257,294</u>	<u>\$ 365,407</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 1,260,000	\$ -	\$ 135,000	\$ 1,125,000	\$ 85,000
(Discounts)/Premiums:	<u>13,790</u>	<u>-</u>	<u>1,974</u>	<u>11,816</u>	<u>-</u>
Subtotal	<u>1,273,790</u>	<u>-</u>	<u>136,974</u>	<u>1,136,816</u>	<u>85,000</u>
Other liabilities:					
Net pension liability	42,181	-	42,181	-	-
Other postemployment benefits - Health	20,580	3,021	6,589	17,012	-
Other postemployment benefits - Life	<u>8,303</u>	<u>10,702</u>	<u>-</u>	<u>19,005</u>	<u>-</u>
Total other liabilities	<u>71,064</u>	<u>13,723</u>	<u>48,770</u>	<u>36,017</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 1,344,854</u>	<u>\$ 13,723</u>	<u>\$ 185,744</u>	<u>\$ 1,172,833</u>	<u>\$ 85,000</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5 percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2020, was \$12,712,985. Total general obligation debt outstanding at year end was \$6,166,550.

Village of Butler

Notes to Financial Statements
December 31, 2020

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>					
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
State Trust Fund Loan - Direct	01/08/05	03/15/24	5.25%	\$ 189,007	\$ 56,647
General Obligation Promissory Notes	3/26/13	4/1/22	0.75 - 1.6	470,000	220,000
General Obligation Promissory Note - Direct	11/3/14	2/15/22	0.00	19,609	4,903
General Obligation Refunding Bond	2/9/16	2/9/36	3.00	995,000	830,000
General Obligation Corporate Purpose Bonds	3/30/17	2/1/37	3.00	425,000	380,000
General Obligation Corporate Purpose Bonds	4/17/18	2/1/38	2.20 - 3.75	1,090,000	1,050,000
General Obligation Corporate Purpose Bonds	4/23/19	2/1/38	2.00 - 3.00	880,000	785,000
GO Promissory Note - Direct	12/1/20	12/1/30	1.99	250,000	250,000
GO Corporate Purpose Bonds	4/2/20	2/1/40	1.3 - 2.7	1,465,000	<u>1,465,000</u>
Total governmental activities, general obligation debt					<u>\$ 5,041,550</u>
<u>Business-Type Activities</u>					
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
General Obligation Refunding Bonds	02/9/16	02/9/36	3.00%	\$ 65,000	\$ 40,000
General Obligation Corporate Purpose Bonds	3/30/17	2/1/37	3.00	660,000	585,000
General Obligation Corporate Purpose Bonds	4/23/19	2/1/38	2.00 - 3.00	520,000	<u>500,000</u>
Total business-type activities, general obligation debt					<u>\$ 1,125,000</u>

Village of Butler

Notes to Financial Statements
December 31, 2020

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 320,000	\$ 121,858	\$ 85,000	\$ 32,588
2022	335,000	115,173	50,000	30,763
2023	240,000	109,003	50,000	29,463
2024	230,000	103,628	50,000	28,138
2025	235,000	98,190	50,000	26,788
2026-2030	1,225,000	399,255	295,000	110,031
2031-2035	1,340,000	221,300	360,000	59,650
2036-2040	<u>805,000</u>	<u>44,635</u>	<u>185,000</u>	<u>7,413</u>
Total	<u>\$ 4,730,000</u>	<u>\$ 1,213,042</u>	<u>\$ 1,125,000</u>	<u>\$ 324,834</u>

<u>Years</u>	<u>Governmental Activities Notes from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 38,388	\$ 7,949
2022	39,531	6,807
2023	38,266	5,620
2024	39,498	4,388
2025	24,715	3,102
2026-2030	<u>131,152</u>	<u>7,933</u>
Total	<u>\$ 311,550</u>	<u>\$ 35,799</u>

The Village's outstanding notes from direct borrowings and/or direct placements related to governmental activities of \$61,550 contain a provision that in an event of default, outstanding amounts become immediately due and payable.

Other Debt Information

Estimated payments of compensated absences liability and other post employment benefits obligations are not included in the debt service requirement schedules. The compensated absences liability and other post employment benefits obligations attributable to governmental activities will be liquidated primarily by the general fund.

Village of Butler

Notes to Financial Statements
December 31, 2020

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 344,080
Construction in progress	34,819
Other capital assets, net of accumulated depreciation/amortization	6,655,559
Less long-term debt outstanding	(5,041,550)
Plus unspent capital related debt proceeds	1,106,746
Plus noncapital debt proceeds	306,647
Less unamortized debt premium	<u>(24,677)</u>
Total net investment in capital assets	<u>3,381,624</u>

Restricted:

Restricted for library purposes	26,850
Restricted for pension	<u>241,330</u>
Total restricted	<u>268,180</u>

Unrestricted 545,228

Total governmental activities net position \$ 4,195,032

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

Nonspendable

Major Fund:

General Fund:

Delinquent personal property taxes	\$ 7,188
Prepaid items	24,124
Ambulance fees receivable - noncurrent	<u>19,947</u>

Total \$ 51,259

Restricted

Major Funds:

Special Revenue Fund:

Library Fund \$ 26,850

Debt Service Fund:

Debt Service purposes 33,236

Capital Projects Fund:

Borrowed Money Fund - unspent proceeds 1,106,746

Total \$ 1,166,832

Village of Butler

Notes to Financial Statements
December 31, 2020

Committed

Major Funds:

General Fund:

Committed for Community Service \$ 36,725

Capital Projects Fund:

Equipment Fund 545,644

Total \$ 582,369

Assigned

Major Fund:

General Fund:

Unfunded compensated absences \$ 37,245

Unassigned

Major Fund:

General fund \$ 466,143

Nonmajor Funds:

Special Revenue Funds:

Park and Recreation 13,056

Total \$ 479,199

Business-Type Activities

Net investment in capital assets:

Land \$ 18,293

Construction in progress 20,643

Other capital assets, net of accumulated depreciation 4,735,703

Less Long-term debt outstanding (1,125,000)

Less unamortized debt premium (11,816)

Total net investment in capital assets 3,637,823

Restricted:

Equipment replacement 48,036

Pension 39,218

Total restricted 87,254

Unrestricted 1,111,925

Total business-type activities net position \$ 4,837,002

Village of Butler

Notes to Financial Statements
December 31, 2020

5. 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, and expected to work at least 1,200 hours a year (880 hours 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 issued a standalone WRS Financial Report, which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

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

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 Butler

Notes to Financial Statements

December 31, 2020

Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

Village of Butler

Notes to Financial Statements
December 31, 2020

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 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 \$92,196 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

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

At December 31, 2020, the Village reported an liability (asset) of \$(280,548) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.00870006 percent, which was an increase of 0.00026228 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$95,081.

Village of Butler

Notes to Financial Statements
December 31, 2020

At December 31, 2020, 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 expected and actual experience	\$ 532,545	\$ 266,502
Changes in assumptions	21,862	-
Net differences between projected and actual earnings on pension plan investments	-	573,540
Changes in proportion and differences between employer contributions and proportionate share of contributions	969	1,802
Employer contributions subsequent to the measurement date	<u>107,761</u>	<u>-</u>
Total	<u>\$ 663,137</u>	<u>\$ 841,844</u>

\$107,761 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. 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>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2021	\$ (85,413)
2022	(63,783)
2023	10,112
2024	(147,384)

Village of Butler

Notes to Financial Statements
December 31, 2020

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9 percent is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

Village of Butler

Notes to Financial Statements
December 31, 2020

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:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Butler

Notes to Financial Statements
December 31, 2020

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 7.00 percent, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 722,461	\$ (280,548)	\$ (1,030,412)

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, 2020, the Village reported a payable to the pension plan of \$16,268, which represents contractually required contributions outstanding as of the end of the year.

Risk Management

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

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band 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 received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Village of Butler

Notes to Financial Statements
December 31, 2020

Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The Village's defined benefit OPEB plan, Village Retiree Benefits Plan (VRBP), provides OPEB for all permanent full-time general and public safety employees of the Village. VRBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

VRBP provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100 percent of health insurance premiums for non-Medicare-eligible retirees and 100 percent of supplemental health insurance premiums for Medicare-eligible retirees.

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	1
Active plan members	<u>14</u>
Total	<u><u>15</u></u>

The Village's total OPEB liability of \$78,404 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	2.80%
Healthcare cost trend rates	4.6% in 2020 then up to 5.0% in 2021 and thereafter

The discount rate was based on the current yield for High Quality 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates are based on rates from the Wisconsin Retirement System 2015 – 2017 Experience Study with the MP-2018 generational improvement scale (multiplied by 50%).

Village of Butler

Notes to Financial Statements
December 31, 2020

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2019	\$ 104,365
Changes for the year:	
Service cost	4,607
Interest	4,044
Changes of benefit terms	(7,314)
Differences between expected and actual experience	(26,049)
Changes in assumptions or other inputs	5,270
Benefit payments	(6,519)
Net changes	(25,961)
Balances at December 31, 2020	\$ 78,404

Changes of benefit terms reflect the repeal of the Cadillac Tax in 2020.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00 percent in 2019 to 2.12 percent in 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12 percent) or 1-percentage-point higher (3.12 percent) than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 84,840	\$ 78,404	\$ 72,356

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.6 percent increasing to 4.0 percent) or 1-percentage-point higher (5.6 percent increasing to 6.6 percent) than the current healthcare cost trend rates:

	1% Decrease (3.6% Increasing to 4.0%)	Healthcare Cost Trend Rates (4.6% Increasing to 5.0%)	1% Increase (5.6% Increasing to 6.6%)
Total OPEB liability	\$ 69,072	\$ 78,404	\$ 89,487

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Village recognized OPEB expense of \$(93).

Village of Butler

Notes to Financial Statements
December 31, 2020

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 24,256
Changes of assumptions or other inputs	<u>4,907</u>	<u>-</u>
Total	<u>\$ 4,907</u>	<u>\$ 24,256</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2021	\$ (1,430)
2022	(1,430)
2023	(1,430)
2024	(1,430)
2025	(1,430)
Thereafter	(12,199)

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Comprehensive Annual Financial Report which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Village of Butler

Notes to Financial Statements
December 31, 2020

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates* For the year ended December 31, 2019		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$314 in contributions from the employer.

OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2020, the Village reported a liability of \$74,191 percent for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. 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 OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.01742300 percent, which was an increase of 0.00250000 percent from its proportion measured as of December 31, 2018.

Village of Butler

Notes to Financial Statements
December 31, 2020

For the year ended December 31, 2020, the Village recognized OPEB expense of \$5,407.

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,323
Net differences between projected and actual earnings on OPEB plan investments	1,399	-
Changes in assumptions	27,369	8,160
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,362	5,505
Employer contributions subsequent to the measurement date	<u>2,028</u>	<u>-</u>
Total	<u>\$ 37,158</u>	<u>\$ 16,988</u>

\$2,028 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2021	\$ 2,914
2022	2,914
2023	2,763
2024	2,608
2025	2,207
Thereafter	4,736

Village of Butler

Notes to Financial Statements
December 31, 2020

Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Village of Butler

Notes to Financial Statements
December 31, 2020

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2019

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
US Credit Bonds	Barclays Credit	45 %	2.12 %
US Long Credit Bonds	Barclays Long Credit	5	2.90
US Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long-Term Expected Rate of Return			4.25 %

The long-term expected rate of return decreased slightly from 5.00 percent in the prior year to 4.25 percent in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30 percent in the prior year to 2.20 percent in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Single Discount Rate

A single discount rate of 2.87 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22 percent for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10 percent as of December 31, 2018 to 2.74 percent as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Village of Butler

Notes to Financial Statements
December 31, 2020

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	<u>1% Decrease to Discount Rate (1.87%)</u>	<u>Current Discount Rate (2.87%)</u>	<u>1% Increase to Discount Rate (3.87%)</u>
Village's proportionate share of the net OPEB liability	\$ 102,445	\$ 74,191	\$ 52,695

Subsequent Events

On March 25, 2021, the Village issued general obligation promissory bonds in the amount of \$1,680,000 with an interest rate of 2 percent. This amount will be used to finance street improvements and water and stormwater projects.

Effect of New Accounting Standards on Current-Period Financial Statements

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

Statement No. 87, *Leases*

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus 2020*

Statement No. 93, *Replacement of Interbank Offered Rates*

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Statement No. 96, *Subscription-Based Information Technology Arrangements*

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

REQUIRED SUPPLEMENTARY INFORMATION

Village of Butler

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund (Non-GAAP)
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 1,439,704	\$ 1,439,704	\$ -
Intergovernmental	330,473	404,579	74,106
Licenses and permits	93,665	89,719	(3,946)
Fines, forfeitures and penalties	154,500	116,199	(38,301)
Public charges for services	103,300	91,684	(11,616)
Investment income	8,400	6,482	(1,918)
Interdepartmental revenues	78,000	78,000	-
Miscellaneous revenues	3,500	15,074	11,574
	<u>2,211,542</u>	<u>2,241,441</u>	<u>29,899</u>
Total revenues			
Expenditures			
Current:			
General government	739,989	709,268	30,721
Public safety	1,098,846	1,119,303	(20,457)
Public works	283,687	257,660	26,027
Health and sanitation	123,000	119,276	3,724
Community development	-	33,156	(33,156)
Capital outlay	4,520	4,965	(445)
	<u>2,250,042</u>	<u>2,243,628</u>	<u>6,414</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>(38,500)</u>	<u>(2,187)</u>	<u>36,313</u>
Other Financing Sources			
Proceeds from sale of capital assets	-	5,834	5,834
Transfer in	38,500	48,543	10,043
	<u>38,500</u>	<u>54,377</u>	<u>15,877</u>
Total other financing sources			
Excess of revenues over (under) and other Financing sources over expenditures and other financing sources, budgetary basis	<u>\$ -</u>	<u>52,190</u>	<u>\$ 52,190</u>
Adjustment to Generally Accepted Accounting Principles Basis			
Revenue credited to designated funds		3,625	
Expenditures charged to designated funds		<u>(1,922)</u>	
Net change in fund balance		53,893	
Fund Balance, Beginning		<u>537,479</u>	
Fund Balance, Ending		<u>\$ 591,372</u>	

See notes to required supplementary information.

Village of Butler

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Special Revenue Fund - Library
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 94,561	\$ 94,561	\$ -
Intergovernmental	7,636	6,735	(901)
Public charges for services	5,600	2,848	(2,752)
Miscellaneous revenues	925	1,523	598
	<u>108,722</u>	<u>105,667</u>	<u>(3,055)</u>
Expenditures			
Current:			
Library, parks and recreation	107,722	103,676	4,046
Contingency	1,000	-	1,000
	<u>108,722</u>	<u>103,676</u>	<u>5,046</u>
Net change in fund balance	<u>\$ -</u>	1,991	<u>\$ 1,991</u>
Fund Balance, Beginning		<u>24,859</u>	
Fund Balance, Ending		<u>\$ 26,850</u>	

See notes to required supplementary information.

Village of Butler

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
 Wisconsin Retirement System
 Year Ended December 31, 2020

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/2014	0.00787827%	\$ (193,512)	\$ 838,206	23.09%	102.74%
12/31/2015	0.00776516%	126,182	927,155	13.61%	98.20%
12/31/2016	0.00784969%	64,700	924,216	7.00%	99.12%
12/31/2017	0.00821583%	(243,937)	953,656	25.58%	102.93%
12/31/2018	0.00843778%	300,189	984,570	30.49%	96.45%
12/31/2019	0.00870006%	(280,548)	1,026,911	27.32%	102.96%

Schedule of Employer Contributions - Wisconsin Retirement System
 Year Ended December 31, 2020

<u>Village Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2015	\$ 76,515	\$ 76,515	\$ -	\$ 927,155	8.25%
12/31/2016	75,234	75,234	-	924,216	8.14%
12/31/2017	87,726	87,726	-	953,656	9.20%
12/31/2018	93,612	93,612	-	984,570	9.51%
12/31/2019	93,934	93,934	-	1,026,911	9.15%
12/31/2020	107,761	107,761	-	1,087,279	9.91%

See notes to required supplementary information.

Village of Butler

Schedule of Changes in the Total OPEB Liability and Related Ratios -
Village Retiree Benefits Plan
Year Ended December 31, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 4,546	\$ 4,430	\$ 4,607
Interest	4,024	4,205	4,044
Prior year activity	96,065	-	-
Changes in benefits	-	-	(7,314)
Differences between expected and actual experience	-	-	(26,049)
Changes of assumptions	-	-	5,270
Benefit payments	<u>(3,933)</u>	<u>(4,972)</u>	<u>(6,519)</u>
Net change in total OPEB liability	100,702	3,663	(25,961)
Total OPEB Liability, Beginning	<u>-</u>	<u>100,702</u>	<u>104,365</u>
Total OPEB Liability, Ending	<u>\$ 100,702</u>	<u>\$ 104,365</u>	<u>\$ 78,404</u>
Covered-employee payroll	\$ 1,059,880	\$ 1,059,880	\$ 1,139,306
Total OPEB liability as a percentage of covered-employee payroll	9.50%	9.85%	6.88%

Note: This schedule is to show information for 10 years.

However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See notes to required supplementary information.

Village of Butler

Schedule of Proportionate Share of The Net OPEB Liability -
Local Retiree Life Insurance Fund
Year Ended December 31, 2020

Plan Fiscal Year End	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2017	0.01738800%	\$ 52,313	\$ 731,215	7.15%	44.81%
12/31/2018	0.01492300%	38,506	924,000	4.17%	48.69%
12/31/2019	0.01742300%	74,191	943,000	7.87%	37.58%

Schedule of Employer Contributions - Local Retiree Life Insurance Fund
Year Ended December, 2020

Village Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	\$ 1,739	\$ 1,739	\$ -	\$ 985,919	0.18%
12/31/2019	2,190	2,190	-	1,008,979	0.22%
12/31/2020	2,028	2,028	-	1,087,279	0.19%

See notes to required supplementary information.

Village of Butler

Notes to Required Supplementary Information
Year Ended December 31, 2020

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 budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Village Board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

Wisconsin Retirement System

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

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

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

Changes in assumptions. No significant change in assumptions were noted from the prior year.

Local Retiree Life Insurance Fund

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

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

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

Changes in assumptions. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section in Note 5 for additional details.

Village Retiree Benefits Plan

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

Changes in benefit terms. There were no changes of benefit terms.

Changes in assumptions. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section in Note 5 for additional details.

SUPPLEMENTARY INFORMATION

Village of Butler

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Debt Service Fund
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 420,903	\$ 420,903	\$ -
Commercial revenues	1,100	308	(792)
Total revenues	<u>422,003</u>	<u>421,211</u>	<u>(792)</u>
Expenditures			
Debt service:			
Principal retirement	319,883	319,883	-
Interest and charges	<u>102,120</u>	<u>114,360</u>	<u>(12,240)</u>
Total expenditures	<u>422,003</u>	<u>434,243</u>	<u>(12,240)</u>
Net changes in fund balances	<u>\$ -</u>	<u>(13,032)</u>	<u>\$ (13,032)</u>
Fund Balances, Beginning		<u>46,268</u>	
Fund Balances, Ending		<u>\$ 33,236</u>	

OTHER INFORMATION

Village of Butler

Comparative Schedule of Taxes and Valuation Data 2016 - 2020 Tax Rolls

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
State Taxes	\$ 42,816	\$ -	\$ -	\$ -	\$ -
County Taxes	435,656	428,458	487,503	449,764	448,385
Tax Incremental District	671,919	658,306	-	-	-
Local Taxes					
Village purposes	1,840,204	1,863,491	2,026,846	2,031,542	2,033,540
Local schools	2,115,962	2,040,500	2,403,604	2,272,995	2,209,887
Vocational school	80,389	80,902	93,381	89,016	89,331
Total general property taxes	5,186,946	5,071,657	5,011,334	4,843,317	4,781,143
Other	1,663	1,782	2,272	328	100
Delinquent Utility Charges	56,885	50,382	58,923	69,158	71,403
Aggregate amount of tax bill	<u>\$ 5,245,494</u>	<u>\$ 5,123,821</u>	<u>\$ 5,072,529</u>	<u>\$ 4,912,803</u>	<u>\$ 4,852,646</u>
Assessed Valuation	<u>\$ 252,069,080</u>	<u>\$ 253,535,810</u>	<u>\$ 248,071,090</u>	<u>\$ 251,291,400</u>	<u>\$ 251,267,310</u>
Equalized Valuation	<u>\$ 252,295,600</u>	<u>\$ 253,512,700</u>	<u>\$ 257,936,700</u>	<u>\$ 247,158,600</u>	<u>\$ 254,259,700</u>
Ratio of Assessment	<u>99.91%</u>	<u>100.01%</u>	<u>96.18%</u>	<u>101.67%</u>	<u>98.82%</u>