

# PRELIMINARY OFFICIAL STATEMENT DATED APRIL 24, 2025

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

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

**New Issue**

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

## VILLAGE OF BUTLER, WISCONSIN (Waukesha County)

### \$1,205,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A

**BID OPENING:** May 6, 2025, 10:00 A.M., C.T.

**CONSIDERATION:** May 6, 2025, 7:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$1,205,000\* General Obligation Promissory Notes, Series 2025A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Butler, Wisconsin (the "Village"), for public purposes, including paying the cost of street and sewer improvements and refunding certain obligations of the Village as more fully described herein. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF NOTES:** May 22, 2025

**MATURITY:** February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$100,000	2033	\$70,000	2040	\$65,000
2027	50,000	2034	70,000	2041	65,000
2028	40,000	2035	55,000	2042	80,000
2029	45,000	2036	50,000	2043	80,000
2030	50,000	2037	60,000	2044	80,000
2031	55,000	2038	65,000		
2032	60,000	2039	65,000		

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

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** February 1, 2026 and semiannually thereafter.

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

**MINIMUM BID:** \$1,189,937.50.

**MAXIMUM BID:** \$1,301,400.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$24,100 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** Bond Trust Services Corporation.

**BOND COUNSEL:** Quarles & Brady LLP.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

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

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



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## REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

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

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

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

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

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

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

## CLOSING CERTIFICATES

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

# TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT..... 1</p> <p>THE NOTES..... 1</p> <p style="padding-left: 20px;">GENERAL..... 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION..... 1</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE..... 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES..... 2</p> <p style="padding-left: 20px;">SECURITY..... 3</p> <p style="padding-left: 20px;">RATING..... 3</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE..... 3</p> <p style="padding-left: 20px;">LEGAL OPINION..... 4</p> <p style="padding-left: 20px;">STATEMENT REGARDING COUNSEL PARTICIPATION..... 4</p> <p style="padding-left: 20px;">TAX EXEMPTION..... 4</p> <p style="padding-left: 20px;">ORIGINAL ISSUE DISCOUNT..... 5</p> <p style="padding-left: 20px;">BOND PREMIUM..... 5</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS..... 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR..... 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED COMPANIES.... 6</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS..... 6</p> <p style="padding-left: 20px;">RISK FACTORS..... 7</p> <p>VALUATIONS..... 9</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES..... 9</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS..... 10</p> <p style="padding-left: 20px;">2024 EQUALIZED VALUE BY CLASSIFICATION.... 10</p> <p style="padding-left: 20px;">TREND OF VALUATIONS..... 10</p> <p style="padding-left: 20px;">LARGER TAXPAYERS..... 11</p> <p>DEBT..... 12</p> <p style="padding-left: 20px;">DIRECT DEBT..... 12</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY..... 12</p> <p style="padding-left: 20px;">FUTURE FINANCING..... 12</p> <p style="padding-left: 20px;">DEBT LIMIT..... 12</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT..... 13</p> <p style="padding-left: 20px;">SCHEDULE OF WATER REVENUE DEBT..... 15</p> <p style="padding-left: 20px;">OVERLAPPING DEBT..... 16</p> <p style="padding-left: 20px;">DEBT RATIOS..... 16</p> <p>TAX LEVIES AND COLLECTIONS..... 17</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS..... 17</p> <p style="padding-left: 20px;">PROPERTY TAX RATES..... 18</p> <p style="padding-left: 20px;">LEVY LIMITS..... 18</p> <p style="padding-left: 20px;">REVENUE FROM THE STATE..... 19</p>	<p>THE ISSUER..... 20</p> <p style="padding-left: 20px;">VILLAGE GOVERNMENT..... 20</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS..... 20</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS..... 22</p> <p style="padding-left: 20px;">LITIGATION..... 22</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY..... 22</p> <p style="padding-left: 20px;">FUNDS ON HAND..... 23</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS..... 24</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION..... 25</p> <p>GENERAL INFORMATION..... 26</p> <p style="padding-left: 20px;">LOCATION..... 26</p> <p style="padding-left: 20px;">LARGER EMPLOYERS..... 26</p> <p style="padding-left: 20px;">BUILDING PERMITS..... 27</p> <p style="padding-left: 20px;">U.S. CENSUS DATA..... 28</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA..... 28</p> <p>FINANCIAL STATEMENTS..... A-1</p> <p>FORM OF LEGAL OPINION..... B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM..... C-1</p> <p>FORM OF CONTINUING DISCLOSURE CERTIFICATE .. D-1</p> <p>NOTICE OF SALE..... E-1</p> <p>BID FORM</p>
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## **VILLAGE OF BUTLER VILLAGE BOARD**

		<u>Term Expires</u>
Paul Kasdorf	Village Board President	April 2027
William Benjamin	Village Trustee	April 2027
Erik Boehler	Village Trustee	April 2026
Mark Holdmann	Village Trustee	April 2027
Brad Meyer	Village Trustee	April 2026
Thomas Sardina	Village Trustee	April 2027
Patricia Tiarks	Village Trustee	April 2026

## **ADMINISTRATION**

Benjamin Hubrich, Village Administrator/Clerk  
Aaron Kramer, Assistant Village Administrator/Treasurer

## **PROFESSIONAL SERVICES**

Paul Alexy, Municipal Law and Litigation Group, Village Attorney, Waukesha, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin  
*(Other office located in Roseville, Minnesota)*

# INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Butler, Wisconsin (the "Village") and the issuance of its \$1,205,000\* General Obligation Promissory Notes, Series 2025A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on May 6, 2025.

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

## THE NOTES

### GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 22, 2025. The Notes will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2026, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC") to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

### OPTIONAL REDEMPTION

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

\*Preliminary, subject to change.

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

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

**AUTHORITY; PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including paying the cost of street and sewer improvements and refunding the Village’s State Trust Fund Loan, dated June 27, 2024 (the “2024 Loan”) as follows:

<b>Issue Being Refunded</b>	<b>Date of Refunded Issue</b>	<b>Call Date</b>	<b>Call Price</b>	<b>Maturities Being Refunded</b>	<b>Interest Rate</b>	<b>Principal to be Refunded</b>
2024 Loan	6/27/24	6/9/25	N/A	2026	6.00%	\$131,955
				2027	6.00%	139,872
				2028	6.00%	148,214
				2029	6.00%	<u>157,157</u>
Total 2024 Loan Being Refunded						<u>\$577,198</u>

A portion of the proceeds of the Notes will be used to pay the 2024 Loan described above.

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>	
Par Amount of Notes	\$1,205,000
Available Funds on Hand	70,000
Estimated Interest Earnings	<u>4,650</u>
<b>Total Sources</b>	<b>\$1,279,650</b>
<b>Uses</b>	
Estimated Underwriter's Discount	\$15,063
Cost of Issuance	56,400
Deposit to Project Construction Fund	619,994
Deposit to Current Refunding Fund	585,358
Rounding Amount	<u>2,835</u>
<b>Total Uses</b>	<b>\$1,279,650</b>

\*Preliminary, subject to change.

## **SECURITY**

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

## **RATING**

General obligation debt of the Village is currently rated "A1" by Moody's Investors Service, Inc. ("Moody's"). The Village has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

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

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

## **CONTINUING DISCLOSURE**

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

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

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

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

## **LEGAL OPINION**

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

## **STATEMENT REGARDING COUNSEL PARTICIPATION**

Bond Counsel has not assumed responsibility for the Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

## **TAX EXEMPTION**

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

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

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

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

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



## **ORIGINAL ISSUE DISCOUNT**

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

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

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

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

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

## **BOND PREMIUM**

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the

compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

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

## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

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

## **INDEPENDENT AUDITORS**

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

## RISK FACTORS

The following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

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

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

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

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

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

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

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

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

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

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

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

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

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

# VALUATIONS

## WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

### Equalized Value

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

### Assessed Value

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

## CURRENT PROPERTY VALUATIONS

2024 Equalized Value	\$334,857,100
2024 Assessed Value	\$337,131,400

## 2024 EQUALIZED VALUE BY CLASSIFICATION

	<b>2024 Equalized Value<sup>1</sup></b>	<b>Percent of Total Equalized Value</b>
Residential	\$147,249,800	43.974%
Commercial	148,349,600	44.302%
Manufacturing	39,257,700	11.724%
Personal Property <sup>2</sup>	<u>0</u>	<u>0.000%</u>
Total	<u><u>\$334,857,100</u></u>	<u><u>100.000%</u></u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2020	\$251,267,310	\$254,259,700	2.87%
2021	253,751,880	272,554,800	7.20%
2022	249,492,680	308,207,100	13.08%
2023	251,142,450	342,945,300	11.27%
2024	337,131,400	334,857,100	-2.36%

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

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<sup>1</sup> Includes tax increment valuation.

<sup>2</sup> Personal property has been exempted from taxation as of January 1, 2024 (see "TAX LEVIES AND COLLECTIONS" herein).

## LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2024 Equalized Value <sup>1</sup>	Percent of Village's Total Equalized Value
Exeter 4410 132, LP	Multi-tenant/Commercial	\$9,076,847	2.71%
Hampton Regency	Multi-Family Residential	8,810,556	2.63%
Milwaukee Insulation	Commercial	7,304,684	2.18%
WIS-Pack Foods (Cargill)	Food Processing	7,060,046	2.11%
Butler Square	Multi-Family Residential	5,914,427	1.77%
Western States Envelope & Label Company	Paper Manufacturing	5,796,727	1.73%
Lafayette Building, LLC	Multi-tenant/Commercial	5,111,283	1.53%
Reis Graphics	Commercial Painting	2,572,725	0.77%
Goodyear Commercial Tire	Commercial/Retail	2,468,732	0.74%
Kwik Trip	Retail/Fueling Station	<u>2,307,725</u>	<u>0.69%</u>
Total		\$56,423,753	16.85%
Village's Total 2024 Equalized Value <sup>2</sup>		\$334,857,100	

**Source:** The Village.

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<sup>1</sup> Calculated by dividing the 2024 Assessed Values by the 2024 Aggregate Ratio of assessment for the Village.

<sup>2</sup> Includes tax increment valuation.

## DEBT

### DIRECT DEBT<sup>1</sup>

#### General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	\$8,105,868
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#### Revenue Debt (see schedules following)

Total revenue debt secured by water revenues	\$1,140,000
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### DEBT PAYMENT HISTORY

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

### FUTURE FINANCING

The Village anticipates on issue approximately \$1,400,000 general obligation debt in the next 12 months but exact timing is still unknown. Aside from the preceding, the Village has no current plans for additional financing in the next 12 months.

### DEBT LIMIT

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

Equalized Value	\$334,857,100
Multiply by 5%	0.05
Statutory Debt Limit <sup>2</sup>	\$16,742,855
Less: General Obligation Debt*	(8,105,868)
Unused Debt Limit*	\$8,636,987

\*Preliminary, subject to change.

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<sup>1</sup> Outstanding debt is as of the dated date of the Notes and excludes the obligations to be refunded by the Notes.

<sup>2</sup> The Village has an internal policy that states that the Village will not issue more than 75% of its statutory limit of debt.



Village of Butler, Wisconsin  
 Schedule of Bonded Indebtedness  
 General Obligation Debt Secured by Taxes  
 (As of 05/22/2025)

	Corporate Purpose Bonds Series 2016A		Corporate Purpose Bonds Series 2017A		Street Improvement Bonds Series 2018A		Corporate Purpose Bonds Series 2019A		Corporate Purpose Bonds Series 2020A	
Dated	02/09/2016		03/30/2017		04/19/2018		04/25/2019		04/02/2020	
Amount	\$1,060,000		\$1,085,000		\$1,090,000		\$1,400,000		\$1,465,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	0	9,075	0	11,706	0	13,013	0	14,531	0	12,439
2026	50,000	17,400	50,000	22,663	60,000	25,200	65,000	28,331	70,000	24,283
2027	50,000	15,900	50,000	21,163	60,000	23,475	65,000	26,625	70,000	23,093
2028	50,000	14,400	55,000	19,588	60,000	21,675	70,000	24,600	70,000	21,903
2029	55,000	12,825	55,000	17,938	50,000	20,025	70,000	22,500	75,000	20,558
2030	55,000	11,175	55,000	16,288	60,000	18,300	75,000	20,325	75,000	19,058
2031	55,000	9,525	60,000	14,488	60,000	16,350	75,000	18,075	75,000	17,558
2032	60,000	7,800	60,000	12,538	60,000	14,400	80,000	15,750	75,000	15,983
2033	60,000	6,000	65,000	10,506	60,000	12,375	80,000	13,350	75,000	14,333
2034	65,000	4,125	65,000	8,313	60,000	10,275	85,000	10,875	75,000	12,683
2035	65,000	2,175	65,000	6,038	60,000	8,175	85,000	8,325	75,000	10,939
2036	40,000	600	65,000	3,763	65,000	5,906	85,000	5,775	75,000	9,101
2037			75,000	1,313	65,000	3,469	80,000	3,300	75,000	7,264
2038					60,000	1,125	70,000	1,050	80,000	5,265
2039									80,000	3,105
2040									75,000	1,013
2041										
2042										
2043										
2044										
	605,000	111,000	720,000	166,300	780,000	193,763	985,000	213,413	1,120,000	218,573

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Village of Butler, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 05/22/2025)

	Promissory Note Series 2020B		Corporate Purpose Bonds Series 2021A		Corporate Purpose Bonds Series 2022A		Promissory Notes Series 2025A							
Dated	12/01/2020		03/25/2021		02/02/2022		05/22/2025							
Amount	\$250,000		\$1,680,000		\$1,425,000		\$1,205,000*							
Maturity	12/01		02/01		02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	24,715	3,102	0	13,100	0	13,390	0	0	24,715	90,356	115,071	8,081,153	.30%	2025
2026	25,207	2,610	90,000	25,300	40,000	26,540	100,000	55,645	550,207	227,971	778,178	7,530,946	7.09%	2026
2027	25,709	2,108	95,000	23,450	40,000	26,000	50,000	43,818	505,709	205,631	711,340	7,025,237	13.33%	2027
2028	26,220	1,597	90,000	21,600	55,000	25,288	40,000	42,233	516,220	192,882	709,102	6,509,016	19.70%	2028
2029	26,742	1,075	75,000	19,950	50,000	24,500	45,000	40,724	501,742	180,094	681,836	6,007,274	25.89%	2029
2030	27,274	543	65,000	18,550	55,000	23,300	50,000	39,050	517,274	166,588	683,862	5,490,000	32.27%	2030
2031			75,000	17,150	70,000	21,425	55,000	37,185	525,000	151,755	676,755	4,965,000	38.75%	2031
2032			75,000	15,650	75,000	19,250	60,000	35,115	545,000	136,485	681,485	4,420,000	45.47%	2032
2033			75,000	14,150	75,000	17,375	70,000	32,758	560,000	120,846	680,846	3,860,000	52.38%	2033
2034			65,000	12,750	75,000	15,875	70,000	30,168	560,000	105,063	665,063	3,300,000	59.29%	2034
2035			75,000	11,350	75,000	14,375	55,000	27,796	555,000	89,173	644,173	2,745,000	66.14%	2035
2036			85,000	9,750	80,000	12,785	50,000	25,725	545,000	73,405	618,405	2,200,000	72.86%	2036
2037			90,000	8,000	90,000	11,000	60,000	23,483	535,000	57,828	592,828	1,665,000	79.46%	2037
2038			90,000	6,200	90,000	9,110	65,000	20,904	455,000	43,654	498,654	1,210,000	85.07%	2038
2039			90,000	4,400	90,000	7,130	65,000	18,174	325,000	32,809	357,809	885,000	89.08%	2039
2040			95,000	2,550	95,000	5,003	65,000	15,379	330,000	23,944	353,944	555,000	93.15%	2040
2041			80,000	800	95,000	2,818	65,000	12,503	240,000	16,120	256,120	315,000	96.11%	2041
2042					75,000	863	80,000	9,220	155,000	10,083	165,083	160,000	98.03%	2042
2043							80,000	5,560	80,000	5,560	85,560	80,000	99.01%	2043
2044							80,000	1,860	80,000	1,860	81,860	0	100.00%	2044
	155,868	11,034	1,310,000	224,700	1,225,000	276,025	1,205,000	517,296	8,105,868	1,932,103	10,037,971			

\* Preliminary, subject to change.

Village of Butler, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Water Revenues  
(As of 05/22/2025)

Water System Revenue Bonds  
Series 2024A

Dated	05/01/2024
Amount	\$1,140,000
Maturity	05/01

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	25,838	0	25,838	25,838	1,140,000	.00%	2025
2026	40,000	50,675	40,000	50,675	90,675	1,100,000	3.51%	2026
2027	40,000	48,675	40,000	48,675	88,675	1,060,000	7.02%	2027
2028	40,000	46,675	40,000	46,675	86,675	1,020,000	10.53%	2028
2029	45,000	44,550	45,000	44,550	89,550	975,000	14.47%	2029
2030	45,000	42,300	45,000	42,300	87,300	930,000	18.42%	2030
2031	50,000	39,925	50,000	39,925	89,925	880,000	22.81%	2031
2032	50,000	37,425	50,000	37,425	87,425	830,000	27.19%	2032
2033	55,000	34,800	55,000	34,800	89,800	775,000	32.02%	2033
2034	55,000	32,050	55,000	32,050	87,050	720,000	36.84%	2034
2035	60,000	29,475	60,000	29,475	89,475	660,000	42.11%	2035
2036	60,000	27,075	60,000	27,075	87,075	600,000	47.37%	2036
2037	65,000	24,534	65,000	24,534	89,534	535,000	53.07%	2037
2038	65,000	21,853	65,000	21,853	86,853	470,000	58.77%	2038
2039	70,000	19,069	70,000	19,069	89,069	400,000	64.91%	2039
2040	75,000	16,031	75,000	16,031	91,031	325,000	71.49%	2040
2041	75,000	12,844	75,000	12,844	87,844	250,000	78.07%	2041
2042	80,000	9,450	80,000	9,450	89,450	170,000	85.09%	2042
2043	85,000	5,738	85,000	5,738	90,738	85,000	92.54%	2043
2044	85,000	1,913	85,000	1,913	86,913	0	100.00%	2044
	1,140,000	570,894	1,140,000	570,894	1,710,894			

**OVERLAPPING DEBT<sup>1</sup>**

<b>Taxing District</b>	<b>2024 Equalized Value<sup>2</sup></b>	<b>% In Village</b>	<b>Total G.O. Debt<sup>3</sup></b>	<b>Village's Proportionate Share</b>
Waukesha County	\$88,230,894,000	0.3795%	\$72,430,000	\$274,872
Hamilton School District	6,058,700,547	4.2471%	54,880,000	2,330,819
School District of Menomonee Falls	6,122,658,986	1.2664%	17,945,000	227,254
Waukesha County Technical College District	90,444,931,991	0.3702%	18,680,000	<u>69,153</u>
Village's Share of Total Overlapping Debt				<u><u>\$2,902,098</u></u>

**DEBT RATIOS**

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$334,857,100</b>	<b>Debt/ Per Capita 1,761<sup>4</sup></b>
Total General Obligation Debt*	\$8,105,868	2.42%	\$4,602.99
Village's Share of Total Overlapping Debt	<u>2,902,098</u>	<u>0.87%</u>	<u>1,647.98</u>
Total*	\$11,007,966	3.29%	\$6,250.97

\*Preliminary, subject to change.

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

<sup>2</sup> Includes tax increment valuation.

<sup>3</sup> Outstanding debt based on information obtained on EMMA, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

<sup>4</sup> Estimated 2024 population.

## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2020/21	\$2,033,540	100%	\$8.00
2021/22	2,231,405	100%	8.19
2022/23	2,356,465	100%	7.65
2023/24	2,462,282	100%	7.18
2024/25	2,218,769	In Progress	6.63

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

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

## PROPERTY TAX RATES

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

<b>Year Levied/ Year Collected</b>	<b>Schools<sup>1</sup></b>	<b>County</b>	<b>Local</b>	<b>Total</b>
2020/21	\$9.04	\$1.76	\$8.00	\$18.80
2021/22	8.30	1.68	8.19	18.17
2022/23	7.98	1.53	7.65	17.16
2023/24	7.16	1.39	7.18	15.73
2024/25	7.31	1.35	6.63	15.29

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

## LEVY LIMITS

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

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

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

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

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

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

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

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

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

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

## **REVENUE FROM THE STATE**

In addition to local property taxes described above, a number of state programs exist which provide revenue to the Village. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Village that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Village beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the Village received approximately \$160,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$44,000 received in 2023. The

Village is expected to receive approximately \$162,000 in shared revenue under Chapter 79, Wis. Stats. in 2025. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

## THE ISSUER

### VILLAGE GOVERNMENT

The Village was incorporated in 1913 and is governed by a seven-member Village Board, of which the Village President is a voting member. All are elected to two-year terms. The appointed Village Administrator/Clerk and Assistant Village Administrator/Treasurer are responsible for administrative details and financial records.

### EMPLOYEES; PENSIONS

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

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2021, the fiscal year ended December 31, 2022 and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$110,891, \$124,251, and \$154,168, respectively.

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

As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 billion. As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. Accordingly, the Village will continue to report a liability for its proportionate share of the net pension liability of the WRS in its audited financial statements for the year ended December 31, 2024.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2023, the Village reported a liability of \$524,788 for its proportionate share of the net pension liability of the WRS. The net



pension liability was measured as of December 31, 2022 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.00990596% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 5 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

### **Recognized and Certified Bargaining Units**

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

As a result of the 2011 amendments to MERA, the Village is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Village is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Village were to seek approval for a higher increase through a referendum). Ultimately, the Village can unilaterally implement the wages for a collective bargaining unit.<sup>1</sup>

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

The following bargaining unit represents employees of the Village:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
Police Department	December 31, 2026

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

## **OTHER POST EMPLOYMENT BENEFITS**

The Village has adopted a defined benefit Other Post Employment Benefit ("OPEB") plan, Village Retiree Benefits Plan ("VRBP"), which 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. 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.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statement No. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Lauterbach & Amen, LLP in April 2025 with an actuarial valuation date of January 1, 2024 with table updates for Fiscal Year 2024 prepared in December 2024.

At January 1, 2025, there were 15 active plan members or beneficiary currently receiving benefit payments, and 3 of whom are not eligible for post-retirement benefits and none of whom are waiving coverage. The Village's total OPEB liability for the VRBP was \$49,217 as of January 1, 2025, and was determined by an as of that date. For the year ended December 31, 2024, the Village recognized OPEB expense of \$1,243.

The Village also has Other Post Employment Benefits ("OPEB") through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2023, the Village's portion of contributions to the LRLIF totaled \$367. For Fiscal Year 2023, the Village reported a liability of \$69,720 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2022 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.01830000% of the aggregate LRLIF net OPEB liability as of December 31, 2022.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 5. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

## **LITIGATION**

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

## **MUNICIPAL BANKRUPTCY**

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

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

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

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

**FUNDS ON HAND** (as of December 31, 2024)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$799,387
Water Utility	1,090,699
Sewer Utility	1,649,757
Stormwater Utility	2,492,263
Special Funds (Library, Debt Service, Borrowed Money, Capital)	<u>1,493,290</u>
 Total Funds on Hand	 <u><u>\$7,525,396</u></u>

## ENTERPRISE FUNDS

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

	<b>2021 Audited</b>	<b>2022 Audited</b>	<b>2023 Audited</b>	<b>2024 Projected</b>
<b>Water</b>				
Total Operating Revenues	\$521,566	\$596,551	\$772,861	\$763,923
Less: Operating Expenses	<u>(522,537)</u>	<u>(552,692)</u>	<u>(589,582)</u>	<u>(618,469)</u>
Operating Income	(\$971)	\$43,859	\$183,279	\$145,454
Plus: Depreciation	59,608	70,279	73,779	73,779
Interest Income	<u>74</u>	<u>132</u>	<u>420</u>	<u>31,950</u>
Revenues Available for Debt Service	<u><u>\$58,711</u></u>	<u><u>\$114,270</u></u>	<u><u>\$257,478</u></u>	<u><u>\$251,183</u></u>
<b>Sewer</b>				
Total Operating Revenues	\$990,912	\$964,489	\$916,118	\$900,719
Less: Operating Expenses	<u>(924,155)</u>	<u>(845,103)</u>	<u>(833,038)</u>	<u>(841,180)</u>
Operating Income	\$66,757	\$119,386	\$83,080	\$59,539
Plus: Depreciation	19,670	22,072	24,739	0
Interest Income	<u>333</u>	<u>4,300</u>	<u>17,913</u>	<u>20,000</u>
Revenues Available for Debt Service	<u><u>\$86,760</u></u>	<u><u>\$145,758</u></u>	<u><u>\$125,732</u></u>	<u><u>\$79,539</u></u>
<b>Storm Water</b>				
Total Operating Revenues	\$283,920	\$375,006	\$374,484	\$376,000
Less: Operating Expenses	<u>(259,859)</u>	<u>(286,305)</u>	<u>(307,371)</u>	<u>(369,166)</u>
Operating Income	\$24,061	\$88,701	\$67,113	\$6,834
Plus: Depreciation	47,730	49,486	49,558	0
Interest Income	<u>219</u>	<u>3,418</u>	<u>14,330</u>	<u>16,500</u>
Revenues Available for Debt Service	<u><u>\$72,010</u></u>	<u><u>\$141,605</u></u>	<u><u>\$131,001</u></u>	<u><u>\$23,334</u></u>

## SUMMARY GENERAL FUND INFORMATION

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

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Projected <sup>1</sup>	2025 Adopted Budget <sup>2</sup>
<b>Revenues</b>					
Taxes	\$1,423,251	\$1,418,374	\$1,566,716	\$1,603,982	\$1,394,834
Intergovernmental	355,733	431,968	437,550	503,444	686,456
Licenses and permits	95,442	94,569	106,438	63,713	63,100
Fines, forfeitures and penalties	145,636	107,635	146,176	190,300	165,100
Public charges for services	109,376	125,348	199,112	104,050	94,300
Investment income	2,577	18,221	67,111	85,000	25,000
Intergovernmental revenues	78,000	78,000	78,000	78,000	78,000
Miscellaneous revenue	85,006	21,333	27,393	49,459	68,000
<b>Total Revenues</b>	<b>\$2,295,021</b>	<b>\$2,295,448</b>	<b>\$2,628,496</b>	<b>\$2,677,948</b>	<b>\$2,574,790</b>
<b>Expenditures</b>					
Current:					
General government	\$722,999	\$737,591	\$773,547	\$789,894	\$819,351
Public safety	1,112,187	1,179,336	1,319,848	1,455,289	1,385,372
Public works	281,936	302,244	352,854	361,564	310,379
Health and sanitation	99,083	105,046	109,515	113,560	113,560
Library, parks and recreation	5,811	7,258	17,186	8,074	0
Capital outlay	7,369	6,123	5,892	6,887	0
<b>Total Expenditures</b>	<b>\$2,229,385</b>	<b>\$2,337,598</b>	<b>\$2,578,842</b>	<b>\$2,735,268</b>	<b>\$2,628,662</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$65,636</b>	<b>(\$42,150)</b>	<b>\$49,654</b>	<b>(\$57,320)</b>	<b>(\$53,872)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	\$0	\$476	\$0	\$0	\$0
Transfers in	48,619	46,572	53,871	53,871	53,871
Transfers (out)	0	(398)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>48,619</b>	<b>46,650</b>	<b>53,871</b>	<b>53,871</b>	<b>53,871</b>
<b>Net changes in Fund Balances</b>	<b>\$114,255</b>	<b>\$4,500</b>	<b>\$103,525</b>	<b>(\$3,449)</b>	<b>(\$1)</b>
General Fund Balance January 1	\$591,372	\$705,627	\$710,127	\$813,652	
General Fund Balance December 31	\$705,627	\$710,127	\$813,652	\$810,203	
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	\$136,634	\$111,682	\$103,741		
Committed	39,523	40,708	33,700		
Assigned	41,031	41,252	48,107		
Unassigned	488,439	516,485	628,104		
<b>Total</b>	<b>\$705,627</b>	<b>\$710,127</b>	<b>\$813,652</b>		

<sup>1</sup> The 2024 projected data is as of March 11, 2025.

<sup>2</sup> The 2025 budget was adopted on November 19, 2024.

# GENERAL INFORMATION

## LOCATION

The Village, with a 2020 U.S. Census population of 1,787 and a current estimated population of 1,761 comprises an area of 0.8 square miles and is located in southeastern Wisconsin.

## LARGER EMPLOYERS<sup>1</sup>

Larger employers in the Village include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
Western States Envelope & Label Company	Labels/paper manufacturer	700
Cargill Meat Solutions	Meat products	400
Interstate PowerSystems	Engines, diesel repairing	155
Per Mar Security	Security Guard and Patrol	150
MRPC (Molded Rubber and Plastic Corp.)	Rubber manufacturer supplies	120
Circle Electric	Electrical contracting and engineering firm	75
Kelbe Brothers Equipment Company	Excavating contractors	70
Ries Graphics LTD	Commercial printing	65
Flexo-Graphics, LLC	Pressure sensitive labels & decals manufacturer	62
Butler Tool	Machine shop	60

**Source:** The Village, ReferenceUSA, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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

## BUILDING PERMITS

	2021	2022	2023	2024	2025 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	1	0	0	0	0
Valuation	\$170,000	\$0	\$0	\$0	\$0
 <u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	60	22	17	96	33
Valuation	\$473,923	\$298,707	\$1,227,967	\$2,306,651	\$65,459

**Source:** The Village.

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<sup>1</sup> As of March 11, 2025

## U.S. CENSUS DATA

### Population Trend: The Village

2010 U.S. Census Population	1,841
2020 U.S. Census Population	1,787
Percent of Change 2010 - 2020	-2.93%
2024 Estimated Population	1,761

### Income and Age Statistics

	<b>The Village</b>	<b>Waukesha County</b>	<b>State of Wisconsin</b>	<b>United States</b>
2023 per capita income	\$31,982	\$57,291	\$42,019	\$43,289
2023 median household income	\$55,577	\$104,100	\$75,670	\$78,538
2023 median family income	\$87,188	\$130,330	\$97,261	\$96,922
2023 median gross rent	\$937	\$1,300	\$1,045	\$1,348
2023 median value owner occupied units	\$216,300	\$373,600	\$247,400	\$303,400
2023 median age	45.0 yrs.	43.3 yrs.	40.1 yrs.	38.7 yrs.

	<b>State of Wisconsin</b>	<b>United States</b>
Village % of 2023 per capita income	76.11%	73.88%
Village % of 2023 median family income	89.64%	89.96%

### Housing Statistics

	<b><u>The Village</u></b>		
	<b>2020</b>	<b>2023</b>	<b>Percent of Change</b>
All Housing Units	922	907	-1.63%

**Source:** 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center ([https://doa.wi.gov/Pages/LocalGovtsGrants/Population\\_Estimates.aspx](https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx)) and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

## EMPLOYMENT/UNEMPLOYMENT DATA

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

<b>Year</b>	<b><u>Average Employment</u></b>		<b><u>Average Unemployment</u></b>	
	<b>Waukesha County</b>	<b>Waukesha County</b>	<b>State of Wisconsin</b>	
2021	216,841	3.2%	3.8%	
2022	218,866	2.5%	2.8%	
2023	220,851 <sup>1</sup>	2.6% <sup>1</sup>	2.8%	
2024	N/A	N/A	3.0% <sup>1</sup>	
2025, March <sup>1</sup>	218,388	3.1%	3.7%	

**Source:** Wisconsin Department of Workforce Development.

<sup>1</sup> Preliminary.



**FINANCIAL STATEMENTS**

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

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

# **Village of Butler**

Financial Statements and  
Supplementary Information

December 31, 2023

# Village of Butler

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Table of Contents  
December 31, 2023

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis	4
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Position - Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	19
Statement of Cash Flows - Proprietary Funds	20
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Index to Notes to Financial Statements	23
Notes to Financial Statements	24

# Village of Butler

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Table of Contents  
December 31, 2023

	<u>Page</u>
<b>Required Supplementary Information</b>	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (Non-GAAP)	59
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Special Revenue Fund - Library	60
Schedules of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System	61
Schedule of Changes in the Total OPEB Liability and Related Ratios - Village Retiree Benefits Plan	62
Schedules of Proportionate Share of the Net OPEB Liability and Employer Contributions - Local Retiree Life Insurance Fund	63
Notes to Required Supplementary Information	64
<b>Supplementary Information</b>	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund	65
Balance Sheet - Nonmajor Governmental Funds	66
Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Governmental Funds	67
<b>Other Information</b>	
Comparative Schedule of Taxes and Valuation Data (2019-2023 Tax Rolls)	68

## **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, 2023 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, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village 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  
July 1, 2024

# Village of Butler, Wisconsin

## Management's Discussion and Analysis As of and for the year ended December 31, 2023 (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, 2023. 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 \$10,356,805 (net position). Of this amount, \$2,918,226 (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 \$646,368.
- At the close of the 2023 Fiscal year, the Village's governmental funds reported combined ending fund balances of \$2,155,242, a decrease of \$259,045 in comparison with the prior year. Approximately 29% of this total amount, \$628,104, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the 2023 fiscal year, the unassigned fund balance for the General Fund was \$628,104, or 24% of the total general fund expenditures.
- The Village of Butler's total long-term debt, including compensated absences and other post-employment benefits, decreased by \$15,774 during the fiscal year ended December 31, 2023.

### 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.

The government-wide financial statements include the Village of Butler activities. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the Village.



## Village of Butler, Wisconsin

### Management's Discussion and Analysis As of and for the year ended December 31, 2023 (unaudited)

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

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

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

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

The Village of Butler maintains 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 15 through 17 of this report.

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

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

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

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

Village of Butler, Wisconsin

Management's Discussion and Analysis  
As of and for the year ended December 31, 2023  
(unaudited)

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 \$10,352,358 as of December 31, 2023, compared with the net position on December 31, 2022, of \$9,710,437.

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

	Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	Total 2023	Total 2022
Current assets	\$ 5,050,968	\$ 5,656,755	\$ 1,970,572	\$ 1,741,671	\$ 7,021,540	\$ 7,398,426
Capital assets	8,222,556	8,057,241	5,983,540	5,989,711	14,206,096	14,046,952
<b>Total Assets</b>	<b>13,273,524</b>	<b>13,713,996</b>	<b>7,954,112</b>	<b>7,731,382</b>	<b>21,227,636</b>	<b>21,445,378</b>
Deferred outflows related to OPEBs	31,934	38,684	10,329	13,267	42,263	51,951
Deferred outflows related to pension	1,679,894	1,270,998	306,632	215,288	1,986,526	1,486,286
<b>Total Deferred Outflows of Resources</b>	<b>1,711,828</b>	<b>1,309,682</b>	<b>316,961</b>	<b>228,555</b>	<b>2,028,789</b>	<b>1,538,237</b>
Current liabilities	400,739	669,969	153,979	225,886	554,718	895,855
Noncurrent liabilities outstanding	6,188,737	5,764,235	2,510,599	2,442,609	8,699,336	8,206,844
<b>Total Liabilities</b>	<b>6,589,476</b>	<b>6,434,204</b>	<b>2,664,578</b>	<b>2,668,495</b>	<b>9,254,054</b>	<b>9,102,699</b>
Unearned revenue	2,462,281	2,356,466	-	-	2,462,281	2,356,466
Deferred inflows related to OPEBs	53,692	28,470	20,867	9,733	74,559	38,203
Deferred inflows related to pension	942,664	1,522,486	166,062	253,324	1,108,726	1,775,810
<b>Total Deferred Inflows of Resources</b>	<b>3,458,637</b>	<b>3,907,422</b>	<b>186,929</b>	<b>263,057</b>	<b>3,645,566</b>	<b>4,170,479</b>
Net Position:						
Net investment in capital assets	3,738,141	3,560,820	3,600,642	3,478,309	7,338,783	7,039,129
Restricted	48,518	671,011	51,278	166,878	99,796	837,889
Unrestricted	1,150,580	450,221	1,767,646	1,383,198	2,918,226	1,833,419
<b>Total Net Position</b>	<b>\$ 4,937,239</b>	<b>\$ 4,682,052</b>	<b>\$ 5,419,566</b>	<b>\$ 5,028,385</b>	<b>\$ 10,356,805</b>	<b>\$ 9,710,437</b>

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 \$2,918,226 and \$1,833,419 for 2023 and 2022 respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of both the 2023 and 2022 years, the Village is able to report positive balances in all three categories of net position. The Village's total net position increased by \$646,368 during the current fiscal year.

**Village of Butler, Wisconsin**

**Management's Discussion and Analysis  
As of and for the year ended December 31, 2023  
(unaudited)**

**Analysis of the Village's Operations** - The following schedule highlights the Village's revenues and expenses for the fiscal years ended December 31, 2023 and 2022. The table utilizes the full accrual method of accounting. The table below demonstrates that governmental activities increased by \$255,187 and business-type activities increased the Village's net position by \$391,181 in 2023.

**Village of Butler's Changes in Net Position**

	<b>Governmental Activities 2023</b>	<b>Governmental Activities 2022</b>	<b>Business-type Activities 2023</b>	<b>Business-type Activities 2022</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 599,665	\$ 403,266	\$ 2,063,463	\$ 1,936,046	\$ 2,663,128	\$ 2,339,312
Operating Grants and Contributions	305,148	268,326	-	-	305,148	268,326
Capital Grants and Contributions	-	-	-	103,297	-	103,297
<b>General revenues</b>						
<b>Property Tax For</b>						
General Purposes	1,566,716	1,418,374	-	-	1,566,716	1,418,374
Parks and Recreation	16,700	17,300	-	-	16,700	17,300
Equipment	138,600	146,154	-	-	138,600	146,154
Debt Service	538,103	553,229	-	-	538,103	553,229
Library	96,347	96,347	-	-	96,347	96,347
Intergovernmental revenues not restricted to specific programs	202,153	279,659	-	-	202,153	279,659
Investment earnings	116,830	40,738	32,663	7,850	149,493	48,588
Gain (loss) on disposal of capital assets	-	5,476	-	-	-	5,476
Other	50,602	52,100	133,941	-	184,543	52,100
Transfers	53,871	46,572	(53,871)	(46,572)	-	-
<b>Total Revenues and transfers</b>	<b>3,684,735</b>	<b>3,327,541</b>	<b>2,176,196</b>	<b>2,000,621</b>	<b>5,860,931</b>	<b>5,328,162</b>
<b>Expenses:</b>						
General government	858,994	781,293	-	-	858,994	781,293
Public safety	1,514,181	1,127,855	-	-	1,514,181	1,127,855
Public works	573,816	519,323	-	-	573,816	519,323
Health and sanitation	109,515	105,046	-	-	109,515	105,046
Community development	31,574	7,402	-	-	31,574	7,402
Library, parks and recreation	202,921	180,919	-	-	202,921	180,919
Interest and fiscal charges	138,547	188,218	-	-	138,547	188,218
Sewer Service	-	-	833,038	845,103	833,038	845,103
Water	-	-	642,969	646,823	642,969	646,823
Storm Water	-	-	309,008	288,293	309,008	288,293
<b>Total expenses</b>	<b>3,429,548</b>	<b>2,910,056</b>	<b>1,785,015</b>	<b>1,780,219</b>	<b>5,214,563</b>	<b>4,690,275</b>
<b>Change in net position</b>	<b>255,187</b>	<b>417,485</b>	<b>391,181</b>	<b>220,402</b>	<b>646,368</b>	<b>637,887</b>
Net position – beginning	4,682,052	4,264,567	5,028,385	4,807,983	9,710,437	9,072,550
Net position – ending	<b>\$ 4,937,239</b>	<b>\$ 4,682,052</b>	<b>\$ 5,419,566</b>	<b>\$ 5,028,385</b>	<b>\$ 10,356,805</b>	<b>\$ 9,710,437</b>

Village of Butler, Wisconsin

Management’s Discussion and Analysis  
As of and for the year ended December 31, 2023  
(unaudited)

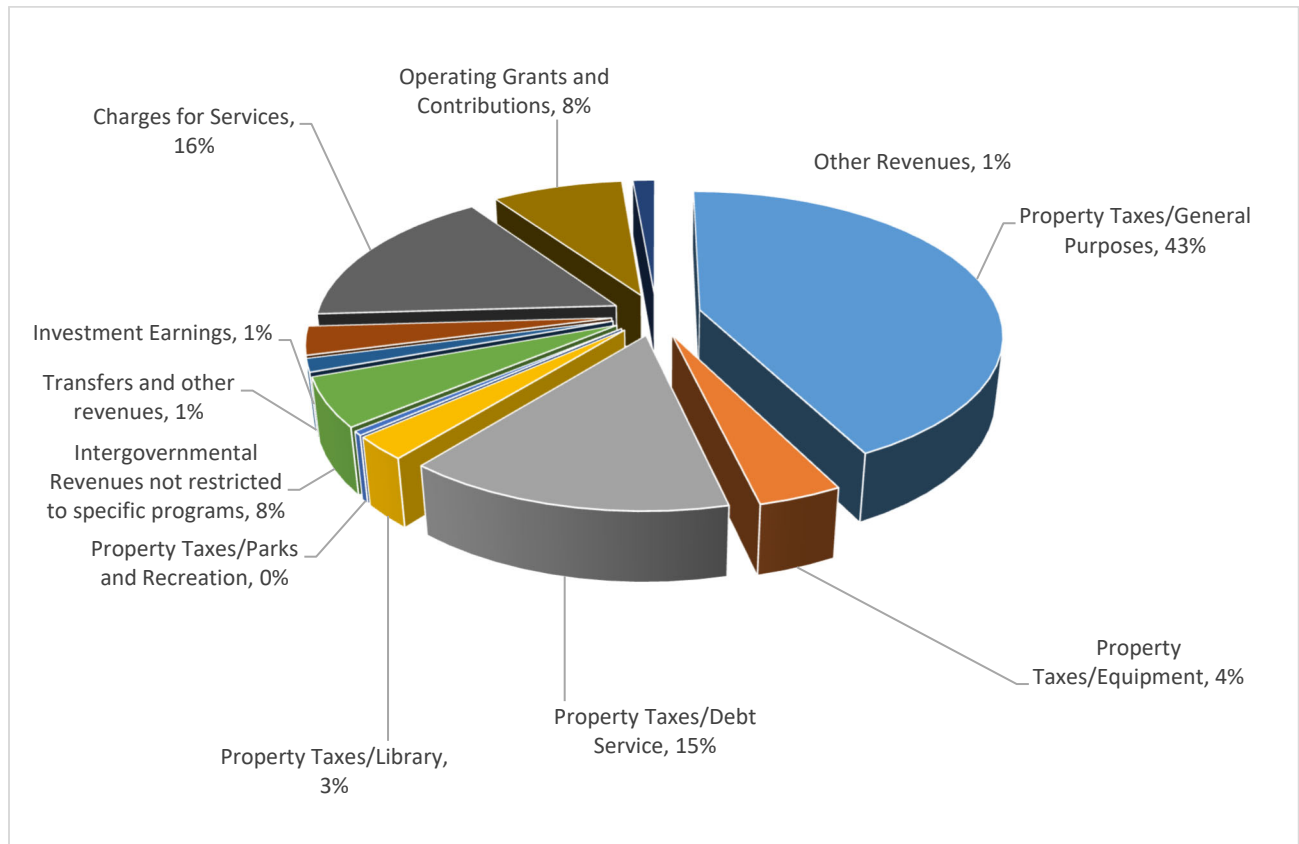
Governmental Activities

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 2023	Total Cost of Services 2022	Net (Expense) of Services 2023	Net (Expense) of Services 2022
General government	\$ 858,994	\$ 781,293	\$ (746,005)	\$ (660,197)
Public safety	1,514,181	1,127,855	(1,077,886)	(891,443)
Public works	573,816	519,323	(294,408)	(275,256)
Health and sanitation	109,515	105,046	(73,123)	(67,157)
Community development	31,574	7,402	(31,574)	(7,402)
Library, parks and recreation	202,921	180,919	(163,192)	(148,791)
Interest on long-term debt	138,547	188,218	(138,547)	(188,218)
	<u>\$ 3,429,548</u>	<u>\$ 2,910,056</u>	<u>\$ (2,524,735)</u>	<u>\$ (2,238,464)</u>

The net cost of services is 74% of the total cost of services in 2023 and 77% in 2022. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

The graph below shows the 2023 percentage of the total governmental activities revenues allocated by each revenue type.



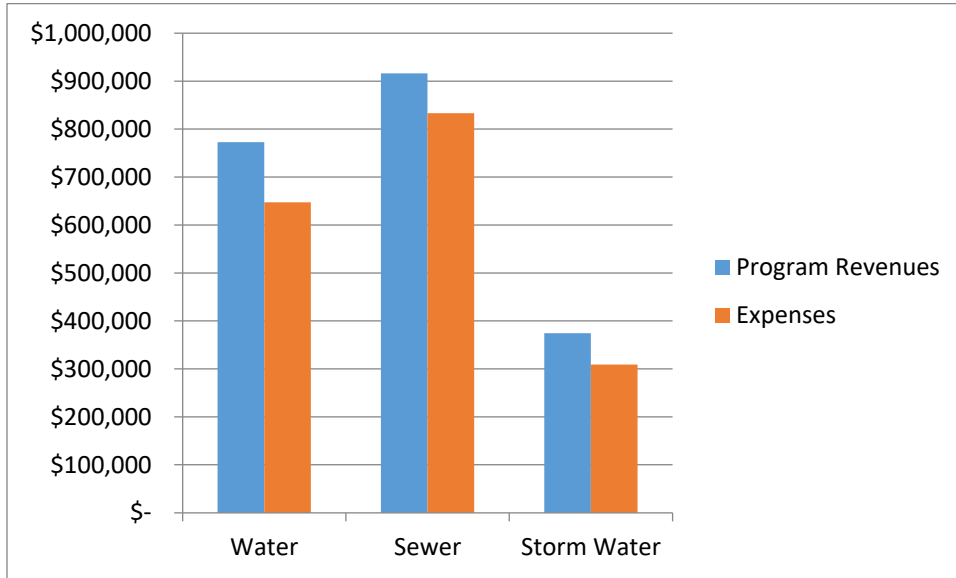
Village of Butler, Wisconsin

Management's Discussion and Analysis  
As of and for the year ended December 31, 2023  
(unaudited)

Business-Type Activities

Total Business-type activities' charges for service revenues for the years ending December 31, 2023 and 2022 were \$2,063,463 and \$1,936,046, respectively. The Business-type activities increased the Village of Butler's net position for the years ending December 31, 2023 and 2022 by \$391,181 and \$220,402 respectively.

The graph below shows the relationship between the 2023 revenues and expenses for the Village of Butler Sewer Service, Water, and Storm Water Utilities.



## Village of Butler, Wisconsin

### Management's Discussion and Analysis As of and for the year ended December 31, 2023 (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 \$2,155,242, a decrease of \$259,045 in comparison with the prior year. Approximately 29% of this total amount (\$628,104) 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 2023, the General Fund balance increased by \$103,525. At the end of the year, the unassigned fund balance of the General Fund was \$628,104 while total fund balance was \$813,652. 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 24% of total general fund expenditures and transfers.

Fund balance in the Debt Service Fund decreased by \$884 during 2023. Fund balance in the Borrowed Money Fund decreased \$340,379 during 2023. Fund balance in the Library Fund increased \$1,024 during 2023.

**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 \$1,575,516, the Water Utility totaled \$1,409,154, and the Storm Water Utility the total net position was \$2,434,896. Total change in net position for the Water, Storm Water, and Sewer Service Utilities was an increase of \$109,539, an increase of \$97,220, and an increase of \$184,422, respectively.

#### General Fund Budgetary Highlights.

- The total original and final revenue and transfer budget was \$2,488,417 and actual revenues and transfers on a budgetary non-GAAP basis were \$2,672,189.
- In total, the General Fund had an increase in fund balance of \$103,525 because of increased investment revenues and public charges for services.
- The total original and final expenditure budget was \$2,488,417 and actual expenditures and transfers on a budgetary non-GAAP basis were \$2,561,656.

**Village of Butler, Wisconsin**

**Management's Discussion and Analysis  
As of and for the year ended December 31, 2023  
(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, 2023 and 2022 amounted to \$14.2 million and \$14 million, respectively (net of accumulated depreciation/amortization). The Village's investment in capital assets includes land, buildings, and improvements, equipment, intangibles, and infrastructure.

	<b>Governmental Activities 2023</b>	<b>Governmental Activities 2022</b>	<b>Business-type Activities 2023</b>	<b>Business-type Activities 2022</b>	<b>Total 2023</b>	<b>Total 2022</b>
Land	\$ 344,080	\$ 344,080	\$ 18,293	\$ 18,293	\$ 362,373	\$ 362,373
Construction in progress	396,318	11,404	70,527	155,316	466,845	166,720
Land Improvements	884,173	809,218	-	-	884,173	809,218
Buildings	2,824,446	2,822,795	179,662	179,662	3,004,108	3,002,457
Machinery & Equipment	2,556,412	2,486,395	384,909	384,909	2,941,321	2,871,304
Infrastructure	5,881,370	5,878,345	-	-	5,881,370	5,878,345
Intangibles	82,740	77,852	9,205	9,205	91,945	87,057
Water Distribution System	-	-	3,784,879	3,762,767	3,784,879	3,762,767
Storm Water Systems	-	-	3,548,268	3,548,268	3,548,268	3,548,268
Sewer Collection System	-	-	1,201,085	1,001,050	1,201,085	1,001,050
Accumulated depreciation	(4,746,983)	(4,372,849)	(3,213,288)	(3,069,759)	(7,960,271)	(7,442,608)
	<u>\$ 8,222,556</u>	<u>\$ 8,057,240</u>	<u>\$ 5,983,540</u>	<u>\$ 5,989,711</u>	<u>\$ 14,206,096</u>	<u>\$ 14,046,951</u>

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

**Village of Butler, Wisconsin**

**Management’s Discussion and Analysis  
As of and for the year ended December 31, 2023  
(unaudited)**

**Long-term debt** - As of December 31, 2023 the Village of Butler governmental activities had general obligation bonds and notes outstanding totaling \$5,480,365. The Village of Butler has business-type activities notes payable totaling \$2,355,000. In the current year, the Village paid \$383,266 in principal and \$158,686 in interest on outstanding governmental activities debt. Business-Type Activities paid \$125,000 in principal and \$58,528 in interest on outstanding debt in the current year.

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

	<b>Governmental Activities 2023</b>	<b>Governmental Activities 2022</b>	<b>Business-type Activities 2023</b>	<b>Business-type Activities 2022</b>	<b>Total 2023</b>	<b>Total 2022</b>
General Obligations Bonds & Notes	\$ 5,480,365	\$ 5,863,631	\$ 2,355,000	\$ 2,480,000	\$ 7,835,365	\$ 8,343,631

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 \$34,738,200 in 2023 due to economic redevelopment.
- The tax levy for local purposes in year 2023 is \$2,462,282 compared to the prior year’s levy of \$2,356,465.
- The Village of Butler’s 2023 budget qualified the Village to receive the Expenditure Restraint Shared Revenue payment; as it did in 2021 and 2022.
- General fund unassigned fund balance is 24% of the 2024 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 [bhubrich@butlerwi.gov](mailto:bhubrich@butlerwi.gov).



# Village of Butler

## Statement of Net Position

December 31, 2023

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments:			
Unrestricted	\$ 2,301,865	\$ 1,726,060	\$ 4,027,925
Restricted	-	51,278	51,278
Receivables	2,810,753	87,073	2,897,826
Inventories	-	10,569	10,569
Prepaid items	26,338	7,604	33,942
Internal balances	(87,988)	87,988	-
Capital assets:			
Land	344,080	18,293	362,373
Construction in progress	396,318	70,527	466,845
Property and equipment (net)	7,482,158	5,894,720	13,376,878
<b>Total assets</b>	<b>13,273,524</b>	<b>7,954,112</b>	<b>21,227,636</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to OPEBs	31,934	10,329	42,263
Deferred outflows related to pension	1,679,894	306,632	1,986,526
<b>Total deferred outflows of resources</b>	<b>1,711,828</b>	<b>316,961</b>	<b>2,028,789</b>
<b>Liabilities</b>			
Accounts payable and other liabilities	342,605	129,706	472,311
Accrued interest payable	58,134	24,273	82,407
Noncurrent liabilities:			
Due within one year	364,498	125,000	489,498
Due in more than one year	5,824,239	2,385,599	8,209,838
<b>Total liabilities</b>	<b>6,589,476</b>	<b>2,664,578</b>	<b>9,254,054</b>
<b>Deferred Inflows of Resources</b>			
Unearned revenue	2,462,281	-	2,462,281
Deferred inflows related to OPEBs	53,692	20,867	74,559
Deferred inflows related to pension	942,664	166,062	1,108,726
<b>Total deferred inflows of resources</b>	<b>3,458,637</b>	<b>186,929</b>	<b>3,645,566</b>
<b>Net Position</b>			
Net investment in capital assets	3,738,141	3,600,642	7,338,783
Restricted for debt service	18,272	-	18,272
Restricted for equipment replacement	-	51,278	51,278
Restricted for library purposes	30,246	-	30,246
Unrestricted	1,150,580	1,767,646	2,918,226
<b>Total net position</b>	<b>\$ 4,937,239</b>	<b>\$ 5,419,566</b>	<b>\$ 10,356,805</b>

See notes to financial statements

**Village of Butler**

Statement of Activities  
Year Ended December 31, 2023

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	\$ 858,994	\$ 112,989	\$ -	\$ -	\$ (746,005)	\$ -	\$ (746,005)
Public safety	1,514,181	417,835	18,460	-	(1,077,886)	-	(1,077,886)
Health and sanitation	109,515	29,112	7,280	-	(73,123)	-	(73,123)
Public works	573,816	-	279,408	-	(294,408)	-	(294,408)
Library, parks and recreation	202,921	39,729	-	-	(163,192)	-	(163,192)
Community development	31,574	-	-	-	(31,574)	-	(31,574)
Interest and fiscal charges	138,547	-	-	-	(138,547)	-	(138,547)
Total governmental activities	3,429,548	599,665	305,148	-	(2,524,735)	-	(2,524,735)
<b>Business-Type Activities</b>							
Water utility	642,969	772,861	-	-	-	129,892	129,892
Sewer service	833,038	916,118	-	-	-	83,080	83,080
Storm water	309,008	374,484	-	-	-	65,476	65,476
Total business-type activities	1,785,015	2,063,463	-	-	-	278,448	278,448
Total	\$ 5,214,563	\$ 2,663,128	\$ 305,148	\$ -	(2,524,735)	278,448	(2,246,287)
General revenues							
Taxes:							
Property taxes levied for general purposes					1,566,716	-	1,566,716
Property taxes levied for equipment					138,600	-	138,600
Property taxes levied for debt service					538,103	-	538,103
Property taxes levied for parks and recreation					16,700	-	16,700
Property taxes levied for library					96,347	-	96,347
Intergovernmental revenues not restricted to specific programs					202,153	-	202,153
Investment income					116,830	32,663	149,493
Other					50,602	133,941	184,543
Transfers					53,871	(53,871)	-
Total general revenues and transfers					2,779,922	112,733	2,892,655
Change in net position					255,187	391,181	646,368
<b>Net Position, Beginning</b>					\$ 4,682,052	\$ 5,028,385	\$ 9,710,437
<b>Net Position, Ending</b>					\$ 4,937,239	\$ 5,419,566	\$ 10,356,805

See notes to financial statements

**Village of Butler**

Balance Sheet  
 Governmental Funds  
 December 31, 2023

	<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	\$ 777,148	\$ 36,224	\$ 76,406	\$ 1,034,537	\$ 377,550	\$ 2,301,865
Receivables:						
Taxes	1,739,300	99,000	502,985	-	256,314	2,597,599
Accounts	200,092	-	-	5,801	-	205,893
Special assessments	7,261	-	-	-	-	7,261
Prepaid items	26,338	-	-	-	-	26,338
Total assets	<u>\$ 2,750,139</u>	<u>\$ 135,224</u>	<u>\$ 579,391</u>	<u>\$ 1,040,338</u>	<u>\$ 633,864</u>	<u>\$ 5,138,956</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 51,187	\$ 3,180	\$ -	\$ 182,491	\$ 459	\$ 237,317
Accrued liabilities	102,490	2,798	-	-	-	105,288
Due to other funds	87,988	-	-	-	-	87,988
Total liabilities	<u>241,665</u>	<u>5,978</u>	<u>-</u>	<u>182,491</u>	<u>459</u>	<u>430,593</u>
<b>Deferred Inflows of Resources</b>						
Unearned revenues	1,603,982	99,000	502,985	-	256,314	2,462,281
Unavailable revenues	90,840	-	-	-	-	90,840
Total deferred inflows of resources	<u>1,694,822</u>	<u>99,000</u>	<u>502,985</u>	<u>-</u>	<u>256,314</u>	<u>2,553,121</u>
<b>Fund Balances</b>						
Nonspendable	103,741	-	-	-	-	103,741
Restricted	-	30,246	76,406	857,847	-	964,499
Committed	33,700	-	-	-	377,091	410,791
Assigned	48,107	-	-	-	-	48,107
Unassigned	628,104	-	-	-	-	628,104
Total fund balances	<u>813,652</u>	<u>30,246</u>	<u>76,406</u>	<u>857,847</u>	<u>377,091</u>	<u>2,155,242</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,750,139</u>	<u>\$ 135,224</u>	<u>\$ 579,391</u>	<u>\$ 1,040,338</u>	<u>\$ 633,864</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.	8,222,556
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.	90,840
Deferred outflows of resources related to pension and OPEB do not related to current financial resources and are not reported in the governmental funds.	1,711,828
Deferred inflows of resources related to pension and OPEB do not related to current financial resources and are not reported in the governmental funds.	(96,356)
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.	(6,246,871)
Net position of governmental activities	<u>\$ 4,937,239</u>

See notes to financial statements

## Village of Butler

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

Governmental Funds

Year Ended December 31, 2023

	General	Special Revenue Library	Debt Service	Capital Projects Borrowed Money	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 1,566,716	\$ 96,347	\$ 538,103	\$ -	\$ 155,300	\$ 2,356,466
Intergovernmental	437,550	17,297	-	-	52,453	507,300
Licenses and permits	106,438	-	-	-	-	106,438
Fines, forfeitures and penalties	146,176	-	-	-	-	146,176
Public charges for services	199,112	4,176	-	-	9,033	212,321
Investment income	67,111	-	2,965	30,589	16,165	116,830
Interdepartmental revenues	78,000	-	-	-	-	78,000
Miscellaneous revenue	27,393	5,778	-	17,432	-	50,603
<b>Total revenues</b>	<u>2,628,496</u>	<u>123,598</u>	<u>541,068</u>	<u>48,021</u>	<u>232,951</u>	<u>3,574,134</u>
<b>Expenditures</b>						
Current:						
General government	773,547	-	-	-	-	773,547
Public safety	1,319,848	-	-	-	-	1,319,848
Public works	352,854	-	-	-	-	352,854
Health and sanitation	109,515	-	-	-	-	109,515
Library, parks and recreation	17,186	122,574	-	-	28,295	168,055
Capital outlay	5,892	-	-	388,400	226,987	621,279
Debt service:						
Principal retirement	-	-	383,266	-	-	383,266
Interest and fiscal charges	-	-	158,686	-	-	158,686
<b>Total expenditures</b>	<u>2,578,842</u>	<u>122,574</u>	<u>541,952</u>	<u>388,400</u>	<u>255,282</u>	<u>3,887,050</u>
Excess (deficiency) of revenues over expenditures	<u>49,654</u>	<u>1,024</u>	<u>(884)</u>	<u>(340,379)</u>	<u>(22,331)</u>	<u>(312,916)</u>
<b>Other Financing Sources</b>						
Transfers in	53,871	-	-	-	-	53,871
<b>Net changes fund balances</b>	103,525	1,024	(884)	(340,379)	(22,331)	(259,045)
<b>Fund Balances, Beginning</b>	<u>710,127</u>	<u>29,222</u>	<u>77,290</u>	<u>1,198,226</u>	<u>399,422</u>	<u>2,414,287</u>
<b>Fund Balances, Ending</b>	<u>\$ 813,652</u>	<u>\$ 30,246</u>	<u>\$ 76,406</u>	<u>\$ 857,847</u>	<u>\$ 377,091</u>	<u>\$ 2,155,242</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, 2023

**Net Change in Fund Balances, Total Governmental Funds** \$ (259,045)

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	621,279
Less certain items reported as capital outlay not capitalized	(76,060)
Depreciation/amortization is reported in the government-wide statements	(378,549)
Net book value of assets retired	(1,355)

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.	56,730
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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	383,266

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	7,385

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(13,710)
Net pension asset/liability	(1,079,957)
Total/net OPEB liabilities, Health and Life	25,703
Deferred outflows of resources related to pension and OPEBs	402,146
Deferred inflows of resources related to pension and OPEBs	554,600
Accrued interest on debt	12,754

**Change in Net Position of Governmental Activities** \$ 255,187

**Village of Butler**

Statement of Net Position  
Proprietary Funds  
December 31, 2023

	<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 and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and investments	\$ 506,195	\$ 272,862	\$ 947,003	\$ 1,726,060
Accounts receivable	29,309	18,047	39,717	87,073
Due from other funds	30,312	14,206	43,470	87,988
Prepaid items	2,612	2,380	2,612	7,604
Inventories	10,569	-	-	10,569
Total current assets	<u>578,997</u>	<u>307,495</u>	<u>1,032,802</u>	<u>1,919,294</u>
<b>Noncurrent Assets</b>				
Restricted assets:				
Cash and investments	-	-	51,278	51,278
Capital assets:				
Land	18,293	-	-	18,293
Construction in progress	15,643	53,471	1,413	70,527
Property and equipment	4,128,703	3,654,465	1,324,840	9,108,008
Less accumulated depreciation	(998,240)	(1,471,159)	(743,889)	(3,213,288)
Total noncurrent assets	<u>3,164,399</u>	<u>2,236,777</u>	<u>633,642</u>	<u>6,034,818</u>
Total assets	<u>3,743,396</u>	<u>2,544,272</u>	<u>1,666,444</u>	<u>7,954,112</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to OPEBs	3,616	3,227	3,486	10,329
Deferred outflows related to pension	103,706	93,869	109,057	306,632
Total deferred outflows	<u>107,322</u>	<u>97,096</u>	<u>112,543</u>	<u>316,961</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable	27,758	7,971	93,977	129,706
Accrued interest payable	23,440	833	-	24,273
Current portion of general obligation debt	105,000	20,000	-	125,000
Total current liabilities	<u>156,198</u>	<u>28,804</u>	<u>93,977</u>	<u>278,979</u>
<b>Noncurrent Liabilities</b>				
OPEB liabilities	16,328	14,633	15,832	46,793
Net pension liability	28,658	24,370	27,880	80,908
General obligation debt	2,177,107	80,791	-	2,257,898
Total noncurrent liabilities	<u>2,222,093</u>	<u>119,794</u>	<u>43,712</u>	<u>2,385,599</u>
Total liabilities	<u>2,378,291</u>	<u>148,598</u>	<u>137,689</u>	<u>2,664,578</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to OPEBs	7,186	6,624	7,057	20,867
Deferred inflows related to pension	56,087	51,250	58,725	166,062
Total deferred inflows of resources	<u>63,273</u>	<u>57,874</u>	<u>65,782</u>	<u>186,929</u>
<b>Net Position</b>				
Net investment in capital assets	882,292	2,135,986	582,364	3,600,642
Restricted for equipment replacement	-	-	51,278	51,278
Unrestricted	526,862	298,910	941,874	1,767,646
Total net position	<u>\$ 1,409,154</u>	<u>\$ 2,434,896</u>	<u>\$ 1,575,516</u>	<u>\$ 5,419,566</u>

See notes to financial statements

**Village of Butler**

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

Proprietary Funds

Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Total
	Water Utility	Storm Water Utility	Sewer Service Utility	
<b>Operating Revenues</b>				
Charges for services	\$ 772,861	\$ 374,484	\$ 916,118	\$ 2,063,463
Total operating revenues	772,861	374,484	916,118	2,063,463
<b>Operating Expenses</b>				
Operation and maintenance	505,685	257,813	808,299	1,571,797
Depreciation	73,779	49,558	24,739	148,076
Taxes	10,118	-	-	10,118
Total operating expenses	589,582	307,371	833,038	1,729,991
Operating income	183,279	67,113	83,080	333,472
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	420	14,330	17,913	32,663
Interest expense	(56,495)	(2,033)	-	(58,528)
Amortization	3,108	396	-	3,504
Other nonoperating revenue	32,422	17,414	84,105	133,941
Total nonoperating revenues (expenses)	(20,545)	30,107	102,018	111,580
Income before transfers	162,734	97,220	185,098	445,052
<b>Transfers</b>				
Transfers in	676	-	-	676
Transfers out	(53,871)	-	(676)	(54,547)
Total transfers	(53,195)	-	(676)	(53,871)
Change in net position	109,539	97,220	184,422	391,181
<b>Net Position, Beginning</b>	1,299,615	2,337,676	1,391,094	5,028,385
<b>Net Position, Ending</b>	\$ 1,409,154	\$ 2,434,896	\$ 1,575,516	\$ 5,419,566

See notes to financial statements

**Village of Butler**

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

	Proprietary Fund Types Enterprise Funds			Total
	Water Utility	Storm Water Utility	Sewer Service Utility	
<b>Cash Flows From Operating Activities</b>				
Received from customers	\$ 853,470	\$ 411,761	\$ 1,078,073	\$ 2,343,304
Paid to vendors for goods and services	(382,405)	(148,410)	(622,116)	(1,152,931)
Paid to employees for services	(117,116)	(98,853)	(113,348)	(329,317)
Net cash flows from operating activities	<u>353,949</u>	<u>164,498</u>	<u>342,609</u>	<u>861,056</u>
<b>Cash Flows From Investing Activities</b>				
Investment income	420	14,330	17,913	32,663
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers in (out), net	(53,195)	-	(676)	(53,871)
<b>Cash Flows From Capital and Related Financing Activities</b>				
Principal paid on long-term debt	(105,000)	(20,000)	-	(125,000)
Interest paid on long-term debt	(65,337)	(2,200)	-	(67,537)
Acquisition and construction of capital assets	(43,534)	(40,781)	(60,489)	(144,804)
Net cash flows from capital and related financing activities	<u>(213,871)</u>	<u>(62,981)</u>	<u>(60,489)</u>	<u>(337,341)</u>
Net change in cash and cash equivalents	87,303	115,847	299,357	502,507
<b>Cash and Cash Equivalents, Beginning</b>	<u>418,892</u>	<u>157,015</u>	<u>698,924</u>	<u>1,274,831</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 506,195</u>	<u>\$ 272,862</u>	<u>\$ 998,281</u>	<u>\$ 1,777,338</u>
<b>Cash and Cash Equivalents, Ending</b>				
Unrestricted	\$ 506,195	\$ 272,862	\$ 947,003	\$ 1,726,060
Restricted	-	-	51,278	51,278
	<u>\$ 506,195</u>	<u>\$ 272,862</u>	<u>\$ 998,281</u>	<u>\$ 1,777,338</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income	\$ 183,279	\$ 67,113	\$ 83,080	\$ 333,472
Adjustments to reconcile operating income to net cash flows from operating activities:				
Non-operating Income	32,422	17,414	84,105	133,941
Depreciation expense	73,779	49,558	24,739	148,076
Depreciation charged to other funds	2,993	-	-	2,993
Changes in assets, deferred outflows, deferred inflows and liabilities:				
Accounts receivable	54,886	19,553	85,027	159,466
Due from other funds	(13,538)	(3,249)	(10,906)	(27,693)
Inventory	1,194	-	-	1,194
Prepaid items	8,951	6,731	6,905	22,587
OPEB related amounts	(3,473)	(2,586)	(3,355)	(9,414)
Deferred outflows and inflows	4,822	4,504	4,746	14,072
Pension related amounts	8,139	5,524	6,691	20,354
Accounts payable	495	(64)	61,577	62,008
Net cash flows from operating activities	<u>\$ 353,949</u>	<u>\$ 164,498</u>	<u>\$ 342,609</u>	<u>\$ 861,056</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Amortization	<u>\$ 3,108</u>	<u>\$ 396</u>	<u>\$ -</u>	<u>\$ 3,504</u>
Capital related accounts payable	<u>\$ 1,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,761</u>

See notes to financial statements



# Village of Butler

Statement of Fiduciary Net Position  
December 31, 2023

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	<u>Custodial Fund</u> <u>Tax</u> <u>Collection</u> <u>Fund</u>
<b>Assets</b>	
Cash and investments	\$ 2,359,127
Taxes receivable	<u>577,290</u>
Total assets	<u>2,936,417</u>
<b>Liabilities</b>	
Due to other governmental units	<u>2,936,417</u>
<b>Net Position</b>	
Total net position	<u>\$ -</u>

See notes to financial statements

## Village of Butler

Statement of Changes in Fiduciary Net Position  
Year Ended December 31, 2023

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	<u>Custodial Fund</u> <u>Tax</u> <u>Collection</u> <u>Fund</u>
<b>Additions</b>	
Tax collections	\$ 2,171,336
<b>Deductions</b>	
Payments to overlying districts	<u>2,171,336</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

Index to Notes to Financial Statements  
December 31, 2023

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	<u>Page</u>
<b>1. Summary of Significant Accounting Policies</b>	24
Reporting Entity	24
Government-Wide and Fund Financial Statements	24
Measurement Focus, Basis of Accounting and Financial Statement Presentation	26
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	27
Deposits and Investments	27
Receivables	28
Inventories and Prepaid Items	29
Restricted Assets	29
Capital Assets	29
Deferred Outflows of Resources	30
Compensated Absences	30
Long-Term Obligations	30
Deferred Inflows of Resources	30
Equity Classifications	31
Pension	32
Postemployment Benefits Other Than Pensions (OPEB)	32
Basis for Existing Rates	32
<b>2. Reconciliation of Government-Wide and Fund Financial Statements</b>	33
Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	33
<b>3. Stewardship, Compliance and Accountability</b>	33
Budgetary Information	33
Excess Expenditures Over Budget	34
Limitations on the Village's Tax Levy	34
<b>4. Detailed Notes on All Funds</b>	34
Deposits and Investments	34
Receivables	35
Restricted Assets	36
Capital Assets	37
Interfund Receivables/Payables and Transfers	39
Long-Term Obligations	40
Net Position/Fund Balances	43
<b>5. Other Information</b>	45
Employees' Retirement System	45
Risk Management	50
Commitments and Contingencies	51
Other Postemployment Benefits	51
Subsequent Events	58
Effect of New Accounting Standards on Current-Period Financial Statements	58

# Village of Butler

Notes to Financial Statements  
December 31, 2023

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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 and Fund Financial Statements

#### Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

#### Fund Financial Statements

Financial statements of the Village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% 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, 2023

- 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 is 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.

Storm Water Utility accounts for operations of the storm water 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, 2023

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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 Fund

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

### Tax Collection Fund

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

### Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water, 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, 2023

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

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

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, 2023

- 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, 2023, one financial institution held approximately \$3.9 million, however, the entire balance was either insured or collateralized. Another institution held \$801,646 of which \$551,646 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, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 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 - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale, 2023 delinquent real estate taxes	October 2026



## Village of Butler

Notes to Financial Statements  
December 31, 2023

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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, 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, 2023

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

## Equity Classifications

### Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- 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, 2023

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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 \$264,258 and is included in unassigned general fund fund balance.

See Note 4 for further information.

### **Pension**

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **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 following:

- Net OPEB Liability;
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- OPEB Expense (Revenue).

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 effective June 1, 2023 for water, January 1, 2016 sewer service and January 1, 2022 for storm water.

# Village of Butler

Notes to Financial Statements  
December 31, 2023

## 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		396,318
Land improvements		884,173
Buildings		2,824,446
Machinery and equipment		2,556,412
Infrastructure		5,881,370
Intangibles		82,740
Less accumulated depreciation		<u>(4,746,983)</u>
Combined adjustment for capital assets	\$	<u>8,222,556</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	\$	5,480,365
Compensated absences		96,213
Accrued interest		58,134
Unamortized debt premium		57,262
OPEB, Health		62,598
OPEB, Life		48,419
Net pension liability		<u>443,880</u>
Combined adjustment for long-term liabilities	\$	<u>6,246,871</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, 2023

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>
Special Revenue Fund - Park and Recreation	\$ 23,500	\$ 28,295	\$ 4,795
Debt Service Fund	538,953	541,952	2,999
Capital Projects Fund - Borrowed Money	300,000	388,400	88,400
Capital Projects Fund - Equipment	92,600	181,700	89,100

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.

## Limitations on the Village's Tax Levy

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

## 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	\$ 5,187,976	\$ 4,677,162	Custodial Credit
LGIP	1,250,122	1,250,122	Credit
Petty cash	232	-	N/A
Total deposits and investments	<u>\$ 6,438,330</u>	<u>\$ 5,927,284</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 4,027,925		
Restricted cash and investments	51,278		
Per statement of fiduciary net position:			
Custodial Fund	<u>2,359,127</u>		
Total deposits and investments	<u>\$ 6,438,330</u>		

## Village of Butler

Notes to Financial Statements  
December 31, 2023

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, 2023, \$2,872,907 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 551,646
Uninsured and collateral held by the pledging financial institution	<u>2,321,261</u>
Total	<u><u>\$ 2,872,907</u></u>

### Credit Risk

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

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

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

### Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for \$37,404 of ambulance receivables, \$39,999 of delinquent personal property taxes and \$7,261 of special assessments.

## Village of Butler

Notes to Financial Statements  
December 31, 2023

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	\$ 2,462,281	\$ -
Special assessments not yet due	-	7,261
Police citations receivable	-	<u>83,579</u>
	<u>\$ 2,462,281</u>	<u>\$ 90,840</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 2,462,281</u>	<u>\$ 90,840</u>
Unearned revenue included in deferred inflows	<u>\$ 2,462,281</u>	

### 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.

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

	<u>Restricted Assets</u>
Equipment replacement account	\$ <u>51,278</u>
Total	<u>\$ 51,278</u>



# Village of Butler

Notes to Financial Statements  
December 31, 2023

## Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated / amortized:				
Land	\$ 344,080	\$ -	\$ -	\$ 344,080
Construction in progress	11,404	384,914	-	396,318
Total capital assets not being depreciated / amortized	<u>355,484</u>	<u>384,914</u>	<u>-</u>	<u>740,398</u>
Capital assets being depreciated / amortized:				
Land Improvements	809,218	74,955	-	884,173
Buildings	2,822,795	3,550	1,899	2,824,446
Machinery and equipment	2,486,396	73,887	3,871	2,556,412
Infrastructure	5,878,345	3,025	-	5,881,370
Intangibles	77,852	4,888	-	82,740
Total capital assets being depreciated / amortized	<u>12,074,606</u>	<u>160,305</u>	<u>5,770</u>	<u>12,229,141</u>
Total capital assets	<u>12,430,090</u>	<u>545,219</u>	<u>5,770</u>	<u>12,969,539</u>
Less accumulated depreciation / amortization for:				
Land Improvements	(403,173)	(32,464)	-	(435,637)
Buildings	(1,032,326)	(69,008)	1,899	(1,099,435)
Machinery and equipment	(1,955,199)	(123,894)	2,516	(2,076,577)
Infrastructure	(925,686)	(148,164)	-	(1,073,850)
Intangibles	(56,465)	(5,019)	-	(61,484)
Total accumulated depreciation / amortization	<u>(4,372,849)</u>	<u>(378,549)</u>	<u>4,415</u>	<u>(4,746,983)</u>
Net capital assets being depreciated / amortized	<u>7,701,757</u>	<u>(218,244)</u>	<u>1,355</u>	<u>7,482,158</u>
Total governmental activities capital assets, net as reported in the statement of net position	<u>\$ 8,057,241</u>	<u>\$ 166,670</u>	<u>\$ 1,355</u>	<u>\$ 8,222,556</u>

Depreciation / amortization expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 48,148
Public safety	84,059
Public works	208,007
Library, parks and recreation	<u>38,335</u>
Total governmental activities depreciation / amortization expense	<u>\$ 378,549</u>

## Village of Butler

Notes to Financial Statements  
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciated / amortized:				
Land	\$ 18,293	\$ -	\$ -	\$ 18,293
Construction in progress	<u>155,316</u>	<u>56,170</u>	<u>140,959</u>	<u>70,527</u>
Total capital assets not being depreciated / amortized	<u>173,609</u>	<u>56,170</u>	<u>140,959</u>	<u>88,820</u>
Capital assets being depreciated / amortized:				
Buildings and improvements	179,662	-	-	179,662
Machinery and equipment	384,909	-	-	384,909
Water distribution system	3,762,767	29,652	7,540	3,784,879
Storm water system	3,548,268	-	-	3,548,268
Sewer collection system	1,001,050	200,035	-	1,201,085
Intangibles	<u>9,205</u>	<u>-</u>	<u>-</u>	<u>9,205</u>
Total capital assets being depreciated / amortized	<u>8,885,861</u>	<u>229,687</u>	<u>7,540</u>	<u>9,108,008</u>
Total capital assets	<u>9,059,470</u>	<u>285,857</u>	<u>148,499</u>	<u>9,196,828</u>
Less accumulated depreciation / amortization for:				
Buildings and improvements	(149,518)	(2,255)	-	(151,773)
Machinery and equipment	(192,836)	(25,955)	-	(218,791)
Water distribution system	(656,034)	(63,748)	7,540	(712,242)
Storm water system	(1,390,091)	(42,199)	-	(1,432,290)
Sewer collection system	(677,738)	(16,176)	-	(693,914)
Intangibles	<u>(3,542)</u>	<u>(736)</u>	<u>-</u>	<u>(4,278)</u>
Total accumulated depreciation / amortization	<u>(3,069,759)</u>	<u>(151,069)</u>	<u>7,540</u>	<u>(3,213,288)</u>
Net capital assets being depreciated / amortized	<u>5,816,102</u>	<u>78,618</u>	<u>-</u>	<u>5,894,720</u>
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 5,989,711</u>	<u>\$ 134,788</u>	<u>\$ 140,959</u>	<u>\$ 5,983,540</u>

Depreciation / amortization expense was charged to functions as follows:

### Business-Type Activities

Sewer	\$ 24,739
Water	73,779
Storm water	<u>49,558</u>
Total business-type activities depreciation/amortization expense	<u>\$ 148,076</u>

Depreciation expense is different from additions because of joint metering.

# Village of Butler

Notes to Financial Statements  
December 31, 2023

## 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	\$ 30,312
Sewer Service Utility	General Fund	43,470
Storm Water Utility	General Fund	14,206
Total		<u>\$ 87,988</u>

All amounts are due within one year.

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

### Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Water Utility	Sewer Utility	\$ 676	Shared meter cost
General Fund	Water Utility	<u>53,871</u>	Tax equivalent
Total, fund financial statements		54,547	
Less fund eliminations		<u>(676)</u>	
Total transfers, government-wide statement of activities		<u>\$ 53,871</u>	

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

# Village of Butler

Notes to Financial Statements  
December 31, 2023

## Long-Term Obligations

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 5,630,000	\$ -	\$ 345,000	\$ 5,285,000	\$ 325,000
General obligation notes from direct borrowings and direct placements	233,631	-	38,266	195,365	39,498
(Discounts)/Premiums	64,647	-	7,385	57,262	-
Total bonds and notes payable	<u>5,928,278</u>	<u>-</u>	<u>390,651</u>	<u>5,537,627</u>	<u>364,498</u>
Other liabilities:					
Net pension liability	-	443,880	-	443,880	-
Compensated absences	82,503	13,710	-	96,213	-
Other postemployment benefits, health	59,275	6,855	3,532	62,598	-
Other postemployment benefits, life	77,445	-	29,026	48,419	-
Total other liabilities	<u>219,223</u>	<u>464,445</u>	<u>32,558</u>	<u>651,110</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 6,147,501</u>	<u>\$ 464,445</u>	<u>\$ 423,209</u>	<u>\$ 6,188,737</u>	<u>\$ 364,498</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 2,480,000	\$ -	\$ 125,000	\$ 2,355,000	\$ 125,000
(Discounts)/Premiums	31,402	-	3,504	27,898	-
Total bonds and notes payable	<u>2,511,402</u>	<u>-</u>	<u>128,504</u>	<u>2,382,898</u>	<u>125,000</u>
Other liabilities:					
Net pension liability	-	80,908	-	80,908	-
Other postemployment benefits, health	24,021	2,909	1,438	25,492	-
Other postemployment benefits, life	32,186	-	10,885	21,301	-
Total other liabilities	<u>56,207</u>	<u>83,817</u>	<u>12,323</u>	<u>127,701</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 2,567,609</u>	<u>\$ 83,817</u>	<u>\$ 140,827</u>	<u>\$ 2,510,599</u>	<u>\$ 125,000</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2023, was \$17,147,265. Total general obligation debt outstanding at year end was \$7,835,365.

# Village of Butler

Notes to Financial Statements  
December 31, 2023

## General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. Debt in the governmental funds will be retired by 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>Balance</u>
<u>General Obligation Debt</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>December</u>
	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>31, 2023</u>
State Trust Fund Loan - Direct	01/08/05	03/15/24	5.25%	\$ 189,007	\$ 15,265
General Obligation Refunding Bond	02/09/16	02/09/36	3.00	995,000	695,000
General Obligation Corporate Purpose Bonds	03/30/17	02/01/37	3.00	425,000	320,000
General Obligation Corporate Purpose Bonds	04/17/18	02/01/38	2.20-3.75	1,090,000	900,000
General Obligation Corporate Purpose Bonds	04/23/19	02/01/38	2.00-3.00	880,000	665,000
GO Promissory Note - Direct	12/01/20	12/01/30	1.99	250,000	180,100
GO Corporate Purpose Bonds	04/02/20	02/01/40	1.30-2.70	1,465,000	1,255,000
General Obligation Corporate Purpose Bonds	03/25/21	02/01/41	2.00	815,000	745,000
General Obligation Corporate Purpose Bonds	02/02/22	02/01/42	1.20-4.00	740,000	<u>705,000</u>
Total governmental activities, general obligation debt					<u>\$ 5,480,365</u>
<u>Business-Type Activities</u>					<u>Balance</u>
<u>General Obligation Debt</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>December</u>
	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>31, 2023</u>
General Obligation Corporate Purpose Bonds	03/30/17	02/01/37	3.00%	\$ 660,000	\$ 500,000
General Obligation Corporate Purpose Bonds	04/23/19	02/01/38	2.00-3.00	520,000	440,000
General Obligation Corporate Purpose Bonds	03/25/21	02/01/41	2.00	865,000	755,000
General Obligation Corporate Purpose Bonds	02/02/22	02/01/42	1.20-4.00	685,000	<u>660,000</u>
Total business-type activities, general obligation debt					<u>\$ 2,355,000</u>

# Village of Butler

Notes to Financial Statements  
December 31, 2023

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>
2024	\$ 325,000	\$ 133,203	\$ 125,000	\$ 56,583
2025	310,000	125,775	135,000	53,503
2026	285,000	119,080	140,000	50,636
2027	290,000	112,130	140,000	47,575
2028	305,000	104,753	145,000	44,300
2029-2033	1,645,000	398,769	670,000	170,550
2034-2038	1,645,000	165,226	705,000	75,820
2039-2042	480,000	16,116	295,000	11,570
Total	<u>\$ 5,285,000</u>	<u>\$ 1,175,052</u>	<u>\$ 2,355,000</u>	<u>\$ 510,537</u>

<u>Years</u>	<u>Governmental Activities Notes From Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 39,498	\$ 4,388
2025	24,715	3,102
2026	25,207	2,610
2027	25,709	2,108
2028	26,220	1,597
2029-2030	54,016	1,618
Total	<u>\$ 195,365</u>	<u>\$ 15,423</u>

The Village's outstanding notes from direct borrowings and/or direct placements related to governmental activities of \$15,265 contain a provision that in an event of default, outstanding amounts become immediately due and payable.

## Other Debt Information

Estimated payments of compensated absences, OPEB and pension liabilities are not included in the debt service requirement schedules. The compensated absences, OPEB and pension liabilities attributable to governmental activities will be liquidated primarily by the general fund.

# Village of Butler

Notes to Financial Statements  
December 31, 2023

## Net Position/Fund Balances

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

### Governmental Activities

Net investment in capital assets:

Land	\$ 344,080
Construction in progress	396,318
Other capital assets, net of accumulated depreciation/amortization	7,482,158
Less long-term debt outstanding	(5,480,365)
Plus unspent capital related debt proceeds	857,847
Plus noncapital debt proceeds	195,365
Less unamortized debt premium	<u>(57,262)</u>
 Total net investment in capital assets	 <u>3,738,141</u>

Restricted:

Restricted for debt service	18,272
Restricted for library purposes	<u>30,246</u>
 Total restricted	 <u>48,518</u>

Unrestricted

1,150,580

Total governmental activities net position

\$ 4,937,239

### Governmental Funds

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

#### Nonspendable

Major Funds:

General Fund:

Delinquent personal property taxes	\$ 39,999
Prepaid items	26,338
Ambulance fees receivable, noncurrent	<u>37,404</u>

Total

\$ 103,741

#### Restricted

Major Funds:

Special Revenue Fund:

Library Fund	\$ 30,246
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Debt Service Fund:

Debt Service purposes	76,406
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Capital Projects Fund:

Borrowed Money Fund, unspent proceeds	<u>857,847</u>
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Total

\$ 964,499

## Village of Butler

Notes to Financial Statements  
December 31, 2023

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### Committed

Major Fund:

General Fund:

Committed for Community Service \$ 33,700

Nonmajor Funds:

Special Revenue Funds:

Park and Recreation

10,692

Equipment Fund

366,399

Total

\$ 410,791

### Assigned

Major Fund:

General Fund:

Unfunded compensated absences \$ 48,107

### Unassigned

Major Fund:

General Fund

\$ 628,104

### Business-Type Activities

Net investment in capital assets:

Land

\$ 18,293

Construction in progress

70,527

Other capital assets, net of accumulated depreciation

5,894,720

Less long-term debt outstanding

(2,355,000)

Less unamortized debt premium

(27,898)

Total net investment in capital assets

3,600,642

Restricted:

Equipment replacement

51,278

Total restricted

51,278

Unrestricted

1,767,646

Total business-type activities net position

\$ 5,419,566



## Village of Butler

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Notes to Financial Statements  
December 31, 2023

### 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/reports-and-studies/financial-reports-and-statements>.

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

##### Vesting

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

##### Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to 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, 2023

### Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

### Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$123,394 in contributions from the Village.

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

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50 %	12.00 %
Protective without Social Security	6.50 %	16.40 %

## Village of Butler

Notes to Financial Statements  
December 31, 2023

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

At December 31, 2023, the Village reported a liability of \$524,788 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.00990596%, which was an increase of 0.00054973% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense of \$235,844.

At December 31, 2023, 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 projected and actual experience	\$ 835,825	\$ 1,098,086
Changes in assumptions	103,195	-
Net differences between projected and actual earnings on pension plan investments	891,494	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,844	10,640
Employer contributions subsequent to the measurement date	<u>154,168</u>	<u>-</u>
Total	<u>\$ 1,986,526</u>	<u>\$ 1,108,726</u>

\$154,168 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Years Ending December 31:</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
2024	\$ 28,429
2025	149,213
2026	152,535
2027	393,455

## Village of Butler

Notes to Financial Statements  
December 31, 2023

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### Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

*\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

## Village of Butler

Notes to Financial Statements  
December 31, 2023

### Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

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

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

## Village of Butler

Notes to Financial Statements  
December 31, 2023

### Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 1,741,755	\$ 524,788	\$ (312,380)

### Pension Plan Fiduciary Net Position

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

At December 31, 2023, the Village reported a payable to the pension plan of \$41,191 which represents contractually required contributions outstanding as of the end of the year.

### Risk Management

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

# Village of Butler

Notes to Financial Statements  
December 31, 2023

## 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.

## 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, 2023, the following employees were covered by the benefit terms:

Active plan members	<u>15</u>
Total	<u><u>15</u></u>

### Total OPEB Liability

The Village's total OPEB liability of \$88,090 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

## Village of Butler

Notes to Financial Statements  
December 31, 2023

Inflation	2.25%
Salary increases	3.20%
Healthcare cost trend rates	6.0% in 2024 then down to 5.0% in 2027 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, 2021.

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balances at December 31, 2022	<u>\$ 83,296</u>
Changes for the year:	
Service cost	(409)
Interest	2,931
Changes in assumptions or other inputs	2,858
Benefit payments	<u>(586)</u>
Net changes	<u>4,794</u>
Balances at December 31, 2023	<u><u>\$ 88,090</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.72% in 2022 to 3.26% in 2023.

### 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 (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

	<b>1% Decrease (2.26%)</b>	<b>Discount Rate (3.26%)</b>	<b>1% Increase (4.26%)</b>
Total OPEB liability	\$ 94,595	\$ 88,090	\$ 81,985

### 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 (5.0% decreasing to 4.0%) or 1-percentage-point higher (7.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	<b>1% Decrease (5.0% decreasing to 4.0%)</b>	<b>Healthcare Cost Trend Rates (6.0% decreasing to 5.0%)</b>	<b>1% Increase (7.0% decreasing to 6.0%)</b>
Total OPEB liability	\$ 79,295	\$ 88,090	\$ 98,033



## Village of Butler

Notes to Financial Statements  
December 31, 2023

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

For the year ended December 31, 2023, the Village recognized OPEB expense of \$4,421. At December 31, 2023, 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 projected and actual experience	\$ -	\$ 21,326
Changes in assumptions	<u>7,071</u>	<u>-</u>
Total	<u>\$ 7,071</u>	<u>\$ 21,326</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>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ (1,378)
2025	(1,378)
2026	(1,378)
2027	(1,378)
2028	(1,378)
Thereafter	(7,365)

### 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 postemployment life insurance benefits for all eligible employees.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

## Village of Butler

Notes to Financial Statements  
December 31, 2023

### 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 postretirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member 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, 2023 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of member contribution
25% Postretirement Coverage	20% of member 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
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$367 in contributions from the employer.

## Village of Butler

Notes to Financial Statements  
December 31, 2023

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

At December 31, 2023, the Village reported a liability of \$69,720 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net 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, 2022, the Village's proportion was 0.01830000%, which was a decrease of 0.00024900% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense of \$6,506.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,825
Net differences between projected and actual earnings on plan investments	1,309	-
Changes in actuarial assumptions	25,049	41,154
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,695	5,254
Employer contributions subsequent to the measurement date	<u>2,139</u>	<u>-</u>
Total	<u>\$ 35,192</u>	<u>\$ 53,233</u>

\$2,139 reported as deferred outflows of resources 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 (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ (1,269)
2025	(1,693)
2026	352
2027	(3,829)
2028	(7,289)
Thereafter	(6,452)

## Village of Butler

Notes to Financial Statements  
December 31, 2023

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### Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

\*Based on the Bond Buyers GO index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

## Village of Butler

Notes to Financial Statements  
December 31, 2023

### 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.

### State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2022

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50.00%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50.00%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate remained unchanged from the prior year at 2.30%.

### Single Discount Rate

A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

## Village of Butler

Notes to Financial Statements  
December 31, 2023

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

The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what the Village's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	<u>1% Decrease to Discount Rate (2.76%)</u>	<u>Current Discount Rate (3.76%)</u>	<u>1% Increase to Discount Rate (4.76%)</u>
Village's proportionate share of the net OPEB liability	\$ 95,056	\$ 69,720	\$ 50,303

### Subsequent Events

On May 1, 2024, the Village issued Water System Revenue Bonds in the amount of \$1,140,000 with interest rates ranging from 4.0% to 5.0%. This amount will be used to finance water system projects.

### Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 1,566,716	\$ 1,566,716	\$ -
Intergovernmental	428,576	437,550	8,974
Licenses and permits	86,700	106,438	19,738
Fines, forfeitures and penalties	150,075	146,176	(3,899)
Public charges for services	106,350	199,112	92,762
Investment income	7,000	67,111	60,111
Interdepartmental revenues	78,000	78,000	-
Miscellaneous revenue	20,000	17,215	(2,785)
Total revenues	<u>2,443,417</u>	<u>2,618,318</u>	<u>174,901</u>
<b>Expenditures</b>			
Current:			
General government	791,863	773,547	18,316
Public safety	1,303,499	1,319,848	(16,349)
Public works	279,935	352,854	(72,919)
Health and sanitation	107,000	109,515	(2,515)
Capital outlay	6,120	5,892	228
Total expenditures	<u>2,488,417</u>	<u>2,561,656</u>	<u>(73,239)</u>
Excess of revenues over (under) expenditures	<u>(45,000)</u>	<u>56,662</u>	<u>101,662</u>
<b>Other Financing Sources</b>			
Transfer in	<u>45,000</u>	<u>53,871</u>	<u>8,871</u>
Excess of revenues over (under) and other financing sources over expenditures and other financing sources, budgetary basis	<u>\$ -</u>	<u>110,533</u>	<u>\$ 110,533</u>
<b>Adjustment to Generally Accepted Accounting Principles Basis</b>			
Revenue credited to designated funds		10,178	
Expenditures charged to designated funds		<u>(17,186)</u>	
Net change in fund balance		103,525	
<b>Fund Balance, Beginning</b>		<u>710,127</u>	
<b>Fund Balance, Ending</b>		<u>\$ 813,652</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 96,347	\$ 96,347	\$ -
Intergovernmental	15,184	17,297	2,113
Public charges for services	4,305	4,176	(129)
Miscellaneous revenue	1,200	5,778	4,578
	<u>117,036</u>	<u>123,598</u>	<u>6,562</u>
<b>Expenditures</b>			
Current:			
Library, parks and recreation	<u>117,036</u>	<u>122,574</u>	<u>(5,538)</u>
	<u>117,036</u>	<u>122,574</u>	<u>(5,538)</u>
Net change in fund balance	<u>\$ -</u>	1,024	<u>\$ 1,024</u>
<b>Fund Balance, Beginning</b>		<u>29,222</u>	
<b>Fund Balance, Ending</b>		<u>\$ 30,246</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, 2023

<b>Plan Fiscal Year Ending</b>	<b>Proportion of the Net Pension Liability (Asset)</b>	<b>Proportionate Share of the Net Pension Liability (Asset)</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
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 %
12/31/2021	0.00935623 %	(754,129)	1,173,902	64.24 %	106.02 %
12/31/2022	0.00990596 %	524,788	1,268,490	41.37 %	95.72 %

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

<b>Village Fiscal Year Ending</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>
12/31/2015	\$ 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 %
12/31/2022	124,251	124,251	-	1,268,490	9.80 %
12/31/2023	154,168	154,168	-	1,452,143	10.62 %

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, 2023

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Total OPEB Liability</b>						
Service cost	\$ 4,546	\$ 4,430	\$ 4,607	\$ 6,152	\$ 6,334	\$ (409)
Interest	4,024	4,205	4,044	1,599	1,589	2,931
Prior year activity	96,065	-	-	-	-	-
Changes in benefits	-	-	(7,314)	-	-	-
Differences between expected and actual experience	-	-	(26,049)	-	(967)	-
Changes of assumptions	-	-	5,270	391	2,635	2,858
Benefit payments	(3,933)	(4,972)	(6,519)	(5,952)	(6,889)	(586)
Net change in total OPEB liability	100,702	3,663	(25,961)	2,190	2,702	4,794
<b>Total OPEB Liability, Beginning</b>	<u>-</u>	<u>100,702</u>	<u>104,365</u>	<u>78,404</u>	<u>80,594</u>	<u>83,296</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 100,702</u>	<u>\$ 104,365</u>	<u>\$ 78,404</u>	<u>\$ 80,594</u>	<u>\$ 83,296</u>	<u>\$ 88,090</u>
Covered-employee payroll	\$ 1,059,880	\$ 1,059,880	\$ 1,139,306	\$ 1,171,207	\$ 1,311,248	\$1,375,788
Total OPEB liability as a percentage of covered-employee payroll	9.50%	9.85%	6.88%	6.88%	6.35%	6.40%

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, 2023

<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 %
12/31/2021	0.01854900 %	109,631	1,039,000	10.55 %	29.57 %
12/31/2022	0.01830000 %	69,720	1,116,000	6.25 %	38.81 %

Schedule of Employer Contributions - Local Retiree Life Insurance Fund  
Year Ended December, 2023

<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 %
12/31/2022	1,881	1,881	-	1,268,159	0.15 %
12/31/2023	2,139	2,139	-	1,452,143	0.15 %

See notes to required supplementary information

## Village of Butler

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Notes to Required Supplementary Information  
Year Ended December 31, 2023

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

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

### 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.* In addition to the rate changes detailed in the footnotes, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

### 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.* Actuarial assumptions changed from the prior year include the single discount rate. 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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 538,103	\$ 538,103	\$ -
Investment income	850	2,965	2,115
Total revenues	<u>538,953</u>	<u>541,068</u>	<u>2,115</u>
<b>Expenditures</b>			
Debt service:			
Principal retirement	383,266	383,266	-
Interest and fiscal charges	<u>155,687</u>	<u>158,686</u>	<u>(2,999)</u>
Total expenditures	<u>538,953</u>	<u>541,952</u>	<u>(2,999)</u>
Net changes in fund balance	<u>\$ -</u>	(884)	<u>\$ (884)</u>
<b>Fund Balances, Beginning</b>		<u>77,290</u>	
<b>Fund Balances, Ending</b>		<u>\$ 76,406</u>	

# Village of Butler

Balance Sheet

Nonmajor Governmental Funds

December 31, 2023

		<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>Assets</b>					
Cash and investments		\$ 366,791	\$ 10,759	\$ -	\$ 377,550
Receivables:					
Taxes		238,314	18,000	-	256,314
		<u>605,105</u>	<u>28,759</u>	<u>-</u>	<u>633,864</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable		\$ 392	\$ 67	\$ -	\$ 459
<b>Deferred Inflows of Resources</b>					
Unearned revenues		238,314	18,000	-	256,314
<b>Fund Balances</b>					
Committed		366,399	10,692	-	377,091
		<u>366,399</u>	<u>10,692</u>	<u>-</u>	<u>377,091</u>
Total fund balances		<u>366,399</u>	<u>10,692</u>	<u>-</u>	<u>377,091</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$ 605,105</u>	<u>\$ 28,759</u>	<u>\$ -</u>	<u>\$ 633,864</u>



## Village of Butler

Statement of Revenues, Expenses and Changes in Net Position  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2023

	<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	\$ 138,600	\$ 16,700	\$ -	\$ 155,300
Intergovernmental	7,166	-	45,287	52,453
Public charges for services	-	9,033	-	9,033
Investment income	16,165	-	-	16,165
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	161,931	25,733	45,287	232,951
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current:				
Library, parks and recreation	-	28,295	-	28,295
Capital outlay	181,700	-	45,287	226,987
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	181,700	28,295	45,287	255,282
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(19,769)	(2,562)	-	(22,331)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Balances, Beginning</b>	386,168	13,254	-	399,422
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Balances, Ending</b>	<u>\$ 366,399</u>	<u>\$ 10,692</u>	<u>\$ -</u>	<u>\$ 377,091</u>

## **OTHER INFORMATION**

## Village of Butler

Comparative Schedule of Taxes and Valuation Data  
2019 - 2023 Tax Rolls

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>County Taxes</b>	<u>\$ 449,764</u>	<u>\$ 448,385</u>	<u>\$ 459,141</u>	<u>\$ 471,174</u>	<u>\$ 476,802</u>
<b>Local Taxes</b>					
Village purposes	2,031,542	2,033,540	2,231,405	2,356,465	2,462,282
Local schools	2,272,995	2,209,887	2,179,502	2,376,125	2,370,564
Vocational school	<u>89,016</u>	<u>89,331</u>	<u>82,364</u>	<u>82,496</u>	<u>85,891</u>
Total general property taxes	<u>4,843,317</u>	<u>4,781,143</u>	<u>4,952,412</u>	<u>5,286,260</u>	<u>5,395,539</u>
<b>Other</b>	328	100	5,813	4,390	7,497
<b>Delinquent Utility Charges</b>	<u>69,158</u>	<u>71,403</u>	<u>71,683</u>	<u>62,989</u>	<u>90,982</u>
Aggregate amount of tax bill	<u>\$ 4,912,803</u>	<u>\$ 4,852,646</u>	<u>\$ 5,029,908</u>	<u>\$ 5,353,639</u>	<u>\$ 5,494,018</u>
<b>Assessed Valuation</b>	<u>\$ 251,291,400</u>	<u>\$ 251,267,310</u>	<u>\$ 253,751,880</u>	<u>\$ 249,492,680</u>	<u>\$ 251,142,450</u>
<b>Equalized Valuation</b>	<u>\$ 247,158,600</u>	<u>\$ 254,259,700</u>	<u>\$ 272,554,800</u>	<u>\$ 308,207,100</u>	<u>\$ 342,945,300</u>
<b>Ratio of Assessment</b>	<u>101.67%</u>	<u>98.82%</u>	<u>93.10%</u>	<u>80.95%</u>	<u>73.23%</u>

**FORM OF LEGAL OPINION**

(See following pages)

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

May 22, 2025

Re: Village of Butler, Wisconsin ("Issuer")  
\$1,205,000 General Obligation Promissory Notes, Series 2025A,  
dated May 22, 2025 ("Notes")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$100,000	___%
2027	50,000	___
2028	40,000	___
2029	45,000	___
2030	50,000	___
2031	55,000	___
2032	60,000	___
2033	70,000	___
2034	70,000	___
2035	55,000	___
2036	50,000	___
2037	60,000	___
2038	65,000	___
2039	65,000	___
2040	65,000	___
2041	65,000	___
2042	80,000	___
2043	80,000	___
2044	80,000	___

Interest is payable semi-annually on February 1 and August 1 of each year commencing on February 1, 2026.

The Notes maturing on February 1, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on February 1, 2033 or on any date thereafter. Said Notes

are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

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

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

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

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

QUARLES & BRADY LLP

### BOOK-ENTRY-ONLY SYSTEM

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



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

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

(See following pages)

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Butler, Waukesha County, Wisconsin (the "Issuer") in connection with the issuance of \$1,205,000 General Obligation Promissory Notes, Series 2025A, dated May 22, 2025 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 6, 2025 (the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data annually and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). The Issuer is an obligated person with respect to not more than \$10,000,000 in aggregate amount of outstanding municipal securities (including the Securities but excluding obligations exempt from the Rule). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

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

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

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

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

"Final Official Statement" means the Final Official Statement dated May 6, 2025 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include

municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

"Issuer Contact" means the Village Clerk of the Issuer who can be contacted at 12621 West Hampton Avenue, Butler, Wisconsin 53007-1791, phone (262) 783-2525, fax (262) 783-2522.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

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

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference financial information and operating data that is customarily prepared and publicly available, to wit:

1. Audited Financial Statements; and
2. The Issuer's adopted annual budget.

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

#### Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

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

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

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

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

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

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

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

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

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A

default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 22nd day of May, 2025.

(SEAL)

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Paul Kasdorf  
President

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Benjamin Hubrich  
Village Clerk



**NOTICE OF SALE**

**\$1,205,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A  
VILLAGE OF BUTLER, WISCONSIN**

Bids for the purchase of \$1,205,000\* General Obligation Promissory Notes, Series 2025A (the "Notes") of the Village of Butler, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com) or **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on May 6, 2025, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

**AUTHORITY; PURPOSE; SECURITY**

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

**DATES AND MATURITIES**

The Notes will be dated May 22, 2025, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$100,000	2033	\$70,000	2040	\$65,000
2027	50,000	2034	70,000	2041	65,000
2028	40,000	2035	55,000	2042	80,000
2029	45,000	2036	50,000	2043	80,000
2030	50,000	2037	60,000	2044	80,000
2031	55,000	2038	65,000		
2032	60,000	2039	65,000		

**ADJUSTMENT OPTION**

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

**TERM BOND OPTION**

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

## **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2026, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## **BOOK-ENTRY-ONLY FORMAT**

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

## **PAYING AGENT**

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

## **OPTIONAL REDEMPTION**

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

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

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

## **DELIVERY**

On or about May 22, 2025, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

## LEGAL OPINION

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

## STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for the Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

## SUBMISSION OF BIDS

Bids must not be for less than \$1,189,937.50, nor more than \$1,301,400 plus accrued interest on the principal sum of \$1,205,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

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

**A good faith deposit ("Deposit") in the amount of \$24,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The Village and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

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

### **AWARD**

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

### **BOND INSURANCE**

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

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

### **CUSIP NUMBERS**

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

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

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

### **CONTINUING DISCLOSURE**

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

### **NEW ISSUE PRICING**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **PRELIMINARY OFFICIAL STATEMENT**

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

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

By Order of the Village Board

Benjamin Hubrich, Village Administrator/Clerk  
Village of Butler, Wisconsin

# BID FORM

The Village Board  
Village of Butler, Wisconsin (the "Village")

May 6, 2025

RE: \$1,205,000\* General Obligation Promissory Notes, Series 2025A (the "Notes")  
DATED: May 22, 2025

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ \_\_\_\_\_ (not less than \$1,189,937.50 nor more than \$1,301,400) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

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

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

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

**A good faith deposit ("Deposit") in the amount of \$24,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 22, 2025.

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

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

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

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

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

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_  
Account Members:

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 22, 2025 of the above bid is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

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The foregoing offer is hereby accepted by and on behalf of the Village Board of the Village of Butler, Wisconsin, on May 6, 2025.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_