

# **Village of Butler**

Financial Statements and  
Supplementary Information

December 31, 2021

# Village of Butler

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# Village of Butler

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## **Independent Auditors' Report**

To the Village Board of  
Village of Butler

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Butler (the Village), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Butler, Wisconsin, as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the comparative schedule of taxes and valuation data but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

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

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
October 17, 2022

## Village of Butler, Wisconsin

### Management's Discussion and Analysis As of and for the year ended December 31, 2021 (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, 2021. The discussion and analysis present the highlights of the 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 \$9,072,550 (net position). Of this amount, \$1,742,308 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$40,516.
- At the close of the 2021 fiscal year, the Village's governmental funds reported combined ending fund balances of \$2,222,905, a decrease of \$93,999 in comparison with the prior year. Approximately 20% of this total amount, \$432,909, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the 2021 fiscal year, the unassigned fund balance for the General Fund was \$488,439, or 22% of the total general fund expenditures.
- The Village of Butler's total long-term debt, including compensated absences and other post-employment benefits, increased by \$1,320,394 during the fiscal year ended December 31, 2021.

#### 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 Storm Water Utility.

## Village of Butler, Wisconsin

### Management Discussion and Analysis As of and for the year ended December 31, 2021 (unaudited)

The government-wide financial statements include the Village of Butler. 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 14 and 15 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 seven 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 Fund for the Library, the Debt Service Fund, and the Capital Projects Fund for the Borrowed Money Funds. The nonmajor funds (the Special Revenue Funds for Park and Recreation and ARPA and the Capital Projects Fund for Equipment) are shown combined together.

The Village of Butler adopts an annual appropriated budget for its General Fund, Special Revenue Funds (except the ARPA fund), 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 59 and 60 of this report.

The basic governmental fund financial statements can be found on pages 16 through 18 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 19 through 21 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 22 and 23 of this report.



**Village of Butler, Wisconsin**

**Management Discussion and Analysis  
As of and for the year ended December 31, 2021  
(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 24 through 58 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 65 and 68 of this report respectively. The nonmajor governmental funds financial statements can be found on pages 66 and 67.

**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 \$9,072,551 as of December 31, 2021, compared with the net position on December 31, 2020, of \$9,032,034.

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 are 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**

	<b>Governmental Activities 2021</b>	<b>Business-type Activities 2021</b>	<b>Total</b>
Current assets	\$ 5,203,023	\$ 1,885,992	\$ 7,089,015
Capital assets	7,578,227	5,130,956	12,709,183
<b>Total Assets</b>	<b>12,781,250</b>	<b>7,016,948</b>	<b>19,798,198</b>
Deferred outflows related to OPEBs	44,419	15,530	59,949
Deferred outflows related to pension	811,153	130,292	941,445
<b>Total Deferred Outflows of Resources</b>	<b>855,572</b>	<b>145,822</b>	<b>1,001,394</b>
Current liabilities	650,577	308,570	959,147
Noncurrent liabilities outstanding	5,397,546	1,868,444	7,265,990
<b>Total Liabilities</b>	<b>6,048,123</b>	<b>2,177,014</b>	<b>8,225,137</b>
Unearned revenue	2,231,405	-	2,231,405
Deferred inflows related to OPEBs	29,526	9,688	39,214
Deferred inflows related to pension	1,063,201	168,084	1,231,285
<b>Total Deferred Inflows of Resources</b>	<b>3,324,132</b>	<b>177,772</b>	<b>3,501,904</b>
Net Position:			
Net investment in capital assets	3,491,543	3,203,971	6,695,514
Restricted	514,051	120,677	634,728
Unrestricted	258,973	1,483,335	1,742,308
<b>Total Net Position</b>	<b>\$ 4,264,567</b>	<b>\$ 4,807,983</b>	<b>\$ 9,072,550</b>

Village of Butler, Wisconsin

Management Discussion and Analysis  
As of and for the year ended December 31, 2021  
(unaudited)

	<u>Governmental Activities 2020</u>	<u>Business-type Activities 2020</u>	<u>Total</u>
Current assets	\$ 4,848,271	\$ 1,487,549	\$ 6,335,820
Capital assets	7,034,458	4,774,639	11,809,097
<b>Total Assets</b>	<u>11,882,729</u>	<u>6,262,188</u>	<u>18,144,917</u>
Deferred outflows related to OPEBs	31,803	10,262	42,065
Deferred outflows related to pension	571,805	91,332	663,137
<b>Total Deferred Outflows of Resources</b>	<u>603,608</u>	<u>101,594</u>	<u>705,202</u>
Current liabilities	244,034	227,296	471,330
Noncurrent liabilities outstanding	5,257,294	1,172,833	6,430,127
<b>Total Liabilities</b>	<u>5,501,328</u>	<u>1,400,129</u>	<u>6,901,457</u>
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
<b>Total Deferred Inflows of Resources</b>	<u>2,789,977</u>	<u>126,651</u>	<u>2,916,628</u>
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
<b>Total Net Position</b>	<u>\$ 4,195,032</u>	<u>\$ 4,837,002</u>	<u>\$ 9,032,034</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 \$1,742,308 and \$1,657,153 for 2021 and 2020 respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of both the 2021 and 2020 years, the Village is able to report positive balances in all three categories of net position. The Village's total net position increased by \$40,516 during the current fiscal year.

Village of Butler, Wisconsin

Management Discussion and Analysis  
As of and for the year ended December 31, 2021  
(unaudited)

**Analysis of the Village's Operations** - The following schedule highlights the Village's revenues and expenses for the fiscal years ended December 31, 2021 and 2020. The table utilizes the full accrual method of accounting. The table below demonstrates that governmental activities increased by \$69,535 and business-type activities decreased the Village's net position by \$29,018 in 2021.

Village of Butler's Changes in Net Position

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Total 2021	Total 2020
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 417,780	\$ 405,361	\$ 1,796,398	\$ 1,961,190	\$ 2,214,178	\$ 2,366,551
Operating Grants and Contributions	237,616	277,379	-	-	237,616	277,379
Capital Grants and Contributions	-	4,000	8,181	-	8,181	4,000
General revenues						
Property Tax For						
General Purposes	1,423,251	1,439,704	-	-	1,423,251	1,439,704
Parks and Recreation	17,400	17,400	-	-	17,400	17,400
Equipment	22,946	58,975	-	-	22,946	58,975
Debt Service	475,378	420,903	-	-	475,378	420,903
Library	94,565	94,561	-	-	94,565	94,561
Intergovernmental revenues not restricted to specific programs	266,810	129,935	-	-	266,810	129,935
Investment earnings	3,593	12,298	626	3,841	4,219	16,139
Other	118,277	47,187	-	-	118,277	47,187
Transfers	48,619	48,543	(48,619)	(48,543)	-	-
<b>Total Revenues and transfers</b>	<b>3,126,235</b>	<b>2,956,246</b>	<b>1,756,586</b>	<b>1,916,488</b>	<b>4,882,821</b>	<b>4,872,734</b>
<b>Expenses:</b>						
General government	772,133	762,433	-	-	772,133	762,433
Public safety	1,343,367	1,174,334	-	-	1,343,367	1,174,334
Public works	491,840	464,695	-	-	491,840	464,695
Health and sanitation	99,083	119,276	-	-	99,083	119,276
Community development	5,660	33,156	-	-	5,660	33,156
Library, parks and recreation	174,497	142,291	-	-	174,497	142,291
Interest and fiscal charges	170,120	186,232	-	-	170,120	186,232
Sewer Service	-	-	930,739	1,113,923	930,739	1,113,923
Water	-	-	593,149	694,937	593,149	694,937
Storm Water	-	-	261,717	231,572	261,717	231,572
<b>Total expenses</b>	<b>3,056,700</b>	<b>2,882,417</b>	<b>1,785,605</b>	<b>2,040,432</b>	<b>4,842,305</b>	<b>4,922,849</b>
<b>Change in net position</b>	<b>69,535</b>	<b>73,829</b>	<b>(29,019)</b>	<b>(123,944)</b>	<b>40,516</b>	<b>(50,115)</b>
Net position – beginning	4,195,032	4,121,203	4,837,002	4,960,946	9,032,034	9,082,149
Net position – ending	\$ 4,264,567	\$ 4,195,032	\$ 4,807,983	\$ 4,837,002	\$ 9,072,550	\$ 9,032,034

Village of Butler, Wisconsin

Management Discussion and Analysis  
As of and for the year ended December 31, 2021  
(unaudited)

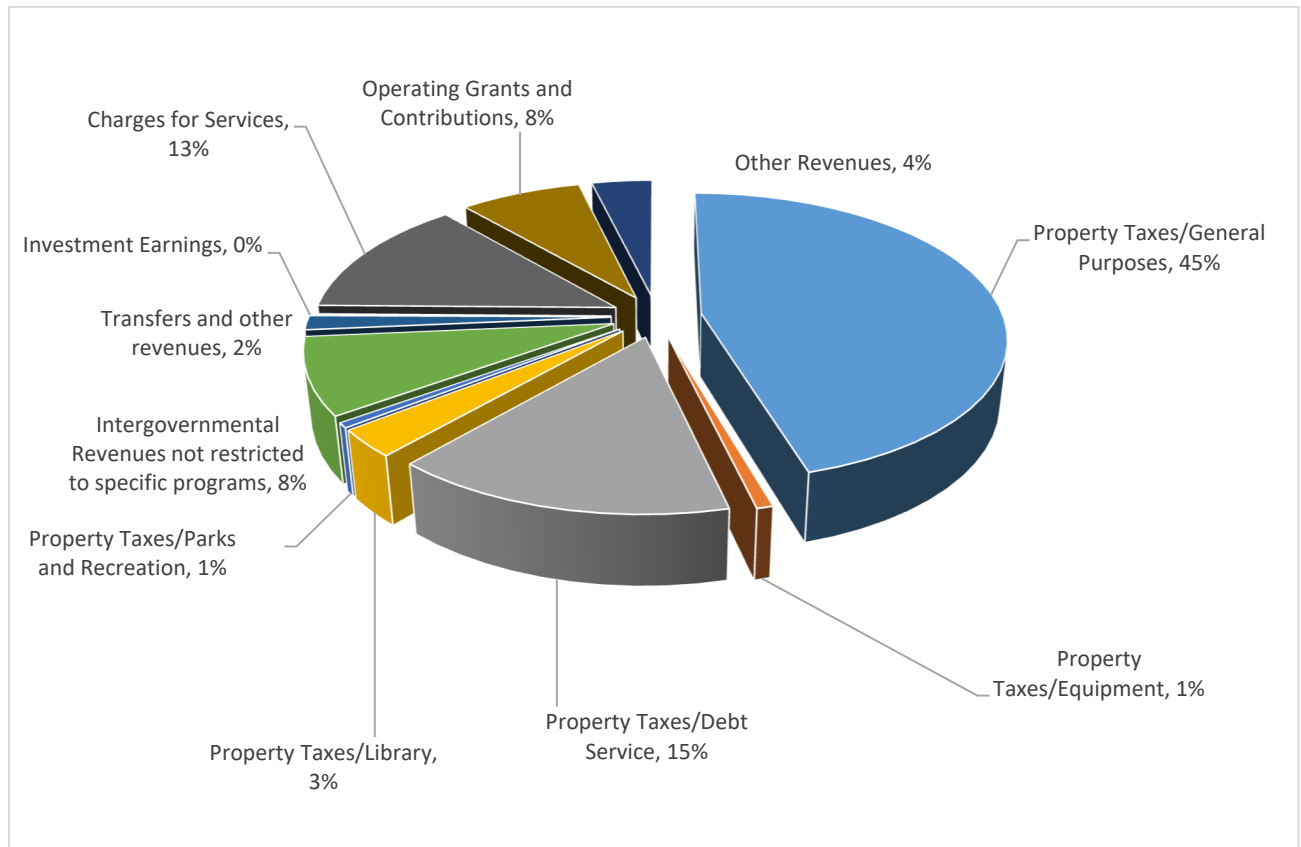
Governmental Activities

The table below discloses the cost of services for 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 2021	Total Cost of Services 2020	Net (Expense) of Services 2021	Net (Expense) of Services 2020
General government	\$ 772,133	\$ 762,433	\$ (661,637)	\$ (649,745)
Public safety	1,343,367	1,174,334	(1,077,595)	(877,989)
Public works	491,840	464,695	(278,172)	(274,001)
Health and sanitation	99,083	119,276	(61,667)	(78,368)
Community development	5,660	33,156	(5,660)	-
Library, parks and recreation	174,497	142,291	(146,453)	(129,342)
Interest on long-term debt	170,120	186,232	(170,120)	(186,232)
	<u>\$ 3,056,700</u>	<u>\$ 2,882,417</u>	<u>\$ (2,401,304)</u>	<u>\$ (2,195,677)</u>

The net cost of services is 79% of the total cost of services in 2021 and 76% in 2020. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

The graph below shows the 2021 percentage of the total governmental activities revenues allocated by each revenue type.



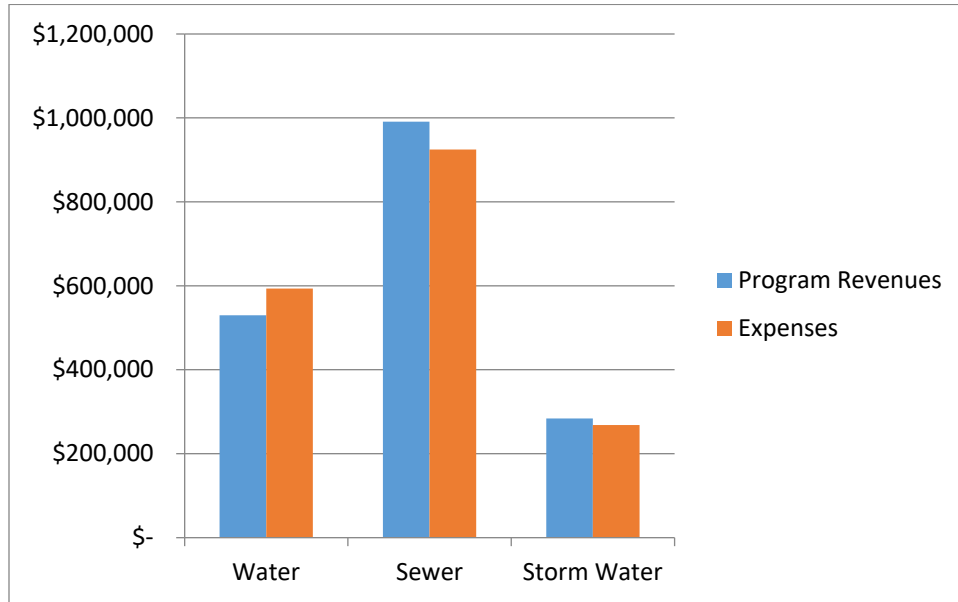
Village of Butler, Wisconsin

Management Discussion and Analysis  
As of and for the year ended December 31, 2021  
(unaudited)

Business-Type Activities

Total Business-type activities' charges for service revenues for the years ending December 31, 2021 and 2020 were \$1,796,398 and \$1,961,190, respectively. The Business-type activities decreased the Village of Butler's net position by \$29,019 in 2021 and decreased the Village of Butler's net position by \$123,944 in 2020.

The graph below shows the relationship between the 2021 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, 2021 (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 \$2,222,905, a decrease of \$93,999 in comparison with the prior year. Approximately 20% of this total amount (\$432,909) 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 2021, the General Fund balance increased by \$114,255. At the end of the year, the unassigned fund balance of the General Fund was \$488,439 while total fund balance was \$705,627. 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. The unassigned fund balance represents 22% of total general fund expenditures and transfers.

Fund balance in the Debt Service Fund increased by \$11,118 during 2021. Fund balance in the Borrowed Money Fund increased \$90,731 during 2021. Fund balance in the Library Fund decreased \$2,272 during 2021.

**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. The total net position of the Sewer Service Utility at the end of the year amounted to \$1,165,067, the Water Utility totaled \$1,395,371, and the Storm Water Utility the total net position was \$2,247,545. Total change in net position for the Water, Storm Water, and Sewer Service Utilities was a decrease of \$111,283, an increase of \$15,838, and an increase of \$66,426, respectively.

#### General Fund Budgetary Highlights.

- The total original and final revenue and transfer budget was \$2,267,105 and actual revenues and transfers on a budgetary non-GAAP basis were \$2,333,634.
- In total, the General Fund had an increase in fund balance of \$114,255 because of increased miscellaneous 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, 2021  
(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, 2021 and 2020 amounted to \$12.7 million and \$11.8 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 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Total 2021	Total 2020
Land	\$ 344,080	\$ 344,080	\$ 18,293	\$ 18,293	\$ 362,373	\$ 362,373
Construction in progress	53,409	34,819	34,726	20,643	88,135	55,462
Land Improvements	765,735	721,394	-	-	765,735	721,394
Buildings	2,812,633	2,812,633	179,662	179,662	2,992,295	2,992,295
Machinery & Equipment	2,412,056	2,369,895	285,863	285,863	2,697,919	2,655,758
Infrastructure	5,126,429	4,387,713	-	-	5,126,429	4,387,713
Intangibles	72,964	62,964	9,205	9,205	82,169	72,169
Water Distribution System	-	-	3,130,684	2,849,728	3,130,684	2,849,728
Storm Water Systems	-	-	3,537,484	3,532,363	3,537,484	3,532,363
Sewer Collection System	-	-	950,959	950,959	950,959	950,959
Accumulated depreciation	(4,009,079)	(3,699,040)	(3,015,920)	(3,072,077)	(7,024,999)	(6,771,117)
	<u>\$ 7,578,227</u>	<u>\$ 7,034,458</u>	<u>\$ 5,130,956</u>	<u>\$ 4,774,639</u>	<u>\$ 12,709,183</u>	<u>\$ 11,809,097</u>

Additional information on the Village's capital assets can be found in Note 4 on pages 37 through 39 of this report.

**Village of Butler, Wisconsin**

**Management Discussion and Analysis  
As of and for the year ended December 31, 2021  
(unaudited)**

**Long-term debt** - As of December 31, 2021 the Village of Butler governmental activities had general obligation bonds and notes outstanding totaling \$5,498,163. The Village of Butler has business-type activities notes payable totaling \$1,905,000. In the current year, the Village paid \$358,388 in principal and \$129,806 in interest on outstanding governmental activities debt. Business-Type Activities paid \$85,000 in principal and \$32,588 in interest on outstanding debt in the current year.

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

	<b>Governmental Activities 2021</b>	<b>Governmental Activities 2020</b>	<b>Business-type Activities 2021</b>	<b>Business-type Activities 2020</b>	<b>Total 2021</b>	<b>Total 2020</b>
General Obligations Bonds & Notes	\$ 5,498,162	\$ 5,041,550	\$ 1,905,000	\$ 1,125,000	\$ 7,403,162	\$ 6,166,550

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 \$18,295,100 in 2021 due to economic redevelopment.
- The tax levy for local purposes in year 2021 is \$2,231,405 compared to the prior year's levy of \$2,033,540.
- The Village of Butler's 2021 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 2022 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 questions 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](mailto:kthorpe@butlerwi.gov).



# Village of Butler

## Statement of Net Position

December 31, 2021

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments:			
Unrestricted	\$ 2,224,419	\$ 1,610,842	\$ 3,835,261
Restricted	-	48,064	48,064
Receivables	2,497,653	54,464	2,552,117
Inventories	-	12,635	12,635
Prepaid items	63,161	15,691	78,852
Internal balances	(71,683)	71,683	-
Restricted asset, net pension asset	489,473	72,613	562,086
Capital assets:			
Land	344,080	18,293	362,373
Construction in progress	53,409	34,726	88,135
Property and equipment (net)	7,180,738	5,077,937	12,258,675
 Total assets	 <u>12,781,250</u>	 <u>7,016,948</u>	 <u>19,798,198</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to OPEBs	44,419	15,530	59,949
Deferred outflows related to pension	811,153	130,292	941,445
 Total deferred outflows of resources	 <u>855,572</u>	 <u>145,822</u>	 <u>1,001,394</u>
<b>Liabilities</b>			
Accounts payable and other liabilities	212,328	172,248	384,576
Accrued interest payable	63,718	26,323	90,041
Noncurrent liabilities:			
Due within one year	374,531	110,000	484,531
Due in more than one year	5,397,546	1,868,444	7,265,990
 Total liabilities	 <u>6,048,123</u>	 <u>2,177,015</u>	 <u>8,225,138</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenue	2,231,405	-	2,231,405
Deferred inflows related to OPEBs	29,526	9,688	39,214
Deferred inflows related to pension	1,063,201	168,084	1,231,285
 Total deferred inflows of resources	 <u>3,324,132</u>	 <u>177,772</u>	 <u>3,501,904</u>
<b>Net Position</b>			
Net investment in capital assets	3,491,543	3,203,971	6,695,514
Restricted for pension	489,473	72,613	562,086
Restricted for equipment replacement	-	48,064	48,064
Restricted for library purposes	24,578	-	24,578
Unrestricted	258,973	1,483,335	1,742,308
 Total net position	 <u>\$ 4,264,567</u>	 <u>\$ 4,807,983</u>	 <u>\$ 9,072,550</u>

See notes to financial statements

**Village of Butler**

## Statement of Activities

Year Ended December 31, 2021

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	Total
<b>Governmental Activities</b>							
General government	\$ 772,133	\$ 110,496	\$ -	\$ -	\$ (661,637)	\$ -	\$ (661,637)
Public safety	1,343,367	249,120	16,652	-	(1,077,595)	-	(1,077,595)
Health and sanitation	99,083	30,120	7,296	-	(61,667)	-	(61,667)
Public works	491,840	-	213,668	-	(278,172)	-	(278,172)
Library, parks and recreation	174,497	28,044	-	-	(146,453)	-	(146,453)
Community development	5,660	-	-	-	(5,660)	-	(5,660)
Interest and fiscal charges	170,120	-	-	-	(170,120)	-	(170,120)
Total governmental activities	3,056,700	417,780	237,616	-	(2,401,304)	-	(2,401,304)
<b>Business-Type Activities</b>							
Water utility	593,149	521,566	-	8,181	-	(63,402)	(63,402)
Sewer service	930,739	990,912	-	-	-	60,173	60,173
Storm water	261,717	283,920	-	-	-	22,203	22,203
Total business-type activities	1,785,605	1,796,398	-	8,181	-	18,974	18,974
Total	\$ 4,842,305	\$ 2,214,178	\$ 237,616	\$ 8,181	(2,401,304)	18,974	(2,382,330)
General revenues							
Taxes:							
Property taxes levied for general purposes					1,423,251	-	1,423,251
Property taxes levied for equipment					22,946	-	22,946
Property taxes levied for debt service					475,378	-	475,378
Property taxes levied for parks and recreation					17,400	-	17,400
Property taxes levied for library					94,565	-	94,565
Intergovernmental revenues not restricted to specific programs					266,810	-	266,810
Investment income					3,593	626	4,219
Other					118,277	-	118,277
Transfers					48,619	(48,619)	-
Total general revenues and transfers					2,470,839	(47,993)	2,422,846
Change in net position					69,535	(29,019)	40,516
<b>Net Position, Beginning</b>					4,195,032	4,837,002	9,032,034
<b>Net Position, Ending</b>					\$ 4,264,567	\$ 4,807,983	\$ 9,072,550

See notes to financial statements

**Village of Butler**

Balance Sheet  
Governmental Funds  
December 31, 2021

	<u>General</u>	<u>Special Revenue Library</u>	<u>Debt Service</u>	<u>Capital Projects Borrowed Money</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash and investments	\$ 607,899	\$ 34,724	\$ 41,902	\$ 1,209,860	\$ 330,034	\$ 2,224,419
Receivables:						
Taxes	1,556,251	96,347	553,229	-	163,454	2,369,281
Accounts	115,014	-	2,452	3,645	-	121,111
Special assessments	7,261	-	-	-	-	7,261
Prepaid items	63,161	-	-	-	-	63,161
Due from other funds	4,980	-	-	-	-	4,980
Total assets	<u>\$ 2,354,566</u>	<u>\$ 131,071</u>	<u>\$ 597,583</u>	<u>\$ 1,213,505</u>	<u>\$ 493,488</u>	<u>\$ 4,790,213</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 39,942	\$ 8,571	\$ -	\$ 16,028	\$ 74,185	\$ 138,726
Accrued liabilities	72,027	1,575	-	-	-	73,602
Due to other funds	71,683	-	-	-	4,980	76,663
Total liabilities	<u>183,652</u>	<u>10,146</u>	<u>-</u>	<u>16,028</u>	<u>79,165</u>	<u>288,991</u>
<b>Deferred Inflows of Resources</b>						
Unearned revenues	1,418,375	96,347	553,229	-	163,454	2,231,405
Unavailable revenues	46,912	-	-	-	-	46,912
Total deferred inflows of resources	<u>1,465,287</u>	<u>96,347</u>	<u>553,229</u>	<u>-</u>	<u>163,454</u>	<u>2,278,317</u>
<b>Fund Balances</b>						
Nonspendable	136,634	-	-	-	-	136,634
Restricted	-	24,578	44,354	1,197,477	-	1,266,409
Committed	39,523	-	-	-	306,399	345,922
Assigned	41,031	-	-	-	-	41,031
Unassigned (Deficit)	488,439	-	-	-	(55,530)	432,909
Total fund balances	<u>705,627</u>	<u>24,578</u>	<u>44,354</u>	<u>1,197,477</u>	<u>250,869</u>	<u>2,222,905</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,354,566</u>	<u>\$ 131,071</u>	<u>\$ 597,583</u>	<u>\$ 1,213,505</u>	<u>\$ 493,488</u>	

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.	7,578,227
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.	46,912
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	489,473
Deferred outflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds.	855,572
Deferred inflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds.	(1,092,727)
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.	(5,835,795)

Net position of governmental activities \$ 4,264,567

See notes to financial statements

**Village of Butler**

## Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2021

	General	Special Revenue Library	Debt Service	Capital Projects Borrowed Money	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 1,423,251	\$ 94,565	\$ 475,378	\$ -	\$ 40,346	\$ 2,033,540
Intergovernmental	355,733	11,823	-	-	136,870	504,426
Licenses and permits	95,442	-	-	-	-	95,442
Fines, forfeitures and penalties	145,636	-	-	-	-	145,636
Public charges for services	109,376	3,826	-	-	5,241	118,443
Investment income	2,577	-	37	778	201	3,593
Interdepartmental revenues	78,000	-	-	-	-	78,000
Miscellaneous revenue	85,006	2,025	-	28,746	2,500	118,277
Total revenues	<u>2,295,021</u>	<u>112,239</u>	<u>475,415</u>	<u>29,524</u>	<u>185,158</u>	<u>3,097,357</u>
<b>Expenditures</b>						
Current:						
General government	722,999	-	-	-	-	722,999
Public safety	1,112,187	-	-	-	-	1,112,187
Public works	281,936	-	-	-	-	281,936
Health and sanitation	99,083	-	-	-	-	99,083
Library, parks and recreation	5,811	114,511	-	-	19,703	140,025
Capital outlay	7,369	-	-	731,142	497,043	1,235,554
Debt service:						
Principal retirement	-	-	358,388	-	-	358,388
Interest and fiscal charges	-	-	132,306	35,027	-	167,333
Total expenditures	<u>2,229,385</u>	<u>114,511</u>	<u>490,694</u>	<u>766,169</u>	<u>516,746</u>	<u>4,117,505</u>
Excess (deficiency) of revenues over expenditures	<u>65,636</u>	<u>(2,272)</u>	<u>(15,279)</u>	<u>(736,645)</u>	<u>(331,588)</u>	<u>(1,020,148)</u>
<b>Other Financing Sources</b>						
Proceeds from sale of capital assets	-	-	-	-	23,757	23,757
Debt issued	-	-	-	815,000	-	815,000
Premium on debt issued	-	-	26,397	12,376	-	38,773
Transfers in	48,619	-	-	-	-	48,619
Total other financing sources	<u>48,619</u>	<u>-</u>	<u>26,397</u>	<u>827,376</u>	<u>23,757</u>	<u>926,149</u>
Net changes fund balances	114,255	(2,272)	11,118	90,731	(307,831)	(93,999)
<b>Fund Balances, Beginning</b>	<u>591,372</u>	<u>26,850</u>	<u>33,236</u>	<u>1,106,746</u>	<u>558,700</u>	<u>2,316,904</u>
<b>Fund Balances, Ending</b>	<u>\$ 705,627</u>	<u>\$ 24,578</u>	<u>\$ 44,354</u>	<u>\$ 1,197,477</u>	<u>\$ 250,869</u>	<u>\$ 2,222,905</u>

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, 2021

**Net Change in Fund Balances, Total Governmental Funds** \$ (93,999)

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	1,235,554
Less certain items reported as capital outlay not capitalized	(302,691)
Depreciation/amortization is reported in the government-wide statements	(362,740)
Net book value of assets retired	(26,354)

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. (19,741)

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	358,388
Debt issued	(815,000)
Premium on debt issued	(38,773)

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	6,741
--------------	-------

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	(7,572)
Net pension asset	248,143
Total/net OPEB liabilities, Health and Life	(18,567)
Deferred outflows of resources related to pension and OPEBs	251,964
Deferred inflows of resources related to pension and OPEBs	(336,290)
Accrued interest on debt	(9,528)

**Change in Net Position of Governmental Activities** \$ 69,535

**Village of Butler**

Statement of Net Position  
Proprietary Funds  
December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Water Utility</b>	<b>Storm Water Utility</b>	<b>Sewer Service Utility</b>	<b>Total</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and investments	\$ 655,039	\$ 152,349	\$ 803,454	\$ 1,610,842
Accounts receivable	19,042	9,867	25,555	54,464
Due from other funds	20,827	10,116	40,740	71,683
Prepaid items	7,673	3,828	4,190	15,691
Inventories	12,635	-	-	12,635
Total current assets	<u>715,216</u>	<u>176,160</u>	<u>873,939</u>	<u>1,765,315</u>
<b>Noncurrent Assets</b>				
Restricted assets:				
Cash and investments	-	-	48,064	48,064
Net pension asset	25,668	22,226	24,719	72,613
Capital assets:				
Land	18,293	-	-	18,293
Construction in progress	15,035	6,618	13,073	34,726
Property and equipment	3,441,493	3,610,666	1,041,698	8,093,857
Less accumulated depreciation	<u>(939,056)</u>	<u>(1,373,474)</u>	<u>(703,390)</u>	<u>(3,015,920)</u>
Total noncurrent assets	<u>2,561,433</u>	<u>2,266,036</u>	<u>424,164</u>	<u>5,251,633</u>
Total assets	<u>3,276,649</u>	<u>2,442,196</u>	<u>1,298,103</u>	<u>7,016,948</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to OPEBs	5,424	4,845	5,261	15,530
Deferred outflows related to pension	45,569	40,074	44,649	130,292
Total deferred outflows	<u>50,993</u>	<u>44,919</u>	<u>49,910</u>	<u>145,822</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	55,341	10,504	106,403	172,248
Accrued interest payable	23,951	2,372	-	26,323
Current portion of general obligation debt	75,000	35,000	-	110,000
Total current liabilities	<u>154,292</u>	<u>47,876</u>	<u>106,403</u>	<u>308,571</u>
<b>Noncurrent Liabilities</b>				
OPEB liabilities	18,274	15,764	17,421	51,459
General obligation debt	1,695,323	121,662	-	1,816,985
Total noncurrent liabilities	<u>1,713,597</u>	<u>137,426</u>	<u>17,421</u>	<u>1,868,444</u>
Total liabilities	<u>1,867,889</u>	<u>185,302</u>	<u>123,824</u>	<u>2,177,015</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to OPEBs	3,383	3,009	3,296	9,688
Deferred inflows related to pension	60,999	51,259	55,826	168,084
	<u>64,382</u>	<u>54,268</u>	<u>59,122</u>	<u>177,772</u>
<b>Net Position</b>				
Net investment in capital assets	765,442	2,087,148	351,381	3,203,971
Restricted for pension	25,668	22,226	24,719	72,613
Restricted for equipment replacement	-	-	48,064	48,064
Unrestricted	604,261	138,171	740,903	1,483,335
Total net position	<u>\$ 1,395,371</u>	<u>\$ 2,247,545</u>	<u>\$ 1,165,067</u>	<u>\$ 4,807,983</u>

See notes to financial statements

**Village of Butler**

## Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Total
	Water Utility	Storm Water Utility	Sewer Service Utility	
<b>Operating Revenues</b>				
Charges for services	\$ 521,566	\$ 283,920	\$ 990,912	\$ 1,796,398
Total operating revenues	521,566	283,920	990,912	1,796,398
<b>Operating Expenses</b>				
Operation and maintenance	462,320	212,129	904,485	1,578,934
Depreciation	59,608	47,730	19,670	127,008
Taxes	609	-	-	609
Total operating expenses	522,537	259,859	924,155	1,706,551
Operating income (loss)	(971)	24,061	66,757	89,847
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	74	219	333	626
Grant revenue	8,181	-	-	8,181
Interest expense	(42,371)	(2,472)	-	(44,843)
Amortization	2,275	614	-	2,889
Debt issuance cost	(30,516)	(6,584)	-	(37,100)
Total nonoperating revenues (expenses)	(62,357)	(8,223)	333	(70,247)
(Loss) income before transfers	(63,328)	15,838	67,090	19,600
<b>Transfers</b>				
Transfers in	664	-	-	664
Transfers out	(48,619)	-	(664)	(49,283)
Total transfers	(47,955)	-	(664)	(48,619)
Change in net position	(111,283)	15,838	66,426	(29,019)
<b>Net Position, Beginning</b>	1,506,654	2,231,707	1,098,641	4,837,002
<b>Net Position, Ending</b>	\$ 1,395,371	\$ 2,247,545	\$ 1,165,067	\$ 4,807,983

See notes to financial statements

**Village of Butler**

 Statement of Cash Flows  
 Proprietary Funds  
 Year Ended December 31, 2021

	Proprietary Fund Types Enterprise Funds			
	Water Utility	Storm Water Utility	Sewer Service Utility	Total
<b>Cash Flows From Operating Activities</b>				
Received from customers	\$ 566,950	\$ 299,260	\$ 1,169,785	\$ 2,035,995
Paid to vendors for goods and services	(355,170)	(160,252)	(895,523)	(1,410,945)
Paid to employees for services	(96,970)	(79,398)	(91,668)	(268,036)
Net cash flows from operating activities	<u>114,810</u>	<u>59,610</u>	<u>182,594</u>	<u>357,014</u>
<b>Cash Flows From Investing Activities</b>				
Investment income	<u>74</u>	<u>219</u>	<u>333</u>	<u>626</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers out	<u>(47,955)</u>	<u>-</u>	<u>(664)</u>	<u>(48,619)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from long-term debt	710,000	155,000	-	865,000
Premium on debt issued	10,782	-	-	10,782
Principal paid on long-term debt	(45,000)	(40,000)	-	(85,000)
Debt issuance costs	(30,516)	(4,308)	-	(34,824)
Interest paid on long-term debt	(31,988)	(600)	-	(32,588)
Acquisition and construction of capital assets	(435,301)	(17,572)	(10,346)	(463,219)
Grant received	<u>8,181</u>	<u>-</u>	<u>-</u>	<u>8,181</u>
Net cash flows from capital and related financing activities	<u>186,158</u>	<u>92,520</u>	<u>(10,346)</u>	<u>268,332</u>
Net change in cash and cash equivalents	253,087	152,349	171,917	577,353
<b>Cash and Cash Equivalents, Beginning</b>	401,952	-	679,601	1,081,553
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 655,039</u>	<u>\$ 152,349</u>	<u>\$ 851,518</u>	<u>\$ 1,658,906</u>
<b>Cash and Cash Equivalents, Ending</b>				
Unrestricted	\$ 655,039	\$ 152,349	\$ 803,454	\$ 1,610,842
Restricted	-	-	48,064	48,064
	<u>\$ 655,039</u>	<u>\$ 152,349</u>	<u>\$ 851,518</u>	<u>\$ 1,658,906</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities</b>				
Operating income/(loss)	\$ (971)	\$ 24,061	\$ 66,757	\$ 89,847
Adjustments to reconcile operating income/(loss) to net cash flows from operating activities:				
Depreciation expense	59,608	47,730	19,670	127,008
Depreciation charged to other funds	216	-	-	216
Changes in assets, deferred outflows, deferred inflows and liabilities:				
Accounts receivable	45,887	16,649	181,585	244,121
Due from other funds	(1,002)	(28,290)	(3,011)	(32,303)
Inventory	6,215	-	-	6,215
Prepaid items	(3,983)	(789)	(956)	(5,728)
OPEB related amounts	5,604	4,645	5,193	15,442
Deferred outflows and inflows	(1,581)	(1,400)	(1,476)	(4,457)
Pension related amounts	(7,973)	(6,549)	(7,523)	(22,045)
Accounts payable	12,790	3,553	(77,645)	(61,302)
Net cash flows from operating activities	<u>\$ 114,810</u>	<u>\$ 59,610</u>	<u>\$ 182,594</u>	<u>\$ 357,014</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Amortization	<u>\$ 2,275</u>	<u>\$ 614</u>	<u>\$ -</u>	<u>\$ 2,889</u>
Capital related accounts payable	<u>\$ 30,612</u>	<u>\$ 2,658</u>	<u>\$ 2,131</u>	<u>\$ 35,401</u>

See notes to financial statements



# Village of Butler

Statement of Fiduciary Net Position  
December 31, 2021

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	<u>Custodial Fund</u> <u>Tax</u> <u>Collection</u> <u>Fund</u>
<b>Assets</b>	
Cash and investments	\$ 1,760,733
Taxes receivable	<u>962,352</u>
Total assets	<u>2,723,085</u>
<b>Liabilities</b>	
Due to other governmental units	<u>2,723,085</u>
<b>Net Position</b>	
Total net position	<u>\$ -</u>

## Village of Butler

Statement of Changes in Fiduciary Net Position  
Year Ended December 31, 2021

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	<u>Custodial Fund</u> <u>Tax</u> <u>Collection</u> <u>Fund</u>
<b>Additions</b>	
Tax collections	\$ 1,968,308
<b>Deductions</b>	
Payments to overlying districts	<u>1,968,308</u>
Change in net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# Village of Butler

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December 31, 2021

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# Village of Butler

Notes to Financial Statements  
December 31, 2021

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## 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 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% of the corresponding total for all funds of that category or type and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

## Village of Butler

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Notes to Financial Statements  
December 31, 2021

- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

### **General Fund**

General Fund accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

### **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 Fund**

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 funds:

### **Special Revenue Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Park and Recreation Fund  
ARPA Fund

# Village of Butler

Notes to Financial Statements  
December 31, 2021

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## Capital Projects Fund

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

### Equipment Fund

In addition, the Village reports the following fund types:

## Custodial Funds

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

### Tax Collection Fund

## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water, 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.

## Village of Butler

Notes to Financial Statements  
December 31, 2021

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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.

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.

## Village of Butler

Notes to Financial Statements  
December 31, 2021

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- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments. 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, 2021, one financial institution held \$3.3 million, however, the entire balance was either insured or collateralized. Another institution held \$770,224 of which \$520,224 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, 2021, 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 - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024



## Village of Butler

Notes to Financial Statements  
December 31, 2021

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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.

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

### **Restricted Assets**

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

### **Capital Assets**

#### **Government-Wide Financial Statements**

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 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 and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

# Village of Butler

Notes to Financial Statements  
December 31, 2021

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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.

# Village of Butler

Notes to Financial Statements  
December 31, 2021

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## 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, 2021

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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 \$230,493 and is included in unassigned general fund fund balance.

See Note 4 for further information.

## **Pension**

For purposes of measuring the net pension liability (asset), 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 total 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, 2021

## 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		53,409
Land improvements		765,735
Buildings		2,812,633
Machinery and equipment		2,412,056
Infrastructure		5,126,429
Intangibles		72,964
Less accumulated depreciation/amortization		<u>(4,009,079)</u>
Combined adjustment for capital assets	\$	<u>7,578,227</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	\$	5,498,162
Compensated absences		82,061
Accrued interest		63,718
Unamortized debt premium		56,709
OPEB - Health		58,565
OPEB - Life		<u>76,580</u>
Combined adjustment for long-term liabilities	\$	<u>5,835,795</u>

## 3. Stewardship, Compliance and Accountability

### 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.

A budget has been adopted for the general fund, debt service fund, special revenue - library fund, special revenue - park and recreation fund, capital projects - borrowed money fund and capital projects - equipment fund. A budget has not been formally adopted for ARPA fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

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.

## Village of Butler

Notes to Financial Statements  
December 31, 2021

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.

### Excess Expenditures Over Budget

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service Fund	\$ 475,378	\$ 490,694	\$ 15,316
Capital Projects Fund - Equipment	343,900	355,597	11,697

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

### Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. The ARPA fund deficit of \$55,530 is anticipated to be funded with grant monies received in 2022.

### 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 0%. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

## 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	\$ 3,955,841	\$ 4,056,902	Custodial Credit
LGIP	1,687,977	1,687,977	Credit
Petty cash	240	-	N/A
Total deposits and investments	<u>\$ 5,644,058</u>	<u>\$ 5,744,879</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 3,835,261		
Restricted cash and investments	48,064		
Per statement of fiduciary net position			
Custodial Fund	<u>1,760,733</u>		
Total deposits and investments	<u>\$ 5,644,058</u>		

## Village of Butler

Notes to Financial Statements  
December 31, 2021

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.

As of December 31, 2021, \$2,314,742 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 520,224
Uninsured and collateral held by the pledging financial institution	<u>1,794,518</u>
Total	<u>\$ 2,314,742</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 \$23,862 of ambulance receivables, \$49,611 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	\$ 2,231,405	\$ -
Special assessments not yet due	-	7,261
Police citations receivable	<u>-</u>	<u>39,651</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 2,231,405</u>	<u>\$ 46,912</u>

# Village of Butler

Notes to Financial Statements  
December 31, 2021

## 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, 2021:

	<b>Restricted Assets</b>
Equipment replacement account	\$ 48,064
Net pension asset	<u>562,086</u>
Total	<u><u>\$ 610,150</u></u>

## Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 344,080	\$ -	\$ -	\$ 344,080
Construction in progress	<u>34,819</u>	<u>53,409</u>	<u>34,819</u>	<u>53,409</u>
Total capital assets not being depreciated/amortized	<u>378,899</u>	<u>53,409</u>	<u>34,819</u>	<u>397,489</u>
Capital assets being depreciated/amortized:				
Land Improvements	721,394	44,341	-	765,735
Buildings	2,812,633	-	-	2,812,633
Machinery and equipment	2,369,895	121,216	79,055	2,412,056
Infrastructure	4,387,713	738,716	-	5,126,429
Intangibles	<u>62,964</u>	<u>10,000</u>	<u>-</u>	<u>72,964</u>
Total capital assets being depreciated/amortized	<u>10,354,599</u>	<u>914,273</u>	<u>79,055</u>	<u>11,189,817</u>
Total capital assets	<u>10,733,498</u>	<u>967,682</u>	<u>113,874</u>	<u>11,587,306</u>



# Village of Butler

Notes to Financial Statements  
December 31, 2021

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Less accumulated depreciation/amortization for:				
Land Improvements	\$ (342,581)	\$ (30,460)	\$ -	\$ (373,041)
Buildings	(895,504)	(67,903)	-	(963,407)
Machinery and equipment	(1,769,042)	(126,344)	52,701	(1,842,685)
Infrastructure	(648,156)	(129,366)	-	(777,522)
Intangibles	(43,757)	(8,667)	-	(52,424)
Total accumulated depreciation/amortization	<u>(3,699,040)</u>	<u>(362,740)</u>	<u>52,701</u>	<u>(4,009,079)</u>
Net capital assets being depreciated/amortized	<u>6,655,559</u>	<u>551,533</u>	<u>26,354</u>	<u>7,180,738</u>
Total governmental activities capital assets, net of accumulated depreciation/amortization	<u>\$ 7,034,458</u>	<u>\$ 604,942</u>	<u>\$ 61,173</u>	<u>\$ 7,578,227</u>

Depreciation/amortization expense was charged to functions as follows:

## Governmental Activities

General government	\$ 46,192
Public safety	88,658
Public works	192,825
Library, parks and recreation	<u>35,065</u>
Total governmental activities depreciation / amortization expense	<u>\$ 362,740</u>

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Business-Type Activities</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 18,293	\$ -	\$ -	\$ 18,293
Construction in progress	<u>20,643</u>	<u>34,726</u>	<u>20,643</u>	<u>34,726</u>
Total capital assets not being depreciated/amortized	<u>38,936</u>	<u>34,726</u>	<u>20,643</u>	<u>53,019</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	179,662	-	-	179,662
Machinery and equipment	285,863	-	-	285,863
Water distribution system	2,849,728	460,635	179,679	3,130,684
Storm water system	3,532,363	8,823	3,702	3,537,484
Sewer collection system	950,959	-	-	950,959
Intangibles	<u>9,205</u>	<u>-</u>	<u>-</u>	<u>9,205</u>
Total capital assets being depreciated/amortized	<u>7,807,780</u>	<u>469,458</u>	<u>183,381</u>	<u>8,093,857</u>
Total capital assets	<u>7,846,716</u>	<u>504,184</u>	<u>204,024</u>	<u>8,146,876</u>

# Village of Butler

Notes to Financial Statements  
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	\$ (145,006)	\$ (2,256)	\$ -	\$ (147,262)
Machinery and equipment	(140,295)	(24,335)	-	(164,630)
Water distribution system	(815,920)	(45,117)	179,679	(681,358)
Storm water system	(1,311,004)	(42,021)	3,702	(1,349,323)
Sewer collection system	(657,782)	(12,759)	-	(670,541)
Intangibles	(2,070)	(736)	-	(2,806)
	<u>(3,072,077)</u>	<u>(127,224)</u>	<u>183,381</u>	<u>(3,015,920)</u>
Total accumulated depreciation/amortization				
Net capital assets being depreciated/amortized	<u>4,735,703</u>	<u>342,234</u>	<u>-</u>	<u>5,077,937</u>
Business-type capital assets, net of accumulated depreciation/amortization	<u>\$ 4,774,639</u>	<u>\$ 376,960</u>	<u>\$ 20,643</u>	<u>\$ 5,130,956</u>

Depreciation/amortization expense was charged to functions as follows:

### Business-Type Activities

Sewer	\$ 19,670
Water	59,608
Stormwater	<u>47,730</u>
Total business-type activities depreciation/amortization expense	<u>\$ 127,008</u>

Depreciation expense is different from additions because of joint metering.

## 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	\$ 20,827
Sewer Service Utility	General Fund	40,740
Storm Water Utility	General Fund	10,116
General Fund	Special Revenue - ARPA Fund	<u>4,980</u>
Total, fund financial statements		76,663
Less fund eliminations		<u>(4,980)</u>
Total internal balances, government-wide statement of net position		<u>\$ 71,683</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.

# Village of Butler

Notes to Financial Statements  
December 31, 2021

## 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	\$ 664	Shared meter cost
General Fund	Water Utility	<u>48,619</u>	Tax equivalent
Total, fund financial statements		49,283	
Less fund eliminations		<u>(664)</u>	
Total transfers, government-wide statement of activities		<u>\$ 48,619</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.

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 4,730,000	\$ 815,000	\$ 320,000	\$ 5,225,000	\$ 335,000
General obligation notes from direct borrowings and direct placements	311,550	-	38,388	273,162	39,531
Premiums	<u>24,677</u>	<u>38,773</u>	<u>6,741</u>	<u>56,709</u>	<u>-</u>
Total bonds and notes payable	<u>5,066,227</u>	<u>853,773</u>	<u>365,129</u>	<u>5,554,871</u>	<u>374,531</u>
Other liabilities:					
Compensated absences	74,489	15,725	8,153	82,061	-
Other postemployment benefits - Health	61,392	1,498	4,325	58,565	-
Other postemployment benefits - Life	<u>55,186</u>	<u>21,394</u>	<u>-</u>	<u>76,580</u>	<u>-</u>
Total other liabilities	<u>191,067</u>	<u>38,617</u>	<u>12,478</u>	<u>217,206</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 5,257,294</u>	<u>\$ 892,390</u>	<u>\$ 377,607</u>	<u>\$ 5,772,077</u>	<u>\$ 374,531</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 1,125,000	\$ 865,000	\$ 85,000	\$ 1,905,000	\$ 110,000
Premiums	<u>11,816</u>	<u>13,058</u>	<u>2,889</u>	<u>21,985</u>	<u>-</u>
Other postemployment benefits	<u>1,136,816</u>	<u>878,058</u>	<u>87,889</u>	<u>1,926,985</u>	<u>110,000</u>
Other liabilities:					
Other postemployment benefits - Health	17,012	6,644	1,627	22,029	-
Other postemployment benefits - Life	<u>19,005</u>	<u>10,425</u>	<u>-</u>	<u>29,430</u>	<u>-</u>
Total other liabilities	<u>36,017</u>	<u>17,069</u>	<u>1,627</u>	<u>51,459</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 1,172,833</u>	<u>\$ 895,127</u>	<u>\$ 89,516</u>	<u>\$ 1,978,444</u>	<u>\$ 110,000</u>

## Village of Butler

Notes to Financial Statements  
December 31, 2021

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2021, was \$13,627,740. Total general obligation debt outstanding at year end was \$7,403,162.

### General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. Debt in the governmental funds will be retired by 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>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
State Trust Fund Loan - Direct	01/08/05	03/15/24	5.25%	\$ 189,007	\$ 43,552
General Obligation Promissory Notes	3/26/13	4/1/22	0.75 - 1.60	470,000	110,000
General Obligation Promissory Note - Direct	11/3/14	2/15/22	0.00	19,609	2,452
General Obligation Refunding Bond	2/9/16	2/9/36	3.00	995,000	785,000
General Obligation Corporate Purpose Bonds	3/30/17	2/1/37	3.00	425,000	360,000
General Obligation Corporate Purpose Bonds	4/17/18	2/1/38	2.20 - 3.75	1,090,000	1,010,000
General Obligation Corporate Purpose Bonds	4/23/19	2/1/38	2.00 - 3.00	880,000	745,000
GO Promissory Note - Direct	12/1/20	12/1/30	1.99	250,000	227,158
GO Corporate Purpose Bonds	4/2/20	2/1/40	1.3 - 2.7	1,465,000	1,400,000
General Obligation Corporate Purpose Bonds	3/25/21	2/1/41	2.00	815,000	<u>815,000</u>
Total governmental activities, general obligation debt					<u>\$ 5,498,162</u>

## Village of Butler

Notes to Financial Statements  
December 31, 2021

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<b>General Obligation Debt</b>					
General Obligation Corporate Purpose Bonds	3/30/17	2/1/37	3.00%	\$ 660,000	\$ 560,000
General Obligation Corporate Purpose Bonds	4/23/19	2/1/38	2.00 - 3.00	520,000	480,000
General Obligation Corporate Purpose Bonds	3/25/21	2/1/41	2.00	865,000	<u>865,000</u>
Total business-type activities, general obligation debt					<u>\$ 1,905,000</u>

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>
2022	\$ 335,000	\$ 137,178	\$ 110,000	\$ 53,518
2023	310,000	124,603	100,000	45,063
2024	280,000	118,028	100,000	42,738
2025	270,000	111,740	105,000	40,338
2026	275,000	105,345	110,000	37,831
2027-2031	1,430,000	419,474	520,000	148,631
2032-2036	1,535,000	216,531	545,000	77,219
2037-2041	790,000	35,840	315,000	13,013
Total	<u>\$ 5,225,000</u>	<u>\$ 1,268,739</u>	<u>\$ 1,905,000</u>	<u>\$ 458,351</u>

<u>Years</u>	<u>Governmental Activities Notes from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 39,531	\$ 6,807
2023	38,266	5,620
2024	39,498	4,388
2025	24,715	3,102
2026	25,207	2,610
2027-2030	105,945	5,323
Total	<u>\$ 273,162</u>	<u>\$ 27,850</u>

The Village's outstanding notes from direct borrowings and/or direct placements related to governmental activities of \$46,004 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, 2021

### Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

#### Governmental Activities

Net investment in capital assets:

Land	\$	344,080
Construction in progress		53,409
Other capital assets, net of accumulated depreciation/amortization		7,180,738
Less long-term debt outstanding		(5,498,162)
Plus unspent capital related debt proceeds		1,197,477
Plus noncapital debt proceeds		270,710
Less unamortized debt premium		<u>(56,709)</u>
Total net investment in capital assets		<u>3,491,543</u>

Restricted:

Restricted for library purposes		24,578
Restricted for pension		<u>489,473</u>
Total restricted		<u>514,051</u>

Unrestricted

258,973

Total governmental activities net position

\$ 4,264,567

#### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

#### Nonspendable

Major Fund:

General Fund:

Delinquent personal property taxes	\$	49,611
Prepaid items		63,161
Ambulance fees receivable, noncurrent		<u>23,862</u>

Total

\$ 136,634

#### Restricted

Major Funds:

Special Revenue Fund:

Library Fund	\$	24,578
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Debt Service Fund:

Debt Service purposes		44,354
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Capital Projects Fund:

Borrowed Money Fund, unspent proceeds		<u>1,197,477</u>
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Total

\$ 1,266,409

## Village of Butler

Notes to Financial Statements  
December 31, 2021

### Committed

Major Fund:	
General Fund:	
Committed for Community Service	\$ 39,523
Nonmajor Fund:	
Special Revenue Fund:	
Park and Recreation	18,494
Capital Projects Fund:	
Equipment Fund	<u>287,905</u>
Total	<u>\$ 345,922</u>

### Assigned

Major Fund:	
General Fund:	
Unfunded compensated absences	<u>\$ 41,031</u>

### Unassigned (Deficit)

Major Fund:	
General fund	\$ 488,439
Nonmajor Funds:	
Special Revenue Funds:	
ARPA	<u>(55,530)</u>
Total	<u>\$ 432,909</u>

### Business-Type Activities

Net investment in capital assets:	
Land	\$ 18,293
Construction in progress	34,726
Other capital assets, net of accumulated depreciation	5,077,937
Less long-term debt outstanding	(1,905,000)
Less unamortized debt premium	<u>(21,985)</u>
Total net investment in capital assets	<u>3,203,971</u>
Restricted:	
Equipment replacement	48,064
Pension	<u>72,613</u>
Total restricted	<u>120,677</u>
Unrestricted	<u>1,483,335</u>
Total business-type activities net position	<u>\$ 4,807,983</u>

## Village of Butler

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Notes to Financial Statements  
December 31, 2021

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/publications/cafr.htm>.

##### 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, 2021

### 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>
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)
2020	1.7	21.0

### Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category 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 \$106,480 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

## Village of Butler

Notes to Financial Statements  
December 31, 2021

### Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Village reported an asset of \$562,086 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 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, 2020, the Village's proportion was 0.00900326%, which was an increase of 0.00030320% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension expense of \$(62,674).

At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 813,481	\$ 175,227
Changes in assumptions	12,749	-
Net differences between projected and actual earnings on pension plan investments	-	1,055,271
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,324	787
Employer contributions subsequent to the measurement date	<u>110,891</u>	<u>-</u>
Total	<u>\$ 941,445</u>	<u>\$ 1,231,285</u>

\$110,891 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Years Ending December 31:</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
2022	\$ (103,453)
2023	(27,012)
2024	(189,985)
2025	(80,281)

## Village of Butler

Notes to Financial Statements  
December 31, 2021

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### Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
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% 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, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

## Village of Butler

Notes to Financial Statements  
December 31, 2021

### 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:

<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.3
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
<b>Variable Fund Asset Class</b>			
U.S Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%  
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% 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% and a municipal bond rate of 2.00%. (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, 2020. 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% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond 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, 2021

### 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 asset calculated using the discount rate of 7.00%, as well as what the Village's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) 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)	<u>\$ 535,027</u>	<u>\$ (562,086)</u>	<u>\$ (1,367,908)</u>

### 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, 2021, the Village reported a payable to the pension plan of \$17,118 which represents contractually required contributions outstanding as of the end of the year.

### Risk Management

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

### Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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, 2021

## 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% of health insurance premiums for non-Medicare-eligible retirees and 100% 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>

#### Total OPEB Liability

The Village's total OPEB liability of \$80,594 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

#### Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2021 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	2.8%
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 Experience Study dated November 19, 2018 with the MP-2018 generational improvement scale (multiplied by 50%).

## Village of Butler

Notes to Financial Statements  
December 31, 2021

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balance at December 31, 2020	\$ 78,404
Changes for the year:	
Service cost	6,152
Interest	1,599
Changes in assumptions or other inputs	391
Benefit payments	<u>(5,952)</u>
Net changes	<u>2,190</u>
Balance at December 31, 2021	<u>\$ 80,594</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% in 2020 to 2.06% in 2021.

### 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 (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	<b>1% Decrease (1.06%)</b>	<b>Discount Rate (2.06%)</b>	<b>1% Increase (3.06%)</b>
Total OPEB liability	\$ 87,338	\$ 80,594	\$ 74,249

### 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% decreasing to 4.0%) or 1-percentage-point higher (5.6% decreasing to 6.6%) than the current healthcare cost trend rates:

	<b>1% Decrease (3.6% Increasing to 4.0%)</b>	<b>Healthcare Cost Trend Rates (4.6% Increasing to 5.0%)</b>	<b>1% Increase (5.6% Increasing to 6.6%)</b>
Total OPEB liability	\$ 70,033	\$ 80,594	\$ 93,178

## Village of Butler

Notes to Financial Statements  
December 31, 2021

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

For the year ended December 31, 2021, the Village recognized OPEB expense of \$6,348. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 22,463
Changes of assumptions or other inputs	<u>4,908</u>	<u>-</u>
Total	<u>\$ 4,908</u>	<u>\$ 22,463</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>Years Ending December 31:</u>	<u>Amount</u>
2022	\$ (1,403)
2023	(1,403)
2024	(1,403)
2025	(1,403)
2026	(1,403)
Thereafter	(10,540)

### 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/publications/cafr.htm>.

#### 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.

#### 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.



## Village of Butler

Notes to Financial Statements  
December 31, 2021

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, 2021 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 Plan Year

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
34-39	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 \$384 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, 2021, the Village reported a liability of \$106,010 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. 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, 2020, the Village's proportion was 0.01927200%, which was an increase of 0.00184900% from its proportion measured as of December 31, 2019.

## Village of Butler

Notes to Financial Statements  
December 31, 2021

For the year ended December 31, 2021, the Village recognized OPEB expense of \$13,698.

At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 5,059
Net differences between projected and actual earnings on OPEB plan investments	1,544	-
Changes in assumptions	41,239	7,274
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,499	4,418
Employer contributions subsequent to the measurement date	1,759	-
Total	<u>\$ 55,041</u>	<u>\$ 16,751</u>

\$1,759 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Years Ending December 31:</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
2022	\$ 6,542
2023	6,375
2024	6,203
2025	5,751
2026	7,858
Thereafter	3,802

## Village of Butler

Notes to Financial Statements  
December 31, 2021

### Actuarial Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
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, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 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.

#### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2020

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u> %	<u>Long-Term</u> <u>Expected</u> <u>Geometric Real</u> <u>Rate of Return %</u>
US Credit Bonds	Barclays Credit	50	1.47
US Mortgages	Barclays MBS	50	0.82
Inflation			2.20
Long-Term Expected Rate of Return			4.25

## Village of Butler

Notes to Financial Statements  
December 31, 2021

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20%, respectively. 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 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. 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.

### 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 2.25%, 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 (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	<b>1% Decrease to Discount Rate (1.25%)</b>	<b>Current Discount Rate (2.25%)</b>	<b>1% Increase to Discount Rate (3.25%)</b>
Village's proportionate share of the net OPEB liability	<u>\$ 144,204</u>	<u>\$ 106,010</u>	<u>\$ 77,125</u>

### Subsequent Events

On February 2, 2022, the Village issued general obligation corporate purpose bonds in the amount of \$1,425,000 with an interest rates ranging from 1.2% to 4.0%. This amount will be used to finance street improvements and water 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. 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*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Correction*
- Statement No. 101, *Compensated Absences*

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, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 1,468,431	\$ 1,423,251	\$ (45,180)
Intergovernmental	354,875	355,733	858
Licenses and permits	93,550	95,442	1,892
Fines, forfeitures and penalties	140,100	145,636	5,536
Public charges for services	79,050	109,179	30,129
Investment income	5,000	2,577	(2,423)
Interdepartmental revenues	78,000	78,000	-
Miscellaneous revenue	8,099	75,197	67,098
	<u>2,227,105</u>	<u>2,285,015</u>	<u>57,910</u>
Total revenues			
<b>Expenditures</b>			
Current:			
General government	742,207	722,999	19,208
Public safety	1,129,763	1,110,790	18,973
Public works	287,715	281,936	5,779
Health and sanitation	100,000	99,083	917
Capital outlay	7,420	7,369	51
	<u>2,267,105</u>	<u>2,222,177</u>	<u>44,928</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>(40,000)</u>	<u>62,838</u>	<u>102,838</u>
<b>Other Financing Sources</b>			
Transfer in	<u>40,000</u>	<u>48,619</u>	<u>8,619</u>
Excess of revenues over (under) and other financing sources over expenditures and other financing sources, budgetary basis	<u>\$ -</u>	<u>111,457</u>	<u>\$ 111,457</u>
<b>Adjustment to Generally Accepted Accounting Principles Basis</b>			
Revenue credited to designated funds		10,006	
Expenditures charged to designated funds		<u>(7,208)</u>	
Net change in fund balance		114,255	
<b>Fund Balance, Beginning</b>		<u>591,372</u>	
<b>Fund Balance, Ending</b>		<u>\$ 705,627</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, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 94,565	\$ 94,565	\$ -
Intergovernmental	9,299	11,823	2,524
Public charges for services	5,465	3,826	(1,639)
Miscellaneous revenue	625	2,025	1,400
	<u>109,954</u>	<u>112,239</u>	<u>2,285</u>
<b>Expenditures</b>			
Current:			
Library, parks and recreation	108,954	114,511	(5,557)
Contingency	1,000	-	1,000
	<u>109,954</u>	<u>114,511</u>	<u>(4,557)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,272)</u>	<u>\$ (2,272)</u>
<b>Fund Balance, Beginning</b>		<u>26,850</u>	
<b>Fund Balance, Ending</b>		<u>\$ 24,578</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, 2021

<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 %
12/31/2020	0.00900326 %	(562,086)	1,087,279	51.70 %	105.26 %

Schedule of Employer Contributions - Wisconsin Retirement System  
 Year Ended December 31, 2021

<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 %
12/31/2021	110,891	110,891	-	1,173,902	9.45 %

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, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 4,546	\$ 4,430	\$ 4,607	\$ 6,152
Interest	4,024	4,205	4,044	1,599
Prior year activity	96,065	-	-	-
Changes in benefits	-	-	(7,314)	-
Differences between expected and actual experience	-	-	(26,049)	-
Changes of assumptions	-	-	5,270	391
Benefit payments	<u>(3,933)</u>	<u>(4,972)</u>	<u>(6,519)</u>	<u>(5,952)</u>
Net change in total OPEB liability	100,702	3,663	(25,961)	2,190
<b>Total OPEB Liability, Beginning</b>	<u>-</u>	<u>100,702</u>	<u>104,365</u>	<u>78,404</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 100,702</u>	<u>\$ 104,365</u>	<u>\$ 78,404</u>	<u>\$ 80,594</u>
Covered-employee payroll	\$ 1,059,880	\$ 1,059,880	\$ 1,139,306	\$ 1,171,207
Total OPEB liability as a percentage of covered-employee payroll	9.50%	9.85%	6.88%	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, 2021

<b>Plan Fiscal Year End</b>	<b>Proportion of the Net OPEB Liability</b>	<b>Proportionate Share of the Net OPEB Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
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 %
12/31/2020	0.01927200 %	106,010	1,068,000	9.93 %	31.36 %

Schedule of Employer Contributions - Local Retiree Life Insurance Fund  
Year Ended December, 2021

<b>Village Fiscal Year End</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
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 %
12/31/2021	1,759	1,759	-	1,173,902	0.15 %

See notes to required supplementary information.

## **Village of Butler**

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Notes to Required Supplementary Information  
Year Ended December 31, 2021

### **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, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 474,278	\$ 475,378	\$ 1,100
Investment income	1,100	37	(1,063)
Total revenues	<u>475,378</u>	<u>475,415</u>	<u>37</u>
<b>Expenditures</b>			
Debt service:			
Principal retirement	335,546	358,388	(22,842)
Interest and fiscal charges	<u>139,832</u>	<u>132,306</u>	<u>7,526</u>
Total expenditures	<u>475,378</u>	<u>490,694</u>	<u>(15,316)</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>(15,279)</u>	<u>(15,279)</u>
<b>Other Financing Sources</b>			
Premium on debt issued	<u>-</u>	<u>26,397</u>	<u>26,397</u>
Net changes in fund balance	<u>\$ -</u>	<u>11,118</u>	<u>\$ 11,118</u>
<b>Fund Balances, Beginning</b>		<u>33,236</u>	
<b>Fund Balances, Ending</b>		<u>\$ 44,354</u>	

# Village of Butler

Balance Sheet

Nonmajor Governmental Funds

December 31, 2021

	<b>Assets</b>	<b>Capital Projects</b>	<b>Special Revenue</b>		<b>Total Nonmajor Governmental Fund</b>
		<b>Equipment</b>	<b>Park and Recreation</b>	<b>ARPA</b>	
	Cash and investments	\$ 311,353	\$ 18,681	\$ -	\$ 330,034
	Receivables:				
	Taxes	146,154	17,300	-	163,454
	<b>Total assets</b>	<b>\$ 457,507</b>	<b>\$ 35,981</b>	<b>\$ -</b>	<b>\$ 493,488</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>					
<b>Liabilities</b>					
	Accounts payable	\$ 23,448	\$ 187	\$ 50,550	\$ 74,185
	Due to other funds	-	-	4,980	4,980
	<b>Total liabilities</b>	<b>23,448</b>	<b>187</b>	<b>55,530</b>	<b>79,165</b>
<b>Deferred Inflows of Resources</b>					
	Unearned revenues	146,154	17,300	-	163,454
<b>Fund Balances (Deficits)</b>					
	Committed	287,905	18,494	-	306,399
	Unassigned (deficit)	-	-	(55,530)	(55,530)
	<b>Total fund balances (deficits)</b>	<b>287,905</b>	<b>18,494</b>	<b>(55,530)</b>	<b>250,869</b>
	<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 457,507</b>	<b>\$ 35,981</b>	<b>\$ -</b>	<b>\$ 493,488</b>

## Village of Butler

Statement of Revenues, Expenses and Changes in Net Position  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2021

	<u>Capital Projects</u>	<u>Special Revenue</u>		<u>Total Nonmajor Governmental Fund</u>
	<u>Equipment</u>	<u>Park and Recreation</u>	<u>ARPA</u>	
<b>Revenues</b>				
Taxes	\$ 22,946	\$ 17,400	\$ -	\$ 40,346
Intergovernmental	50,954	-	85,916	136,870
Public charges for services	-	5,241	-	5,241
Investment income	201	-	-	201
Miscellaneous revenue	-	2,500	-	2,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	74,101	25,141	85,916	185,158
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current:				
Library, parks and recreation	-	19,703	-	19,703
Capital outlay	355,597	-	141,446	497,043
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	355,597	19,703	141,446	516,746
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(281,496)	5,438	(55,530)	(331,588)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources</b>				
Proceeds from sale of capital assets	23,757	-	-	23,757
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(257,739)	5,438	(55,530)	(307,831)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Balances, Beginning</b>	545,644	13,056	-	558,700
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Balances (Deficits), Ending</b>	\$ 287,905	\$ 18,494	\$ (55,530)	\$ 250,869
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**OTHER INFORMATION**

## Village of Butler

Comparative Schedule of Taxes and Valuation Data  
2017 - 2021 Tax Rolls

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>State Taxes</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>County Taxes</b>	<u>428,458</u>	<u>487,503</u>	<u>449,764</u>	<u>448,385</u>	<u>459,141</u>
<b>Tax Incremental District</b>	<u>658,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Local Taxes</b>					
Village purposes	1,863,491	2,026,846	2,031,542	2,033,540	2,231,405
Local schools	2,040,500	2,403,604	2,272,995	2,209,887	2,179,502
Vocational school	<u>80,902</u>	<u>93,381</u>	<u>89,016</u>	<u>89,331</u>	<u>82,364</u>
Total general property taxes	<u>5,071,657</u>	<u>5,011,334</u>	<u>4,843,317</u>	<u>4,781,143</u>	<u>4,952,412</u>
<b>Other</b>	1,782	2,272	328	100	5,813
<b>Delinquent Utility Charges</b>	<u>50,382</u>	<u>58,923</u>	<u>69,158</u>	<u>71,403</u>	<u>71,683</u>
Aggregate amount of tax bill	<u>\$ 5,123,821</u>	<u>\$ 5,072,529</u>	<u>\$ 4,912,803</u>	<u>\$ 4,852,646</u>	<u>\$ 5,029,908</u>
<b>Assessed Valuation</b>	<u>\$ 253,535,810</u>	<u>\$ 248,071,090</u>	<u>\$ 251,291,400</u>	<u>\$ 251,267,310</u>	<u>\$ 253,751,880</u>
<b>Equalized Valuation</b>	<u>\$ 253,512,700</u>	<u>\$ 257,936,700</u>	<u>\$ 247,158,600</u>	<u>\$ 254,259,700</u>	<u>\$ 272,554,800</u>
<b>Ratio of Assessment</b>	<u>100.01%</u>	<u>96.18%</u>	<u>101.67%</u>	<u>98.82%</u>	<u>93.10%</u>