

VILLAGE OF LENA
Annual Financial Report
December 31, 2020

VILLAGE OF LENA

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December 31, 2020

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Village Board
Village of Lena
Lena, Wisconsin

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 Lena (Village) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lena as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Village Board
Village of Lena

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement Plan and the schedules of employer's proportionate share of the net OPEB liability and employer contributions – other post-employment benefits – cost sharing plan on pages 41 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lena's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management. The schedules of operating revenues and expenses – water and sewer utility and detailed budgetary comparison – general fund, except the budget information, was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, based on our audit and the procedures performed as described above, the schedules of operating revenues and expenses and detailed budgetary comparison, except the budget information, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The budgetary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

KerberRose SC

KerberRose SC
Certified Public Accountants
April 13, 2021

FINANCIAL STATEMENTS

VILLAGE OF LENA
Statement of Net Position
As of December 31, 2020

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 883,414	\$ 386,124	\$ 1,269,538
Receivables:			
Taxes	163,197	-	163,197
Customer Accounts Receivable	38,554	99,410	137,964
Delinquent Personal Property Taxes	5,760	-	5,760
Current Portion of Long-Term Receivable	-	68,690	68,690
Special Assessments	-	7,500	7,500
Inventories	-	7,602	7,602
Total Current Assets	<u>1,090,925</u>	<u>569,326</u>	<u>1,660,251</u>
Noncurrent Assets			
Net Pension Asset	33,390	11,039	44,429
Long-Term Receivable	-	2,244,350	2,244,350
Restricted Cash	80,033	217,386	297,419
Capital Assets:			
Capital Assets Not Being Depreciated	225,049	763	225,812
Other Capital Assets, Net of Depreciation	1,169,636	5,162,039	6,331,675
Total Noncurrent Assets	<u>1,508,108</u>	<u>7,635,577</u>	<u>9,143,685</u>
TOTAL ASSETS	<u>2,599,033</u>	<u>8,204,903</u>	<u>10,803,936</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	77,795	25,718	103,513
Deferred Outflows of Resources Related to Other			
Post-Employment Benefits	15,469	5,114	20,583
Total Deferred Outflows of Resources	<u>93,264</u>	<u>30,832</u>	<u>124,096</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	12,925	5,035	17,960
Accrued Liabilities	19,998	3,743	23,741
Accrued Interest Payable	5,199	6,845	12,044
Current Portion of Compensated Absences	23,742	10,863	34,605
Current Portion of Long-Term Obligations	39,320	178,702	218,022
Total Current Liabilities	<u>101,184</u>	<u>205,188</u>	<u>306,372</u>
Noncurrent Liabilities			
Noncurrent Portion of Long-Term Obligations	277,327	2,118,867	2,396,194
TOTAL LIABILITIES	<u>378,511</u>	<u>2,324,055</u>	<u>2,702,566</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Year	240,465	-	240,465
Deferred Inflows of Resources Related to Pension	100,325	33,166	133,491
Deferred Inflows of Resources Related to Other			
Post-Employment Benefits	6,357	2,102	8,459
Total Deferred Inflows of Resources	<u>347,147</u>	<u>35,268</u>	<u>382,415</u>
NET POSITION			
Net Investment in Capital Assets	1,129,229	2,885,170	4,014,399
Restricted for:			
Equipment Replacement	-	103,994	103,994
Sewer Utility Debt Service	-	11,128	11,128
Water Utility Debt Service	-	127,634	127,634
Pension Benefits	10,860	3,591	14,451
Unrestricted	826,550	2,744,895	3,571,445
TOTAL NET POSITION	<u>\$ 1,966,639</u>	<u>\$ 5,876,412</u>	<u>\$ 7,843,051</u>

See Accompanying Notes

VILLAGE OF LENA
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Governmental Activities:			
General Government	\$ 149,388	\$ 3,388	\$ 200
Public Safety	181,462	101,643	46,767
Public Works	281,350	21,155	34,072
Culture and Recreation	27,918	815	-
Conservation and Development	13,996	-	-
Interest and Fiscal Charges	9,914	-	-
Total Governmental Activities	664,028	127,001	81,039
BUSINESS-TYPE ACTIVITIES			
Water	425,790	321,278	-
Sewer	231,087	264,817	-
Total Business-Type Activities	656,877	586,095	-
TOTAL	\$ 1,320,905	\$ 713,096	\$ 81,039

GENERAL REVENUES

Taxes:

Property Taxes, Levied for General Purposes
Intergovernmental Revenues not Restricted to
Specific Programs
Investment Income
Special Assessments
Rental Income
Sale of Assets

Total General Revenues

TRANSFERS

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR

NET POSITION - END OF YEAR

**Net (Expenses) Revenues and
Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (145,800)	\$ -	\$ (145,800)
(33,052)	-	(33,052)
(226,123)	-	(226,123)
(27,103)	-	(27,103)
(13,996)	-	(13,996)
(9,914)	-	(9,914)
<u>(455,988)</u>	<u>-</u>	<u>(455,988)</u>
-	(104,512)	(104,512)
-	33,730	33,730
-	<u>(70,782)</u>	<u>(70,782)</u>
<u>(455,988)</u>	<u>(70,782)</u>	<u>(526,770)</u>
237,749	-	237,749
176,512	-	176,512
7,046	3,982	11,028
58,069	-	58,069
20,221	-	20,221
6,425	-	6,425
<u>506,022</u>	<u>3,982</u>	<u>510,004</u>
<u>28,767</u>	<u>(28,767)</u>	<u>-</u>
78,801	(95,567)	(16,766)
<u>1,887,838</u>	<u>5,971,979</u>	<u>7,859,817</u>
<u>\$ 1,966,639</u>	<u>\$ 5,876,412</u>	<u>\$ 7,843,051</u>

See Accompanying Notes

VILLAGE OF LENA
Balance Sheet
Governmental Funds
As of December 31, 2020

	<u>General</u>	<u>Fire Department</u>	<u>TID #1</u>	<u>Total</u>
ASSETS				
Cash and Investments	\$ 538,803	\$ 342,501	\$ 2,110	\$ 883,414
Receivables:				
Taxes	163,197	-	-	163,197
Delinquent Personal Property Taxes	5,760	-	-	5,760
Accounts	-	38,554	-	38,554
Advance Due from Other Fund	25,000	-	-	25,000
Restricted Cash	80,033	-	-	80,033
TOTAL ASSETS	<u>\$ 812,793</u>	<u>\$ 381,055</u>	<u>\$ 2,110</u>	<u>\$ 1,195,958</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)				
Liabilities:				
Accounts Payable	\$ 12,485	\$ 440	\$ -	\$ 12,925
Advance Due to Other Fund	-	-	25,000	25,000
Accrued Liabilities	19,682	316	-	19,998
Total Liabilities	<u>32,167</u>	<u>756</u>	<u>25,000</u>	<u>57,923</u>
Deferred Inflows of Resources:				
Taxes Levied for Subsequent Year	240,465	-	-	240,465
Fund Balances (Deficit):				
Nonspendable:				
Delinquent Personal Property Tax	5,760	-	-	5,760
Advance Due from Other Fund	25,000	-	-	25,000
Committed:				
Fire Suppression	-	380,299	-	380,299
Assigned:				
Equipment Fund	47,925	-	-	47,925
Ditch Maintenance	7,356	-	-	7,356
Building Fund	30,402	-	-	30,402
Police Equipment Fund	27,618	-	-	27,618
Rosera Business	1,691	-	-	1,691
Street Maintenance	37,140	-	-	37,140
Promotions	12,205	-	-	12,205
National Night Out	6,572	-	-	6,572
Unassigned (Deficit)	338,492	-	(22,890)	315,602
Total Fund Balances (Deficit)	<u>540,161</u>	<u>380,299</u>	<u>(22,890)</u>	<u>897,570</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	<u>\$ 812,793</u>	<u>\$ 381,055</u>	<u>\$ 2,110</u>	<u>\$ 1,195,958</u>

VILLAGE OF LENA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
As of December 31, 2020

Total Fund Balances - Governmental Funds \$ 897,570

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental Capital Assets	2,945,316	
Governmental Accumulated Depreciation	<u>(1,550,631)</u>	1,394,685

Deferred outflows and inflows of resources are a consumption or acquisition of net position that applies to future periods and will not be recognized as an outflow or inflow of resources until then. Deferred outflows and inflows are reported in the statement of net position and are not reported in the fund balance sheet

Deferred Outflows of Resources Related to Pension	77,795	
Deferred Inflows of Resources Related to Pension	(100,325)	
Deferred Outflows of Resources Related to Other Post-Employment Benefits	15,469	
Deferred Inflows of Resources Related to Other Post-Employment Benefits	(6,357)	

Pension asset is not receivable in the current period therefore not reported in the fund financial statements

33,390

Noncurrent obligations, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Items reported in the statement of net position that are not reported in the funds balance sheet:

General Debt	(265,456)	
Other Post-Employment Benefits	(27,448)	
Accrued Interest on General Obligation Debt	(5,199)	
Vested Employee Benefits	<u>(47,485)</u>	<u>(345,588)</u>

Total Net Position - Governmental Activities

\$ 1,966,639

VILLAGE OF LENA
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended December 31, 2020

	Fire			Total
	General	Department	TID #1	
REVENUES				
Taxes	\$ 237,749	\$ -	\$ -	\$ 237,749
Intergovernmental	216,728	64,366	-	281,094
Licenses and Permits	5,380	-	-	5,380
Fines and Forfeits	32,822	-	-	32,822
Public Charges for Services	22,331	7,849	-	30,180
Miscellaneous	29,207	91,165	40	120,412
Total Revenues	<u>544,217</u>	<u>163,380</u>	<u>40</u>	<u>707,637</u>
EXPENDITURES				
Current:				
General Government	148,656	-	18,370	167,026
Public Safety	102,391	96,044	-	198,435
Public Works	147,199	-	-	147,199
Culture and Recreation	26,099	-	-	26,099
Conservation and Development	9,436	-	4,560	13,996
Capital Outlay	76,194	-	-	76,194
Debt Service:				
Principal Retirement	37,929	-	-	37,929
Interest and Fiscal Charges	11,153	-	-	11,153
Total Expenditures	<u>559,057</u>	<u>96,044</u>	<u>22,930</u>	<u>678,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,840)</u>	<u>67,336</u>	<u>(22,890)</u>	<u>29,606</u>
OTHER FINANCING SOURCES				
Sale of Assets	6,425	-	-	6,425
Transfer In	28,767	-	-	28,767
Total Other Financing Sources	<u>35,192</u>	<u>-</u>	<u>-</u>	<u>35,192</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	20,352	67,336	(22,890)	64,798
FUND BALANCES - BEGINNING	<u>519,809</u>	<u>312,963</u>	<u>-</u>	<u>832,772</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 540,161</u>	<u>\$ 380,299</u>	<u>\$ (22,890)</u>	<u>\$ 897,570</u>

VILLAGE OF LENA

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

Net Change in Fund Balances (Deficit) - Total Governmental Funds	\$	64,798
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense.		
Capital outlay reported in governmental fund statements	76,194	
Depreciation expense reported in the statement of activities	<u>(86,455)</u>	
Amount by which depreciation is less than capital outlay in the current period.		(10,261)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.		
		1,250
Amounts related to the other post-employment benefit plan that affect the statement of activities but do not affect the fund financial statements.		
		(5,354)
Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
Compensated absences paid in current year	36,684	
Compensated absences benefits earned in current year	<u>(47,485)</u>	
Amounts paid are less than amounts earned by		(10,801)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year.		
		37,929
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.		
The amount of interest paid during the current period	11,153	
The amount of interest accrued during the current period	<u>(12,393)</u>	
Interest paid is less than interest accrued by		<u>1,240</u>
Change in Net Position - Governmental Activities	\$	<u>78,801</u>

VILLAGE OF LENA
Statement of Net Position
Proprietary Funds
As of December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ 248,007	\$ 138,117	\$ 386,124
Receivables:			
Customer Accounts Receivable	58,956	40,454	99,410
Current Portion of Long-Term Receivable	68,690	-	68,690
Special Assessments	752	6,748	7,500
Advance to Other Fund	-	554,074	554,074
Inventories	7,448	154	7,602
Total Current Assets	<u>383,853</u>	<u>739,547</u>	<u>1,123,400</u>
NON-CURRENT ASSETS			
Restricted Cash	103,994	113,392	217,386
Capital Assets			
Plant in Service	4,443,181	3,703,302	8,146,483
Accumulated Depreciation	<u>(1,303,738)</u>	<u>(1,679,943)</u>	<u>(2,983,681)</u>
Total Capital Assets, Net of Accumulated Depreciation	3,139,443	2,023,359	5,162,802
Long-Term Receivable	2,244,350	-	2,244,350
Net Pension Asset	7,473	3,566	11,039
Total Non-Current Assets	<u>5,495,260</u>	<u>- 2,140,317</u>	<u>- 7,635,577</u>
TOTAL ASSETS	<u>5,879,113</u>	<u>2,879,864</u>	<u>8,758,977</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	17,410	8,308	25,718
Deferred Outflows of Resources Related to Other			
Post-Employment Benefits	3,462	1,652	5,114
Total Deferred Outflows of Resources	<u>20,872</u>	<u>9,960</u>	<u>30,832</u>
CURRENT LIABILITIES			
Accounts Payable	3,221	1,814	5,035
Accrued Payroll Expense	2,285	1,458	3,743
Accrued Interest	3,522	3,323	6,845
Current Portion of Long-Term Obligations	91,138	87,564	178,702
Current Portion of Compensated Absences	5,381	5,482	10,863
Total Current Liabilities	<u>105,547</u>	<u>99,641</u>	<u>205,188</u>
NON-CURRENT LIABILITIES			
Advance from Other Fund	554,074	-	554,074
Other Post-Employment Benefits	6,143	2,931	9,074
Noncurrent Portion of Long-Term Obligations	1,988,637	110,293	2,098,930
Noncurrent Portion of Compensated Absences	5,381	5,482	10,863
Total Non-Current Liabilities	<u>2,554,235</u>	<u>118,706</u>	<u>2,672,941</u>
TOTAL LIABILITIES	<u>2,659,782</u>	<u>218,347</u>	<u>2,878,129</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	22,452	10,714	33,166
Deferred Inflows of Resources Related to Other			
Post-Employment Benefits	1,423	679	2,102
Total Deferred Inflows of Resources	<u>23,875</u>	<u>11,393</u>	<u>35,268</u>
NET POSITION			
Net Investment in Capital Assets	1,059,668	1,825,502	2,885,170
Restricted for:			
Equipment Replacement	-	103,994	103,994
Debt Service	127,634	11,128	138,762
Pension Benefits	2,431	1,160	3,591
Unrestricted	2,026,595	718,300	2,744,895
TOTAL NET POSITION	<u>\$ 3,216,328</u>	<u>\$ 2,660,084</u>	<u>\$ 5,876,412</u>

VILLAGE OF LENA

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
OPERATING REVENUES	\$ 321,278	\$ 264,817	\$ 586,095
OPERATING EXPENSES			
Operation and Maintenance	194,150	78,674	272,824
Administration and General	48,388	54,940	103,328
Depreciation	141,814	90,159	231,973
Total Operating Expenses	<u>384,352</u>	<u>223,773</u>	<u>608,125</u>
OPERATING INCOME (LOSS)	<u>(63,074)</u>	<u>41,044</u>	<u>(22,030)</u>
NON-OPERATING REVENUES (EXPENSE)			
Investment Income	2,009	1,973	3,982
Interest Expense	(41,438)	(7,314)	(48,752)
Total Non-Operating Revenues (Expense)	<u>(39,429)</u>	<u>(5,341)</u>	<u>(44,770)</u>
INCOME (LOSS) BEFORE TRANSFER	(102,503)	35,703	(66,800)
TRANSFER OUT	<u>(28,467)</u>	<u>(300)</u>	<u>(28,767)</u>
CHANGE IN NET POSITION	(130,970)	35,403	(95,567)
NET POSITION - BEGINNING	<u>3,347,298</u>	<u>2,624,681</u>	<u>5,971,979</u>
NET POSITION - ENDING	<u>\$ 3,216,328</u>	<u>\$ 2,660,084</u>	<u>\$ 5,876,412</u>

See Accompanying Notes

VILLAGE OF LENA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 339,956	\$ 269,380	\$ 609,336
Cash Paid to Suppliers for Goods and Services	(111,096)	(87,150)	(198,246)
Cash Paid to Employees for Services	(133,245)	(44,547)	(177,792)
Net Cash Flows From Operating Activities	<u>95,615</u>	<u>137,683</u>	<u>233,298</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tax Equivalent Paid to Municipality	(28,467)	(300)	(28,767)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income Received	2,009	1,973	3,982
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(16,377)	(2,276)	(18,653)
Principal Payments on Long-Term Debt	(137,708)	(36,801)	(174,509)
Interest Paid	(41,830)	(8,032)	(49,862)
Payments Received on Long-Term Receivable	142,308	-	142,308
Net Cash Flows From Capital and Related Financing Activities	<u>(53,607)</u>	<u>(47,109)</u>	<u>(100,716)</u>
NET INCREASE IN CASH	15,550	92,247	107,797
CASH - BEGINNING	<u>336,451</u>	<u>159,262</u>	<u>495,713</u>
CASH - ENDING	<u>\$ 352,001</u>	<u>\$ 251,509</u>	<u>\$ 603,510</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (63,074)	\$ 41,044	\$ (22,030)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Non-Cash Items:			
Depreciation	141,814	90,159	231,973
Depreciation Charged to Sewer	1,631	(1,631)	-
Changes in Operating Assets and Liabilities:			
Accounts Receivable	17,047	4,563	21,610
Inventories	785	-	785
Net Pension Liability	(23,877)	(8,054)	(31,931)
Deferred Outflows Related to Pension	27,171	3,889	31,060
Deferred Outflows Related to OPEB	49	(692)	(643)
Net Other Post-Employment Benefits	(1,728)	778	(950)
Accounts Payable	(5,675)	(15)	(5,690)
Accrued Liabilities	3,273	3,274	6,547
Deferred Inflows Related to Pension	(428)	4,454	4,026
Deferred Inflows Related to OPEB	(1,373)	(86)	(1,459)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 95,615</u>	<u>\$ 137,683</u>	<u>\$ 233,298</u>
RECONCILIATION OF CASH PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS			
Statement of Net Position Proprietary Fund:			
Cash	\$ 248,007	\$ 138,117	\$ 386,124
Restricted Cash	103,994	113,392	217,386
CASH PER STATEMENT OF CASH FLOWS	<u>\$ 352,001</u>	<u>\$ 251,509</u>	<u>\$ 603,510</u>

See Accompanying Notes

VILLAGE OF LENA
Statement of Net Position
Fiduciary Funds
As of December 31, 2020

	Custodial Funds		
	Tax Collection Fund	Library	Total
ASSETS			
Cash	\$ -	\$ 103,590	\$ 103,590
Taxes Receivable	348,787	-	348,787
Restricted Cash	173,996	-	173,996
Net Pension Asset - Wisconsin Retirement System	-	10,517	10,517
Capital Assets	-	238,075	238,075
Accumulated Depreciation	-	(94,097)	(94,097)
Total Assets	522,783	258,085	780,868
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	-	24,502	24,502
Deferred Outflows of Resources Related to Other Post-Employment Benefits	-	4,872	4,872
Total Deferred Outflows of Resources	-	29,374	29,374
LIABILITIES			
Accounts Payable	-	745	745
Due to Other Taxing Units	522,783	-	522,783
Accrued Liabilities	-	2,587	2,587
Other Post-Employment Benefits	-	8,645	8,645
Total Liabilities	522,783	11,977	534,760
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	-	31,598	31,598
Deferred Inflows of Resources Related to Other Post-Employment Benefits	-	2,001	2,001
Total Deferred Inflows of Resources	-	33,599	33,599
NET POSITION			
Investment in Capital Assets	-	143,978	143,978
Restricted for Pension Benefits	-	3,421	3,421
Unrestricted	-	94,484	94,484
Total Net Position	\$ -	\$ 241,883	\$ 241,883

VILLAGE OF LENA
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	Custodial Funds		
	Tax Collection Fund	Library	Total
REVENUES			
Taxes Collected on Behalf of Other Taxing Entities	\$ 549,694	\$ -	\$ 549,694
Intergovernmental	-	96,576	96,576
Public Charges for Services	-	408	408
Miscellaneous	-	2,720	2,720
Total Revenues	<u>549,694</u>	<u>99,704</u>	<u>649,398</u>
EXPENDITURES			
Taxes Remitted to Other Taxing Entities	549,694	-	549,694
Culture and Recreation	-	105,379	105,379
Total Expenditures	<u>549,694</u>	<u>105,379</u>	<u>655,073</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(5,675)	(5,675)
NET POSITION - BEGINNING	<u>-</u>	<u>247,558</u>	<u>247,558</u>
NET POSITION - ENDING	<u>\$ -</u>	<u>\$ 241,883</u>	<u>\$ 241,883</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of the Village of Lena (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of the Village's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform with accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

This report includes all of the funds of the Village of Lena. The reporting entity for the Village consists of the primary government. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations whose nature and significant relationship with the Village are such that exclusion would cause the Village's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Village's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Village. The Village has not identified any component units that are required to be included in the financial statements.

The Village of Lena is the fiscal agent for the Lena Public Library. The library is jointly owned by the Town of Lena and the Village. The Village reports the activity of the Lena Public Library as a fiduciary fund in the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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. 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) operating and capital grants and contributions. Taxes and other items not properly included as program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

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 proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utility enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - Continued

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. 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, fund equity, revenues, and expenditures/expenses.

Funds are organized as major funds or non-major 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 plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are identified as either general, capital projects, or special revenue based upon the following guidelines.

General Fund

The general fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Tax Incremental District Fund

This is a capital projects fund, used to account for receipts of district “incremental” property taxes and other revenues and the corresponding program expenditures.

Proprietary Funds

Enterprise Funds

Enterprise funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

GASB Statement No. 84, *Fiduciary Activities* includes criteria to determine if the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria of a fiduciary fund should present a statement of fiduciary net position and a statement of changes in fiduciary net position. Four types of fiduciary funds that should be reported, if applicable, include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The Village classifies the Tax Collection Fund and Library Fund as custodial funds.

Custodial Funds

Custodial funds are used to account for assets held by the Village as an agent for individuals, private organizations, and/or other governmental units.

Major Funds

The Village reports the following major governmental funds:

The *general fund*, which accounts for the Village's primary operating activities.

The *fire department fund*, which accounts for the resources accumulated and payments made for the operation of the fire department.

The *Tax Incremental District*, which accounts for receipts of district "incremental" property taxes and other revenues and the corresponding program expenditures.

The Village reports the following major proprietary funds:

The *water utility*, which operates the water distribution system.

The *sewer utility*, which operates the sewage treatment plant, sewage pumping stations and collection systems.

Fiduciary Funds

The Village reports the following fiduciary funds:

The *tax collection fund*, which accounts for taxes and deposits collected by the Village, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

The *library fund*, which accounts for the resources accumulated and payments made for the operation of the library.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources) or economic resources (all assets, deferred outflows of resources, liabilities, and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Cash and Investments

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from the date of acquisition are considered to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

Inventories

Proprietary fund inventories are generally used for construction and for operation and maintenance work and are not for resale. They are valued at cost based on weighted average, and charged to construction or operations and maintenance expense when used. Governmental fund inventory items are charged to expenditure accounts when purchased.

Special Assessments

Special assessments consist of capital projects constructed through non-special assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred inflows of resources when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements and proprietary funds, special assessments are recorded as receivables and capital contributions when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. The method of enforcing collections is the same as for general Village taxes.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the library column of the fiduciary fund financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$1,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. General infrastructure assets acquired or constructed prior to January 1, 2004 are not reported in the financial statements. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the Village and Library are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Activities</u>
Buildings, Improvements, and Utility			
Plant	20 - 50	25 - 100	50
Machinery and Equipment	3 - 10	3 - 10	5 - 20
Infrastructure	30 - 50	-	-

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

Vacation leave is required to be used in the year earned, unless approved to be carried over. Carryovers of unused vacation leave are limited to a maximum of one week.

Long-Term Obligations

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of state trust fund loans, clean water loans, a safe drinking water loan, and a general obligation capital lease.

Long-term debt for governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds and capital leases are reported as an other financing source and payment of principal and interest reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are reported as nonspendable in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Village reports two categories of deferred outflows of resources related to the pension plan and cost-sharing OPEB plan on the statements of net position for the government-wide, proprietary, and fiduciary funds. The deferred outflows related to the pension plan and cost-sharing OPEB plan are explained in more detail in Note 10 and Note 11, respectively.

In addition to liabilities, the statements of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The Village reports three categories of deferred inflows of resources related to taxes levied for subsequent year, the pension plan, and cost-sharing OPEB plan on the government-wide statement of net position and three categories of deferred inflows of resources related to taxes levied for the subsequent fiscal year, special assessments, certain receivables on the balance sheet. The deferred inflows related to the pension plan and cost-sharing plan are explained in more detail in Note 10, and Note 11, respectively.

Pension and Other Post-Employment Benefits

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS’ fiduciary net position have been determined on the same basis as they are reported by 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.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide and proprietary funds statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Equity Classifications

Government-Wide Statements

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

- Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted component of net position – Consists of resources 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) by law through constitutional provisions or enabling legislation reduced by liabilities related to those assets.
- Unrestricted component of net position – Is the net amount that does not meet the definition 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 Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Note 1 – Summary of Significant Accounting Policies (Continued)

Equity Classifications (Continued)

Fund Financial Statements (Continued)

Assigned fund balance in the general fund represents amounts constrained by the Village Board for a specific intended purpose. Intent can be expressed by the Village Board or by its designee. The Board designates the Finance Committee as authorized to assign fund balance to a specific purpose. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The Village, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

The Village has adopted a minimum fund balance policy. The policy establishes a minimum unassigned fund balance of not less than 30% (including 17% for cash flow purposes) of prior year's audited general fund expenditures (less capital and debt service costs) for cash flow purposes, for unanticipated non-reoccurring expenditures or to meet unanticipated revenue decreases or unexpected increases in service delivery costs. In the event the balance drops below the established minimum level, the Village will replenish the deficiency by reducing recurring expenditures to eliminate the deficiency, increase revenues or funding sources, or a combination of those options within the next fiscal year if possible.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 may differ from these estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

Note 2 – Cash and Investments

The Village is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturity in three years or less.
- 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, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 2 – Cash and Investments (Continued)

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

At December 31, 2020, the Village's bank balance of cash was \$1,651,105. The Village maintains its cash accounts at two financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village has a deposit policy for custodial credit risk, which states that amounts exceeding the limitations guaranteed by the FDIC and the State Deposit Guarantee Fund shall be collateralized with securities held by the pledging of financial institution in the Village's name.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest-bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2020, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

The following represents a summary of deposits as of December 31, 2020:

Fully Insured Deposits	<u>\$ 1,651,105</u>
------------------------	---------------------

For all deposits shown, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2020.

The Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchanges Commission and does not publish credit quality ratings. An investment in the LGIP is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government or any state governmental agency. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at amortized cost. The balance in the local government investment pool at December 31, 2020 was \$115,122.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 3 – Restricted Assets

Restricted assets on December 31, 2020 consisted of cash totaling \$297,419 held for the following purposes:

General Fund		
Advance Tax Collection	\$	80,033
Sewer Utility Fund		
Equipment Replacement		102,264
Debt Service		11,128
Water Utility Fund		
Debt Service		<u>103,994</u>
Total Restricted Assets	\$	<u><u>297,419</u></u>

Note 4 – Property Taxes

The Village bills and collects its own property taxes and also levies for the Lena School District, Oconto County, and Northeast Wisconsin Technical College.

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31, and July 31. Real estate taxes not paid by July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

As part of Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

Note 5 – Advances and Transfers

Advances between individual funds of the Village as of December 31, 2020 are detailed below:

Receivable Fund	Payable Fund	Amount	Purpose
TID	General Fund	\$ 25,000	Working Capital
Sewer Utility	Water Utility	<u>554,074</u>	Working Capital
		<u><u>\$ 579,074</u></u>	

Interfund transfers for the year ended December 31, 2020 as shown in the governmental and proprietary funds statements were as follows:

Transfer From	Transfer To	Amount	Purpose
Sewer Utility	General Fund	\$ 300	Tax Equivalent
Water Utility	General Fund	<u>28,467</u>	Tax Equivalent
		<u><u>\$ 28,767</u></u>	

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 6 – Long-Term Receivable

The Village has a long-term receivable in relation to the water treatment plant due from Saputo Cheese USA Inc. The total receivable is 87% of the full disbursement amount of the Safe Drinking Water Loan. The balance of the long-term receivable as of December 31, 2020 is \$2,313,040.

Note 7 – Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being				
Depreciated:				
Land	\$ 225,049	\$ -	\$ -	\$ 225,049
Construction-in-Progress	11,016	-	11,016	-
Total Capital Assets not being				
Depreciated	236,065	-	11,016	225,049
Other Capital Assets				
Buildings and Improvements	604,024	8,346	-	612,370
Machinery and Equipment	1,654,028	72,392	30,832	1,695,588
Infrastructure	405,837	6,472	-	412,309
Total Capital Assets being				
Depreciated	2,663,889	87,210	30,832	2,720,267
Less Accumulated Depreciation for:				
Buildings and Improvements	(382,148)	(12,680)	-	(394,828)
Machinery and Equipment	(1,031,231)	(65,559)	(30,832)	(1,065,958)
Infrastructure	(81,629)	(8,216)	-	(89,845)
Total Accumulated				
Depreciation	(1,495,008)	(86,455)	(30,832)	(1,550,631)
Total Capital Assets Being				
Depreciated, Net of				
Depreciation	1,168,881	755	-	1,169,636
Governmental Activities Capital				
Assets, Net of Accumulated				
Depreciation	<u>\$ 1,404,946</u>	<u>\$ 755</u>	<u>\$ 11,016</u>	<u>\$ 1,394,685</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 7 – Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets not Being Depreciated:				
Land	\$ 763	\$ -	\$ -	\$ 763
Capital Assets being Depreciated				
Utility Plant	8,128,594	18,653	1,527	8,145,720
Less: Accumulated Depreciation	<u>(2,753,235)</u>	<u>(231,973)</u>	<u>(1,527)</u>	<u>(2,983,681)</u>
Total Capital Assets being Depreciated, Net of Depreciation	<u>5,375,359</u>	<u>(213,320)</u>	<u>-</u>	<u>5,162,039</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,376,122</u>	<u>\$ (213,320)</u>	<u>\$ -</u>	<u>\$ 5,162,802</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Custodial Activities				
Capital Assets being Depreciated				
Buildings and Improvements	\$ 173,607	\$ -	\$ -	\$ 173,607
Equipment	64,468	-	-	64,468
Less: Accumulated Depreciation	<u>(87,060)</u>	<u>(7,037)</u>	<u>-</u>	<u>(94,097)</u>
Total Capital Assets being Depreciated, Net of Depreciation	<u>\$ 151,015</u>	<u>\$ (7,037)</u>	<u>\$ -</u>	<u>\$ 143,978</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 7 – Capital Assets (Continued)

Depreciation expense was charged to functions of the Village as follows:

Governmental Activities:	
General Government	\$ 3,116
Public Safety	25,788
Public Works	55,992
Culture and Recreation	1,559
Total Depreciation Expense - Governmental Activities	<u>\$ 86,455</u>
Business-Type Activities:	
Sewer Depreciation Charged to Accumulated Depreciation	\$ 90,159
Less: Share of Meter Depreciation	<u>(1,631)</u>
Sewer Depreciation Expense	<u>88,528</u>
Water Depreciation Charged to Accumulated Depreciation	141,814
Plus: Share of Meter Depreciation	1,631
Water Depreciation Expense	<u>143,445</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 231,973</u>
Custodial Activities:	
Culture and Recreation	<u>\$ 7,037</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 8 – Long-Term Debt Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2020:

	<u>Outstanding 1/1/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding 12/31/2020</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Debt					
State Trust Fund Loans	\$ 170,417	\$ -	\$ 25,256	\$ 145,161	\$ 26,167
Capital Lease	132,968	-	12,673	120,295	13,153
Total General Obligation Debt	303,385	-	37,929	265,456	39,320
Vested Compensated					
Absences	36,684	47,485	36,684	47,485	23,742
Net Pension Liability	29,750	-	29,750	-	*
Post-Employment Benefits	14,275	13,173	-	27,448	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 384,094</u>	<u>\$ 47,485</u>	<u>\$ 104,363</u>	<u>\$ 340,389</u>	<u>\$ 63,062</u>
Business-Type Activities:					
General Obligation Debt					
State Trust Fund Loans	\$ 124,572	\$ -	\$ 31,827	\$ 92,745	\$ 33,192
Clean Water Loans	130,388	-	14,939	115,449	15,308
Safe Drinking Water Loan	2,197,181	-	127,743	2,069,438	130,202
Total Business-Type Activities Debt	2,452,141	-	174,509	2,277,632	178,702
Vested Compensated					
Absences	15,996	21,726	15,996	21,726	10,863
Net Pension Liability	20,892	-	20,892	-	*
Post-Employment Benefits	10,024	832	1,782	9,074	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 2,499,053</u>	<u>\$ 22,558</u>	<u>\$ 213,179</u>	<u>\$ 2,308,432</u>	<u>\$ 189,565</u>

*The Village's position in the Wisconsin Retirement System is reported as a Net Pension Asset in the current year.

Total interest paid during the year on long-term debt totaled \$55,975.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 8 – Long-Term Debt Obligations (Continued)

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/2020</u>
Governmental Activities					
Long-Term Obligations					
2011 State Trust Loan	10/12/11	03/15/21	3.75%	\$ 73,086	\$ 4,146
2012 State Trust Loan	03/06/12	03/15/21	3.75%	21,914	8,132
2012 State Trust Loan	05/01/12	03/15/32	4.00%	110,000	75,593
2016 State Trust Loan	12/28/16	03/15/26	3.00%	81,836	57,290
2019 Capital Lease	10/07/19	10/07/28	3.75%	150,680	120,295
Total Governmental Activities Long-Term Obligations					<u>\$ 265,456</u>
Business-Type Activities					
Long-Term Obligations					
2005 State Trust Fund Loan	10/24/05	03/15/25	5.00%	\$ 79,878	\$ 29,153
2005 State Trust Fund Loan	12/13/05	03/15/25	5.00%	120,122	43,560
2011 State Trust Fund Loan	10/12/11	03/15/21	3.75%	119,246	6,764
2012 State Trust Fund Loan	03/06/12	03/15/21	3.75%	35,754	13,268
2007 Clean Water Fund Loan	05/09/07	05/01/27	2.475%	283,857	115,450
2014 Safe Drinking Water Loan	10/22/14	05/01/34	1.925%	2,678,650	2,069,437
Total Business-Type Activities Long-Term Obligations					<u>\$2,277,632</u>

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 39,320	\$ 9,746	\$ 178,702	\$ 45,653	\$ 218,022	\$ 55,398
2022	28,008	8,336	162,214	41,315	190,221	49,651
2023	29,008	7,336	165,847	37,652	194,856	44,987
2024	30,036	6,308	169,570	33,899	199,606	40,207
2025	31,119	5,225	173,397	30,041	204,516	35,266
2026-2030	92,771	11,220	779,261	99,666	872,032	110,886
2031-2035	15,194	918	648,641	25,270	663,835	26,189
	<u>\$ 265,456</u>	<u>\$ 49,089</u>	<u>\$ 2,277,632</u>	<u>\$ 313,496</u>	<u>\$ 2,543,088</u>	<u>\$ 362,585</u>

Estimated payments of accumulated employee benefits and other commitments are not included in the above schedule.

The 2020 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$32,729,900. The legal debt limit and margin of indebtedness as of December 31, 2020, in accordance with Wisconsin Statutes follows:

Debt Limit (5% of \$32,729,900)	\$ 1,636,495
Deduct Long-Term Debt Applicable to Debt Margin	<u>358,201</u>
Remaining Margin of Indebtedness Available	<u>\$ 1,278,294</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 8 – Long-Term Debt Obligations (Continued)

Utility Revenues Pledged

The Village has pledged future revenue derived from the sewerage system, net of specified operating expenses, to repay the Clean Water Fund Loan. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the Utility. The loan is payable from sewerage system net revenues and is payable through 2027. The total principal and interest remaining to be paid on the bonds is \$120,731. Principal and interest paid for the current year and total sewerage system net revenues were \$17,981 and \$133,177, respectively.

The Village has pledged future revenue derived from the water system, net of specified operating expenses, to repay the Safe Drinking Water Loan. Proceeds from the bond provided financing for the construction or acquisition of capital assets used within the Utility. The loan is payable from water system net revenues and is payable through 2034. The total principal and interest remaining to be paid on the bonds is \$2,360,622. Principal and interest paid for the current year and total water system net revenues were \$168,809 and \$80,749, respectively.

The balance of the long-term receivable as of December 31, 2020 was \$2,313,040, which will be used for repayment of the loan. The Village received \$142,308 of contributions to be used toward repayment of the Safe Drinking Water Loan during the year.

The Village is in compliance with the Safe Drinking Water Loan debt coverage ratio for December 31, 2020.

Capital Lease

The Village is obligated under a capital lease that was used to finance the acquisition of capital assets. The cost of the capital assets under the capital leases are \$150,680 with accumulated depreciation of \$13,812 at December 31, 2020.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2020:

Year Ending	Governmental Activities
2021	\$ 17,712
2022	17,712
2023	17,712
2024	17,712
2025	17,712
2026	17,712
2027	17,712
2028	17,712
Subtotal	141,696
Less: Amount representing interest	21,401
Present value of future minimum lease payments	\$ 120,295

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 9 – Fund Equity

Government-Wide Statements

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

	Governmental Activities	Business-Type Activities	Total
Net Investment in Capital Assets			
Net Capital Assets	\$ 1,394,685	\$ 5,162,802	\$ 6,557,487
Less: Related Long-Term Debt Outstanding	265,456	2,277,632	2,543,088
Net Investment in Capital Assets	<u>1,129,229</u>	<u>2,885,170</u>	<u>4,014,399</u>
Restricted for:			
Equipment Replacement	-	103,994	103,994
Sewer Utility Debt Service	-	11,128	11,128
Water Utility Debt Service	-	127,634	127,634
Pension Benefits	10,860	3,591	14,451
Total Restricted	<u>10,860</u>	<u>246,347</u>	<u>257,207</u>
Unrestricted	<u>826,550</u>	<u>2,744,895</u>	<u>3,571,445</u>
Total Government-Wide Net Position	<u>\$ 1,966,639</u>	<u>\$ 5,876,412</u>	<u>\$ 7,843,051</u>

Note 10 – Defined Benefit Pension Plan

General Information About the Pension Plan

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 issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 10 – Defined Benefit Pension Plan (Continued)

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

Final average earnings is the average of the participant's three highest annual earnings periods. 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 or after 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.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 10 – Defined Benefit Pension Plan (Continued)

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 \$15,167 in contributions from the Village and \$2,868 in contributions from the fiduciary fund.

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

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

At December 31, 2020, the Village reported an asset of \$44,429 and the fiduciary fund reported an asset of \$10,517 for their proportionate share of the net pension asset, respectively. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's and fiduciary fund's proportion of the net pension asset was based on their respective share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.001433145%, which was an increase of 0.000017135% from its proportion of 0.00141601% measured as of December 31, 2018. At December 31, 2019, the fiduciary fund's proportion was 0.0002709455%, which was an increase of 0.0000032355% from its proportion of 0.00026771% measured as of December 31, 2018.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 10 – Defined Benefit Pension Plan (Continued)

For the year ended December 31, 2020, the Village recognized pension expense of \$16,376 and the fiduciary fund recognized pension expense of \$3,867.

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

	<u>Government-Wide</u>		<u>Fiduciary Fund</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experiences	\$ 84,337	\$ 42,205	\$ 19,964	\$ 9,990
Changes in assumptions	3,462	-	819	-
Net differences between projected and actual earnings on pension plan investments	-	90,830	-	21,500
Changes in proportion and differences between employer contributions and proportionate share	141	456	33	108
Employer contributions subsequent to the measurement date	15,573	-	3,686	-
Total	<u>\$ 103,513</u>	<u>\$ 133,491</u>	<u>\$ 24,502</u>	<u>\$ 31,598</u>

The \$15,573 and the \$3,686 reported as deferred outflows related to pension resulting from the WRS employer contributions subsequent to the measurement date will be recognized as an adjustment of the net pension asset in the government-wide financial statements and fiduciary fund, respectively, in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Years ending December 31,	<u>Government-Wide</u>	<u>Fiduciary Fund</u>
	Deferred Outflows (Inflows) of Resources	Deferred Outflows (Inflows) of Resources
2021	\$ (13,716)	\$ (3,247)
2022	(10,105)	(2,392)
2023	1,610	381
2024	(23,340)	(5,524)
	<u>\$ (45,551)</u>	<u>\$ (10,782)</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 10 – Defined Benefit Pension Plan (Continued)

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

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

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

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

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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns as of December 31, 2019:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49.0%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9.0	6.3	3.5
Private Equity/Debt	8.0	10.6	7.6
Multi-Asset	4.0	6.9	4.0
Total Core Fund	110.0%*	7.5%	4.6%
Variable Fund Asset Class			
U.S. Equities	70.0%	7.5%	4.6%
International Equities	30.0	8.2	5.3
Total Variable Fund	100.0%	7.8%	4.9%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 10 – Defined Benefit Pension Plan (Continued)

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

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 and fiduciary fund's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Village's and fiduciary fund's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$ 114,414	\$ (44,429)	\$ (163,184)
Fiduciary Fund's proportionate share of the net pension liability (asset)	27,083	(10,517)	(38,627)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payables to the Pension Plan

The Village is required to remit the monthly required contribution for both the employee and Village portions by the last day of the following month. All amounts due to WRS were paid as of December 31, 2020.

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan

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

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

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

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

Employers are required to pay the following contributions based on member 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 as of December 31, 2019 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019 are as listed below:

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

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

During the reporting period, the Plan recognized \$911 in contributions from the Village, and \$183 in contributions from the fiduciary fund.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

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

At December 31, 2019, the Village reported a liability of \$36,522 and the fiduciary fund reported a liability of \$8,645 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.00881442%, which was a decrease of 0.00044209% from its proportion of 0.00925651% measured as of December 31, 2018.

At December 31, 2019, the fiduciary funds' proportion was 0.0017925830%, which was a decrease of 0.000089907% from its proportion of 0.00188249% measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized OPEB expense of \$3,350 and the fiduciary fund recognized OPEB expense of \$793.

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

	<u>Government-Wide</u>		<u>Fiduciary Fund</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 1,638	\$ -	\$ 386
Changes in assumptions	13,472	4,017	3,190	951
Net differences between projected and actual earnings on plan investments	689	-	163	-
Changes in proportion and differences between employer contributions and proportionate share	6,221	2,804	1,472	664
Employer contributions subsequent to the measurement date	201	-	47	-
Total	<u>\$ 20,583</u>	<u>\$ 8,459</u>	<u>\$ 4,872</u>	<u>\$ 2,001</u>

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

The amounts reported as deferred outflows related to OPEB resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31,	<u>Government-Wide</u>	<u>Fiduciary Fund</u>
	Deferred Outflows (Inflows) of Resources	Deferred Outflows (Inflows) of Resources
2021	\$ 2,317	\$ 549
2022	2,317	549
2023	2,243	531
2024	2,166	513
2025	1,291	306
2026	1,607	381
2027	(18)	(5)
	<u>\$ 11,923</u>	<u>\$ 2,824</u>

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

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

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

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

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 11 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	4%	2.90%
US Mortgages	Barclays MBS	54%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

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

Single Discount Rate. A single discount rate of 2.87% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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.

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

	<u>1% Decrease (1.87%)</u>	<u>Discount Rate (2.87%)</u>	<u>1% Increase (3.87%)</u>
Village's proportionate share of the net pension liability	\$ 50,431	\$ 36,522	\$ 25,940
Fiduciary Funds' proportionate share of the net pension liability	11,937	8,645	6,140

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://ef.wi.gov/publications/cafr.htm>.

VILLAGE OF LENA
Notes to Financial Statements
December 31, 2020

Note 12 – 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; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the past three years.

Note 13 – Commitments and Contingencies

From time to time the Village is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Village management, these issues, and any other proceedings known to exist at December 31, 2020, are not likely to have a material adverse impact on the Village's financial position.

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

The Village has a water tower maintenance agreement for January 1, 2017 through January 1, 2022. The balance of the agreement is approximately \$256,000.

Note 14 – Major Customer

Saputo Cheese USA accounted for approximately \$500,000 of the water and sewer utility revenues during 2020.

Note 15 – Tax Abatements

For the year ended December 31, 2020, the Village had no tax abatements.

Note 16 – Upcoming Accounting Pronouncement

GASB Statement No. 87, Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The pronouncement will be effective for years ending December 31, 2021.

The Village is evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LENA
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
For the Year Ended December 31, 2020

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension Asset/Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension (Asset)/Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Governmental Funds					
12/31/2019	0.00143311%	\$ (44,429)	\$ 205,958	-21.57%	102.96%
12/31/2018	0.00141601%	50,642	197,980	25.58%	96.45%
12/31/2017	0.00139357%	(41,376)	186,300	22.21%	102.93%
12/31/2016	0.00135777%	11,191	185,487	6.03%	99.12%
12/31/2015	0.00131267%	21,331	181,801	11.73%	98.20%
Fiduciary Fund					
12/31/2019	0.02709460%	\$ (10,517)	\$ 38,938	-27.01%	102.96%
12/31/2018	0.00026771%	9,259	37,430	24.74%	96.45%
12/31/2017	0.00026347%	(7,823)	35,222	22.21%	102.93%
12/31/2016	0.00025670%	2,116	35,068	6.03%	99.12%
12/31/2015	0.00024818%	4,033	34,372	11.73%	98.20%

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

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Governmental Funds					
12/31/2020	\$ 15,573	\$ 15,573	-	\$ 207,190	7.52%
12/30/2019	15,167	15,167	-	205,958	7.36%
12/31/2018	14,912	14,912	-	197,980	7.53%
12/31/2017	14,183	14,183	-	186,300	7.61%
12/31/2016	13,300	13,300	-	185,487	7.17%
Fiduciary Fund					
12/31/2020	\$ 3,686	\$ 3,686	-	\$ 39,178	9.41%
12/30/2019	2,868	2,868	-	38,938	7.36%
12/31/2018	2,819	2,819	-	37,430	7.53%
12/31/2017	2,682	2,682	-	35,222	7.61%
12/31/2016	2,514	2,514	-	35,068	7.17%

VILLAGE OF LENA

Schedule of Employer's Proportionate Share of the Net OPEB Liability Other Post-Employment Benefits - Cost-Sharing Plan

OPEB Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net OPEB Liability	Village's Proportionate Share of the Net OPEB Liability	Village's Covered Payroll	Village's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Governmental Funds					
12/31/2019	0.00881442%	\$ 36,522	\$ 149,591	24.41%	37.58%
12/31/2018	0.00925651%	24,299	147,087	16.52%	48.69%
12/31/2017	0.01015067%	30,539	117,579	25.97%	44.81%
Fiduciary Fund					
12/31/2019	0.00179258%	\$ 8,645	\$ 35,409	24.41%	37.58%
12/31/2018	0.00188249%	4,443	29,913	14.85%	48.69%
12/31/2017	0.00206434%	6,211	23,912	25.97%	44.81%

Schedule of Employer Contributions Other Post-Employment Benefits - Cost-Sharing Plan

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Governmental Funds					
12/31/2020	\$ 201	201	-	\$ 199,213	0.10%
12/31/2019	911	911	-	149,591	0.61%
12/31/2018	897	897	-	147,087	0.61%
Fiduciary Fund					
12/31/2020	\$ 47	47	-	\$ 47,155	0.10%
12/31/2019	183	183	-	35,409	0.52%
12/31/2018	183	183	-	29,913	0.61%

*Ten years of data will be accumulated beginning with 2018.

VILLAGE OF LENA

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

General Fund

For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 237,749	\$ 237,749	\$ -
Intergovernmental	201,464	216,728	15,264
Licenses and Permits	3,745	5,380	1,635
Fines and Forfeits	22,100	32,822	10,722
Public Charges for Services	22,190	22,331	141
Miscellaneous	42,350	29,207	(13,143)
Total Revenues	<u>529,598</u>	<u>544,217</u>	<u>14,619</u>
EXPENDITURES			
General Government	161,548	148,656	12,892
Public Safety	121,562	102,391	19,171
Public Works	147,622	147,199	423
Culture and Recreation	25,500	26,099	(599)
Conservation and Development	14,500	9,436	5,064
Capital Outlay	38,250	76,194	(37,944)
Debt Service	49,083	49,082	1
Total Expenditures	<u>558,065</u>	<u>559,057</u>	<u>(992)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES			
	<u>(28,467)</u>	<u>(14,840)</u>	<u>13,627</u>
OTHER FINANCING SOURCES			
Sale of Assets	-	6,425	6,425
Transfers In	28,467	28,767	300
Total Other Financing Sources	<u>28,467</u>	<u>35,192</u>	<u>6,725</u>
NET CHANGE IN FUND BALANCE	-	20,352	20,352
FUND BALANCE - BEGINNING	<u>519,809</u>	<u>519,809</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 519,809</u>	<u>\$ 540,161</u>	<u>\$ 20,352</u>

VILLAGE OF LENA

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Fire Department Fund

For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental Revenues	\$ 49,000	\$ 64,366	\$ 15,366
Charges for Service	6,000	7,849	1,849
Investment Income	3,500	2,158	(1,342)
Donations	-	25,006	25,006
Miscellaneous	56,966	64,001	7,035
Total Revenues	<u>115,466</u>	<u>163,380</u>	<u>47,914</u>
EXPENDITURES			
Public Safety:			
Employee Benefits	5,300	5,298	2
Man Hours Expense	7,500	10,149	(2,649)
Clothing Allowance	6,500	-	6,500
Training Expense	13,000	6,034	6,966
Utilities	5,850	5,425	425
Insurance	7,000	5,957	1,043
Vehicle and Equipment Repairs	28,500	32,502	(4,002)
Fuel Expense	2,000	1,250	750
Miscellaneous	19,816	29,429	(9,613)
Capital Outlay	20,000	-	20,000
Total Expenditures	<u>115,466</u>	<u>96,044</u>	<u>19,422</u>
NET CHANGE IN FUND BALANCE	-	67,336	67,336
FUND BALANCE - BEGINNING	<u>312,963</u>	<u>312,963</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 312,963</u>	<u>\$ 380,299</u>	<u>\$ 67,336</u>

VILLAGE OF LENA
Notes to Required Supplementary Information
For the Year Ended December 31, 2020

Budgetary Process

The Village follows these procedures in establishing the budgetary data:

- During October, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general and special revenue funds. Budget is defined as the originally approved budget plus or minus approved amendments. There were no amendments during the year. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the general fund and special revenue funds.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.

Excess of Actual Expenditures Over Budget in Individual Funds

The following functions had an excess of actual expenditures over budget for the year ended December 31, 2020:

General Fund	
Culture and Recreation	\$ 599
Capital Outlay	37,944
Fire Department Fund	
Public Safety:	
Man Hours Expense	\$ 2,649
Vehicle and Equipment Repairs	4,002
Miscellaneous	9,613

VILLAGE OF LENA
Notes to Required Supplementary Information
For the Year Ended December 31, 2020

Defined Benefit Pension Plan

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

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

Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan

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

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

SUPPLEMENTARY INFORMATION

VILLAGE OF LENA
Schedule of Operating Revenues and Expenses
Water and Sewer Utility
For the Year Ended December 31, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Metered Sales:			
Residential	\$ 45,561	\$ 156,867	\$ 202,428
Commercial	8,750	35,300	44,050
Industrial	188,918	29,298	218,216
Public Authorities	9,568	43,068	52,636
Total Metered Sales	<u>252,797</u>	<u>264,533</u>	<u>517,330</u>
Public Fire Protection	66,885	-	66,885
Other Operating Revenues:			
Customer Forfeited Discounts	83	123	206
Miscellaneous Operating Revenue	1,513	161	1,674
Total Operating Revenue	<u>321,278</u>	<u>264,817</u>	<u>586,095</u>
OPERATING EXPENSES			
Operation and Maintenance:			
Operation Labor	129,733	41,687	171,420
Power Purchased for Pumping	37,021	23,934	60,955
Chemicals	22,908	-	22,908
Maintenance and Repairs	3,065	3,945	7,010
Operating Supplies	862	5,428	6,290
Operating Transportation Expenses	561	3,680	4,241
Total Operation and Maintenance	<u>194,150</u>	<u>78,674</u>	<u>272,824</u>
Administrative and General:			
Salaries	6,599	6,423	13,022
Office Supplies	5,183	3,156	8,339
Outside Services Employed	12,204	25,747	37,951
Utilities	17,506	4,329	21,835
Property Insurance	4,110	2,575	6,685
Miscellaneous	2,786	12,710	15,496
Total Administrative and General Expenses	<u>48,388</u>	<u>54,940</u>	<u>103,328</u>
Other Operating Expenses:			
Depreciation	141,814	90,159	231,973
TOTAL OPERATING EXPENSES	<u>384,352</u>	<u>223,773</u>	<u>608,125</u>
OPERATING INCOME (LOSS)	<u>(63,074)</u>	<u>41,044</u>	<u>(22,030)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	2,009	1,973	3,982
Interest Expense	(41,438)	(7,314)	(48,752)
Total Non-Operating Revenues (Expenses)	<u>(39,429)</u>	<u>(5,341)</u>	<u>(44,770)</u>
TRANSFERS OUT	<u>(28,467)</u>	<u>(300)</u>	<u>(28,767)</u>
CHANGE IN NET POSITION	<u>\$ (130,970)</u>	<u>\$ 35,403</u>	<u>\$ (95,567)</u>

VILLAGE OF LENA

Schedule of Detailed Budgetary Revenues and Other Financing Sources Comparison

General Fund

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
TAXES				
General Property Taxes	\$ 237,749	\$ 237,749	\$ 237,749	\$ -
INTERGOVERNMENTAL				
Shared Revenues	165,732	165,732	175,379	9,647
General Highway Aids	34,119	34,119	34,072	(47)
Computer Aid	290	290	290	-
Personal Property Aid	843	843	843	-
Police Training Aid	480	480	160	(320)
Police Grant	-	-	5,984	5,984
Total Intergovernmental	201,464	201,464	216,728	15,264
LICENSES AND PERMITS				
Liquor and Malt Beverage Licenses	1,400	1,400	2,010	610
Operators Licenses	800	800	910	110
Cigarette Licenses	50	50	75	25
Dog and Cat Licenses	500	500	339	(161)
Building Permits	600	600	1,285	685
Other Permits	100	100	721	621
Golf Cart Permits	250	250	-	(250)
License Publication Fees	45	45	40	(5)
Total Licenses and Permits	3,745	3,745	5,380	1,635
FINES AND FORFEITS				
Court Penalties and Fines	22,000	22,000	32,724	10,724
Parking Violations	100	100	98	(2)
Total Fines and Forfeits	22,100	22,100	32,822	10,722
PUBLIC CHARGES FOR SERVICES				
Clerk's Revenue	100	100	108	8
Police Department	750	750	905	155
Garbage Bag Revenue	9,000	9,000	11,348	2,348
Recycling	12,340	12,340	9,807	(2,533)
Snow Removal	-	-	163	163
Total Public Charges for Services	22,190	22,190	22,331	141

VILLAGE OF LENA

Schedule of Detailed Budgetary Revenues and Other Financing Sources Comparison

General Fund

For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
MISCELLANEOUS				
Miscellaneous General Revenue	\$ 6,600	\$ 10,088	\$ 458	\$ (6,142)
Interest Income	12,000	12,000	4,848	(7,152)
Rent	23,750	23,750	23,901	151
Total Miscellaneous	<u>42,350</u>	<u>45,838</u>	<u>29,207</u>	<u>(13,143)</u>
Total Revenues	<u>529,598</u>	<u>533,086</u>	<u>544,217</u>	<u>14,619</u>
OTHER FINANCING SOURCES				
Sale of Assets	-	-	6,425	6,425
Transfers In from Utility	28,467	28,467	28,767	300
Total Other Financing Sources	<u>28,467</u>	<u>28,467</u>	<u>35,192</u>	<u>6,725</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 558,065</u>	<u>\$ 561,553</u>	<u>\$ 579,409</u>	<u>\$ 21,344</u>

VILLAGE OF LENA
Schedule of Detailed Budgetary Expenditures Comparison
General Fund
For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
GENERAL GOVERNMENT			
Village Board	\$ 14,000	\$ 20,920	\$ (6,920)
Village President	2,585	6,497	(3,912)
Municipal Court	8,585	6,147	2,438
Legal	3,500	605	2,895
Administrative	900	500	400
Clerk/Treasurer	50,711	50,472	239
Elections	6,000	5,464	536
Finance	7,572	7,563	9
Assessor	4,380	4,851	(471)
Village Hall Expenses	19,526	9,494	10,032
Insurance	16,708	11,875	4,833
Social Security	22,081	22,584	(503)
Health Insurance	-	338	(338)
Travel Expense	1,000	925	75
Computer Expense	2,500	73	2,427
Web Page Expense	1,500	348	1,152
Total General Government	161,548	148,656	12,892
PUBLIC SAFETY			
Police Salaries and Wages	53,500	52,181	1,319
Police Operations	34,174	21,377	12,797
Fire Protection	23,700	20,937	2,763
Rescue Squad	7,188	2,191	4,997
Building Inspection	3,000	5,705	(2,705)
Total Public Safety	121,562	102,391	19,171
PUBLIC WORKS			
Salaries and Wages	49,443	49,215	228
Clothing Allowance	1,000	283	717
Street Maintenance	16,950	34,750	(17,800)
Street Cleaning	2,750	590	2,160
Snow Removal	6,000	1,975	4,025
Street Lighting	26,000	19,095	6,905
Sidewalks	2,500	-	2,500
Street Signs and Markings	3,000	1,430	1,570
Bridges and Culverts	5,500	-	5,500
Sanitation	12,300	21,901	(9,601)
Recycling	21,279	17,152	4,127
Weed Cutting	900	808	92
Total Public Works	147,622	147,199	423

VILLAGE OF LENA

Schedule of Detailed Budgetary Expenditures Comparison - Continued

General Fund

For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
CULTURE AND RECREATION			
General Recreation	\$ 500	\$ 1,099	\$ (599)
Library	25,000	25,000	-
Total Culture and Recreation	25,500	26,099	(599)
CONSERVATION AND DEVELOPMENT			
Planning and Economic Development	2,000	-	2,000
Community Development	4,000	5,936	(1,936)
Tourism	8,500	3,500	5,000
Total Conservation and Development	14,500	9,436	5,064
CAPITAL OUTLAY			
General Government	16,750	8,346	8,404
Public Safety	5,000	61,376	(56,376)
Public Works	15,500	6,472	9,028
Conservation and Development	1,000	-	1,000
Total Capital Outlay	38,250	76,194	(37,944)
DEBT SERVICE			
Principal	25,256	37,929	(12,673)
Interest	6,114	11,153	(5,039)
Lease Payments	17,713	-	17,713
Total Debt Service	49,083	49,082	1
Total Expenditures	558,065	559,057	(992)
TOTAL EXPENDITURES	\$ 558,065	\$ 559,057	\$ (992)

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