



**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**Year Ended December 31, 2021**

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**

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**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**

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## INDEPENDENT AUDITOR'S REPORT

President and Board of Trustees and Management  
Village of Prairie du Sac  
Prairie du Sac, Wisconsin

### **Report on the Audit of the Financial Statements**

#### *Opinions*

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

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

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Prairie du Sac, Wisconsin and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the Local Retiree Life Insurance Fund schedule, the schedule of changes in the Village's total Health Insurance OPEB liability and related ratios, and Wisconsin Retirement System schedules on pages 62 - 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

### ***Required Supplementary Information (Continued)***

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.

Management has omitted a 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Prairie du Sac, Wisconsin's basic financial statements. The combining fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Guidelines, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 30, 2022, on our consideration of the Village of Prairie du Sac, Wisconsin's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Village of Prairie du Sac, Wisconsin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village of Prairie du Sac, Wisconsin's internal control over financial reporting and compliance.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
August 30, 2022

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF NET POSITION  
December 31, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,475,126	\$ 2,316,646	\$ 5,791,772
Restricted cash and cash equivalents	3,024,537	1,448,169	4,472,706
Receivables, net	2,513,925	844,741	3,358,666
Internal balances	129,627	(129,627)	-
Due from other governmental agencies	6,930	-	6,930
Inventories	-	199,587	199,587
Prepaid expenses	288,796	-	288,796
Investment in Sauk Prairie Sewer Commission	-	1,155,469	1,155,469
Net pension asset - restricted	234,338	238,160	472,498
Capital assets:			
Land and construction work in progress	6,156,114	6,604	6,162,718
Capital assets, net of depreciation	14,975,819	13,242,696	28,218,515
Net capital assets	<u>21,131,933</u>	<u>13,249,300</u>	<u>34,381,233</u>
Total Assets	<u>30,805,212</u>	<u>19,322,445</u>	<u>50,127,657</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	388,106	394,434	782,540
Deferred life insurance OPEB outflows	73,586	74,944	148,530
Deferred health insurance OPEB outflows	9,825	-	9,825
Total Deferred Outflows of Resources	<u>471,517</u>	<u>469,378</u>	<u>940,895</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 31,276,729</u>	 <u>\$ 19,791,823</u>	 <u>\$ 51,068,552</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 449,435	\$ 455,143	\$ 904,578
Due to other governmental agencies	25,269	-	25,269
Accrued interest	214,112	31,868	245,980
Net life insurance OPEB liability	152,373	155,183	307,556
Total health insurance OPEB liability	84,424	-	84,424
Long-term liabilities:			
Due within one year	1,188,645	524,415	1,713,060
Due in more than one year	14,674,717	3,701,110	18,375,827
Total Liabilities	<u>16,788,975</u>	<u>4,867,719</u>	<u>21,656,694</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>4,410,438</u>	 <u>542,626</u>	 <u>4,953,064</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,374,637	9,159,080	14,533,717
Restricted for:			
Tax Incremental Financing Districts	536,437	-	536,437
Capital projects	2,004,788	-	2,004,788
Net pension asset	234,338	238,160	472,498
Equipment replacement	-	715,404	715,404
Debt service	145,144	700,897	846,041
Unrestricted	1,781,972	3,567,937	5,349,909
Total Net Position	<u>10,077,316</u>	<u>14,381,478</u>	<u>24,458,794</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 31,276,729</u>	<u>\$ 19,791,823</u>	<u>\$ 51,068,552</u>

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2021**

<b>Functions/Programs</b>	<b>Program Revenue</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Governmental Activities:</b>							
General Government	\$ 518,286	\$ 158,161	\$ 113,019	\$ 231,893	\$ (15,213)		\$ (15,213)
Public Safety	1,414,128	51,106	29,114	-	(1,333,908)		(1,333,908)
Public Works	2,113,254	473,392	365,351	284,210	(990,301)		(990,301)
Culture and Recreation	853,713	9,648	210,824	945,000	311,759		311,759
Conservation and Development	224,475	4,913	32,684	-	(186,878)		(186,878)
Interest on Long-Term Debt	519,636	-	-	-	(519,636)		(519,636)
Total governmental activities	<u>5,643,492</u>	<u>697,220</u>	<u>750,992</u>	<u>1,461,103</u>	<u>(2,734,177)</u>		<u>(2,734,177)</u>
<b>Business-type Activities:</b>							
Water	751,512	949,315	-	-	-	\$ 197,803	197,803
Sewer	434,166	479,702	-	-	-	45,536	45,536
Electric	5,181,657	5,397,247	-	10,804	-	226,394	226,394
Storm Water	145,641	124,338	-	-	-	(21,303)	(21,303)
Total business-type activities	<u>6,512,976</u>	<u>6,950,602</u>	<u>-</u>	<u>10,804</u>	<u>-</u>	<u>448,430</u>	<u>448,430</u>
Total	<u>\$ 12,156,468</u>	<u>\$ 7,647,822</u>	<u>\$ 750,992</u>	<u>\$ 1,471,907</u>	<u>(2,734,177)</u>	<u>448,430</u>	<u>(2,285,747)</u>
<b>General revenues:</b>							
<b>Property taxes:</b>							
Property taxes, levied for general purposes					2,099,584	-	2,099,584
Property taxes, levied for debt service					1,059,251	-	1,059,251
Other taxes					19,712	-	19,712
Grants and contributions not restricted to specific programs					159,727	-	159,727
Unrestricted investment earnings					15,618	9,333	24,951
Investment loss in Sauk Prairie Sewer Commission					-	(18,581)	(18,581)
Miscellaneous					1,367,460	590	1,368,050
<i>Special item</i> - gain (loss) on disposal of asset					7,500	-	7,500
Transfers					257,738	(257,738)	-
Total general revenues, special item and transfers					<u>4,986,590</u>	<u>(266,396)</u>	<u>4,720,194</u>
Change in net position					<u>2,252,413</u>	<u>182,034</u>	<u>2,434,447</u>
Net position - beginning					<u>7,824,903</u>	<u>14,199,444</u>	<u>22,024,347</u>
Net position - ending					<u>\$ 10,077,316</u>	<u>\$ 14,381,478</u>	<u>\$ 24,458,794</u>

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2021**

	Major			Non-Major		Total Governmental Funds
	General Fund	TID Fund	Capital Projects Fund	Debt Service Fund	Transit Fund	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 3,475,125	\$ -	\$ -	\$ -	\$ -	\$ 3,475,125
Receivables:						
Taxes	1,896,920	331,316	-	-	-	2,228,236
Special Assessments	158,870	-	-	-	-	158,870
Accounts	35,194	-	-	-	-	35,194
Loans	55,580	-	-	-	-	55,580
Other	36,043	-	-	-	-	36,043
Due from Other Funds	56,826	-	-	-	-	56,826
Due from Other Governments	7,628	-	-	-	-	7,628
Prepaid Expenses	288,796	-	-	-	-	288,796
Restricted Cash	-	818,695	2,038,773	145,144	21,925	3,024,537
Advances Receivable	72,801	-	268,700	-	-	341,501
Total Assets	<u>\$ 6,083,783</u>	<u>\$ 1,150,011</u>	<u>\$ 2,307,473</u>	<u>\$ 145,144</u>	<u>\$ 21,925</u>	<u>\$ 9,708,336</u>
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 137,307	\$ -	\$ 302,685	\$ -	\$ 9,442	\$ 449,434
Due to Other Governments	968	-	-	-	25,000	25,968
Advances Payable	-	268,700	-	-	-	268,700
Total Liabilities	<u>138,275</u>	<u>268,700</u>	<u>302,685</u>	<u>-</u>	<u>34,442</u>	<u>744,102</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	<u>3,444,261</u>	<u>551,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,995,843</u>
<b>FUND BALANCES</b>						
Nonspendable	417,177	-	-	-	-	417,177
Restricted	-	536,437	2,004,788	145,144	-	2,686,369
Committed	5,570	-	-	-	-	5,570
Assigned	354,660	-	-	-	-	354,660
Unassigned (Deficit)	1,723,840	(206,708)	-	-	(12,517)	1,504,615
Total Fund Balances (Deficit)	<u>2,501,247</u>	<u>329,729</u>	<u>2,004,788</u>	<u>145,144</u>	<u>(12,517)</u>	<u>4,968,391</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,083,783</u>	<u>\$ 1,150,011</u>	<u>\$ 2,307,473</u>	<u>\$ 145,144</u>	<u>\$ 21,925</u>	<u>\$ 9,708,336</u>

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
December 31, 2021**

Total fund balances, governmental funds	\$	4,968,391
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Taxes from municipal utilities are recognized as revenues as they are received in the fund statements.

Property tax equivalent receivable		120,430
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The net pension asset is not a current financial source and is, therefore, not reported in the fund statements.		234,338
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The OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.		(236,797)
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Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and the deferred inflows of resources are not financial resources or uses and, therefore, are not reported in the fund statements.

Deferred outflows of resources		471,517
Deferred inflows of resources		(549,281)

Deferred inflows of resources reported in the fund financial statements, but recognized as earned on the Statement of Net Position		14,259
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Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Governmental capital assets	\$ 36,004,097	
Governmental accumulated depreciation	(14,872,164)	21,131,933

Some liabilities (such as Notes Payable, Long-term Compensated Absences, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

General obligation debt	(15,253,200)	
Unamortized debt premium, net	(504,096)	
Vested employee benefits	(106,066)	
Accrued interest	(214,112)	(16,077,474)

Net Position of Governmental Activities in the Statement of Net Position	\$	<u>10,077,316</u>
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The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2021**

	Major			Non-Major	Total Governmental Funds	
	General Fund	TID Fund	Capital Projects Fund	Debt Service Fund		Transit Fund
<b>REVENUES</b>						
Property Taxes	\$ 1,622,221	\$ 477,363	\$ -	\$ 1,059,251	\$ -	\$ 3,158,835
Other Taxes	235,712	-	-	-	-	235,712
Special Assessment Revenue	24,337	-	-	-	-	24,337
Intergovernmental	765,016	32,684	1,456,796	-	113,019	2,367,515
License and Permits	187,568	-	-	-	-	187,568
Public Charges for Services	491,362	-	-	-	-	491,362
Interest Income	15,618	-	-	-	-	15,618
Miscellaneous Income	105,845	-	-	1,260,899	18,997	1,385,741
Total Revenues	<u>3,447,679</u>	<u>510,047</u>	<u>1,456,796</u>	<u>2,320,150</u>	<u>132,016</u>	<u>7,866,688</u>
<b>EXPENDITURES</b>						
Current:						
General Government	386,290	-	-	-	119,218	505,508
Public Safety	1,269,269	-	-	-	-	1,269,269
Public Works	1,148,245	-	-	-	-	1,148,245
Culture and Recreation	671,047	-	-	-	-	671,047
Conservation and Development	4,187	206,494	-	-	-	210,681
Capital Outlay	900	-	6,047,600	-	-	6,048,500
Debt Service:						
Principal Repayment	-	-	-	2,171,231	-	2,171,231
Interest and Fiscal Charges	-	-	165,030	318,935	-	483,965
Total Expenditures	<u>3,479,938</u>	<u>206,494</u>	<u>6,212,630</u>	<u>2,490,166</u>	<u>119,218</u>	<u>12,508,446</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(32,259)</u>	<u>303,553</u>	<u>(4,755,834)</u>	<u>(170,016)</u>	<u>12,798</u>	<u>(4,641,758)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Long-Term Debt	-	-	5,721,000	-	-	5,721,000
Premium on Long-Term Debt	-	-	-	244,716	-	244,716
Transfers In	76,475	-	83,699	-	-	160,174
Transfers Out	(109,024)	-	-	(76,475)	-	(185,499)
Total Other Financing Sources (Uses)	<u>(32,549)</u>	<u>-</u>	<u>5,804,699</u>	<u>168,241</u>	<u>-</u>	<u>5,940,391</u>
Net Change in Fund Balances	(64,808)	303,553	1,048,865	(1,775)	12,798	1,298,633
Fund Balances (Deficit) - Beginning, Restated	2,566,055	26,176	955,923	146,919	(25,315)	3,669,758
Fund Balances (Deficit) - Ending	<u>\$ 2,501,247</u>	<u>\$ 329,729</u>	<u>\$ 2,004,788</u>	<u>\$ 145,144</u>	<u>\$ (12,517)</u>	<u>\$ 4,968,391</u>

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2021**

Net change in fund balances - total governmental funds:		\$ 1,298,633
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Property taxes on assets of the municipally owned utilities are reported as they are received in the governmental fund statements. However, for governmental activities, those revenues are recorded as they are earned.		
Property taxes from municipally owned utilities received during the year	\$ (216,000)	
Property taxes from municipally owned utilities earned during the year	283,063	
Amount by which property taxes earned are greater (less) than that which was received:		67,063
In governmental funds, special assessments and grant revenues are reported as revenue when measurable and available. In the Statement of Activities, revenue is reported when earned.		
		(20,029)
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 expenses in the Statement of Activities.		
Capital outlay reported in governmental fund statements	6,048,500	
Capital outlay not included in capital asset additions	(78,233)	
Depreciation expense reported in the Statement of Activities	(1,272,491)	
Gain on trade-in	7,500	4,705,276
Vested employee benefits are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.		
Amounts paid are greater (less) than amounts earned by:		(3,156)
Debt incurred in governmental funds are reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position, and does not affect the Statement of Activities.		
The amount of debt incurred in the current year is:		(5,721,000)
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 is:		2,171,231
In governmental funds, interest payments on outstanding long-term 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	483,965	
The amount of interest accrued during the current period	(558,839)	(74,874)
In governmental funds, discounts/premiums on outstanding long-term debt are reported as an expenditure/revenue when paid/received. In the Statement of Activities, discounts/premiums are amortized and recognized over the life of the issue.		
The amount of debt premium received during the current period is:		(244,717)
The amount of debt discounts recognized during the current period is:		39,203
Pension and OPEB expenses (revenues) reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expenses (revenues) in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as the difference between the net pension asset/liability and net OPEB liability from the prior year to the current year, with some adjustments.		
		34,783
Change in net position of governmental activities		\$ 2,252,413

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2021**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,257,885	\$ 100,906	\$ 603,341	\$ 354,514	\$ 2,316,646
Receivables					
Accounts (net of allowance)	837,609	-	-	-	837,609
Other	4,286	1,592	1,073	181	7,132
Due from Other Funds	43,791	-	115,911	-	159,702
Inventories	192,866	5,594	1,127	-	199,587
Total Current Assets	<u>2,336,437</u>	<u>108,092</u>	<u>721,452</u>	<u>354,695</u>	<u>3,520,676</u>
Restricted Assets:					
Restricted Cash and Cash Equivalents	563,976	826,953	57,240	-	1,448,169
Net Pension Asset	155,745	53,511	18,664	10,240	238,160
Total Restricted Assets	<u>719,721</u>	<u>880,464</u>	<u>75,904</u>	<u>10,240</u>	<u>1,686,329</u>
Capital Assets:					
Land	1,178	5,426	-	-	6,604
Capital Assets	9,395,120	9,302,724	2,439,752	2,080,673	23,218,269
Less Accumulated Depreciation	(6,193,474)	(2,347,156)	(794,899)	(640,044)	(9,975,573)
Net Capital Assets	<u>3,202,824</u>	<u>6,960,994</u>	<u>1,644,853</u>	<u>1,440,629</u>	<u>13,249,300</u>
Noncurrent Assets:					
Investment in Sauk Prairie Sewer Commission	-	-	1,155,469	-	1,155,469
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>1,155,469</u>	<u>-</u>	<u>1,155,469</u>
Total Assets	<u>6,258,982</u>	<u>7,949,550</u>	<u>3,597,678</u>	<u>1,805,564</u>	<u>19,611,774</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Pension Outflows	257,942	88,623	30,911	16,958	394,434
Deferred Life Insurance OPEB Outflows	52,992	21,952	-	-	74,944
Total Deferred Outflows of Resources	<u>310,934</u>	<u>110,575</u>	<u>30,911</u>	<u>16,958</u>	<u>469,378</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 6,569,916</u>	 <u>\$ 8,060,125</u>	 <u>\$ 3,628,589</u>	 <u>\$ 1,822,522</u>	 <u>\$ 20,081,152</u>

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2021**

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Utility	Storm Water Utility	
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 409,185	\$ -	\$ 16,504	\$ -	\$ 425,689
Accrued Liabilities	29,454	-	-	-	29,454
Accrued Interest Payable	891	24,103	6,874	-	31,868
Due to Other Funds	-	206,872	-	9,656	216,528
Current Portion of Long-Term Liabilities	137,234	305,649	80,999	533	524,415
Total Current Liabilities	576,764	536,624	104,377	10,189	1,227,954
Non-Current Liabilities:					
Long-Term Liabilities	409,934	2,696,994	593,034	1,148	3,701,110
Total Long-Term Liabilities	409,934	2,696,994	593,034	1,148	3,701,110
Other Liabilities					
Advances Payable	-	72,801	-	-	72,801
Net Life Insurance OPEB Liability	109,732	45,451	-	-	155,183
Total Other Liabilities	109,732	118,252	-	-	227,984
Total Non-Current Liabilities	519,666	2,815,246	593,034	1,148	3,929,094
Total Liabilities	1,096,430	3,351,870	697,411	11,337	5,157,048
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Pension Inflows	341,945	117,484	40,978	22,482	522,889
Deferred Life Insurance OPEB Inflows	13,958	5,779	-	-	19,737
Total Deferred Inflows of Resources	355,903	123,263	40,978	22,482	542,626
<b>NET POSITION</b>					
Net Investment in Capital Assets	2,743,392	3,990,950	984,110	1,440,628	9,159,080
Restricted for:					
Net Pension Asset	155,745	53,511	18,664	10,240	238,160
Equipment Replacement	50,000	646,558	18,846	-	715,404
Debt Service	513,085	156,292	31,520	-	700,897
Unrestricted (Deficit)	1,655,361	(262,319)	1,837,060	337,835	3,567,937
Total Net Position	5,117,583	4,584,992	2,890,200	1,788,703	14,381,478
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 6,569,916	\$ 8,060,125	\$ 3,628,589	\$ 1,822,522	\$ 20,081,152

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

**For the Year Ended December 31, 2021**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 5,235,070	\$ 898,360	\$ 479,170	\$ 124,234	\$ 6,736,834
Other Operating Revenues	162,177	50,955	532	104	213,768
Total Operating Revenues	<u>5,397,247</u>	<u>949,315</u>	<u>479,702</u>	<u>124,338</u>	<u>6,950,602</u>
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	4,799,614	435,919	343,380	103,179	5,682,092
Depreciation	328,989	220,093	63,307	42,462	654,851
Taxes	39,353	7,358	4,975	-	51,686
Total Operating Expenses	<u>5,167,956</u>	<u>663,370</u>	<u>411,662</u>	<u>145,641</u>	<u>6,388,629</u>
Operating Income (Loss)	<u>229,291</u>	<u>285,945</u>	<u>68,040</u>	<u>(21,303)</u>	<u>561,973</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest and Investment Revenue	2,588	6,313	322	110	9,333
Miscellaneous Non-Operating Revenue	590	-	-	-	590
Interest Expense and Fiscal Charges	(12,668)	(88,142)	(22,504)	-	(123,314)
Investment Loss in Sauk Prairie Sewer Commission	-	-	(18,581)	-	(18,581)
Amortization Expense	(1,033)	-	-	-	(1,033)
Total Non-Operating Revenues (Expenses)	<u>(10,523)</u>	<u>(81,829)</u>	<u>(40,763)</u>	<u>110</u>	<u>(133,005)</u>
Income (Loss) Before Capital Contributions and Transfers	218,768	204,116	27,277	(21,193)	428,968
Capital Contributions	10,804	-	-	-	10,804
Transfers In	-	21,040	4,285	-	25,325
Transfers Out - Tax Equivalent	(143,638)	(139,425)	-	-	(283,063)
Change in Net Position	85,934	85,731	31,562	(21,193)	182,034
Total Net Position - Beginning	5,031,649	4,499,261	2,858,638	1,809,896	14,199,444
Total Net Position - Ending	<u>\$ 5,117,583</u>	<u>\$ 4,584,992</u>	<u>\$ 2,890,200</u>	<u>\$ 1,788,703</u>	<u>\$ 14,381,478</u>

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2021**

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Utility	Storm Water Utility	
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers	\$ 5,341,950	\$ 948,583	\$ 479,023	\$ 124,252	\$ 6,893,808
Cash received from (paid to) other funds for services	(25,393)	(62,143)	(186,087)	9,713	(263,910)
Payments to suppliers	(4,442,318)	(318,637)	(299,057)	(83,675)	(5,143,687)
Payments to employees	(389,775)	(122,246)	(33,737)	(22,915)	(568,673)
Payments to other governments	(39,353)	(12,333)	-	-	(51,686)
Net cash provided (used) by operating activities	445,111	433,224	(39,858)	27,375	865,852
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of plant assets	(385,018)	(388,843)	(91,118)	-	(864,979)
Long-term debt proceeds	-	470,000	275,000	-	745,000
Contributed capital	10,804	-	-	-	10,804
Principal payments on long-term debt	(114,845)	(255,868)	(60,554)	-	(431,267)
Interest paid	(12,848)	(87,264)	(19,648)	-	(119,760)
Net cash provided (used) by capital and related financing activities	(501,907)	(261,975)	103,680	-	(660,202)
<b>Cash Flows from Noncapital Financing Activities:</b>					
Cash paid for property tax equivalent	(108,000)	(108,000)	-	-	(216,000)
Net cash provided (used) by noncapital financing activities	(108,000)	(108,000)	-	-	(216,000)
<b>Cash Flows from Investing Activities:</b>					
Miscellaneous non-operating income	590	21,040	4,285	-	25,915
Interest income	2,588	6,313	322	110	9,333
Net cash provided (used) by investing activities	3,178	27,353	4,607	110	35,248
Net increase (decrease) in cash and equivalents	(161,618)	90,602	68,429	27,485	24,898
<u>Cash and Equivalents, Beginning of year</u>	1,983,479	837,257	592,152	327,029	3,739,917
<u>Cash and Equivalents, End of year</u>	\$ 1,821,861	\$ 927,859	\$ 660,581	\$ 354,514	\$ 3,764,815
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>					
Cash and cash equivalents - Statement of Net Position	\$ 1,257,885	\$ 100,906	\$ 603,341	\$ 354,514	\$ 2,316,646
Restricted cash and cash equivalents - Statement of Net Position	563,976	826,953	57,240	-	1,448,169
Cash and cash equivalents - end of year	\$ 1,821,861	\$ 927,859	\$ 660,581	\$ 354,514	\$ 3,764,815

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2021**

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Utility	Storm Water Utility	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating Income (Loss)	\$ 229,291	\$ 285,945	\$ 68,040	\$ (21,303)	\$ 561,973
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Joint meter allocation	-	17,766	(17,766)	-	-
Depreciation	328,989	220,093	63,307	42,462	654,851
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows:					
Customer accounts receivable	(88,946)	-	-	-	(88,946)
Other receivables	33,649	(732)	(679)	(86)	32,152
Due to/from other funds	(25,393)	(84,884)	(163,346)	9,713	(263,910)
Inventories	(50,842)	618	-	-	(50,224)
Pension related deferrals and liabilities	(48,752)	(16,864)	(5,918)	(3,272)	(74,806)
OPEB related deferrals and liabilities	852	11,282	-	-	12,134
Accounts payable	66,443	-	16,504	-	82,947
Accrued liabilities	(180)	-	-	(139)	(319)
Net cash provided (used) by operating activities	\$ 445,111	\$ 433,224	\$ (39,858)	\$ 27,375	\$ 865,852

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
December 31, 2021**

	<b>Custodial Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,779,976
Receivables:	
Taxes Receivable	4,181,930
Total Assets	<u>\$ 6,961,906</u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 6,961,906
Total Liabilities	<u>6,961,906</u>
<b>NET POSITION</b>	
Total Net Position	<u>-</u>
Total Liabilities and Net Position	<u>\$ 6,961,906</u>

The accompanying notes to financial statements are an integral part of this statement.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND**

**For the Year Ended December 31, 2021**

	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Property Tax Collections for Other Governments	\$ 4,381,407
Total Additions	4,381,407
<b>DEDUCTIONS</b>	
Payments of Taxes to Other Governments	4,381,407
Total Deductions	4,381,407
Net Increase (Decrease) in Fiduciary Net Position	-
Net Position - Beginning	-
Net Position - Ending	\$ -

The accompanying notes to financial statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
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December 31, 2021**

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**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Village of Prairie du Sac conform to U.S. generally accepted accounting principles as applicable to governmental units.

**A. REPORTING ENTITY**

This report includes all of the funds of the Village of Prairie du Sac. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The Village does not have any component units.

**B. BASIS OF FINANCIAL STATEMENT PRESENTATION**

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. The effect of interfund activity within the governmental and business-type activities columns has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into 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.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)**

**Fund Financial Statements (Continued)**

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

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise 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 those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following governmental funds:

General Fund – The General Fund is the Village’s primary operating fund and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for and report the specific revenue sources comprising a substantial portion of the fund’s resources on an ongoing basis that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Debt Service Fund – The Debt Service Fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays (other than those financed by proprietary funds and trust funds).

The Village reports the following major governmental funds:

General Fund  
Tax Incremental Financing Districts Fund  
Debt Service Fund  
Capital Projects Fund

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

---

**B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)**

The Village reports the following non-major governmental fund:

Transit Fund – The Transit Fund is used to account for the revenues and expenses associated with the taxi service provided for Prairie du Sac and Sauk City.

**Proprietary Funds**

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow.

The Village reports the following business-type activities:

*Major Enterprise Funds*

Electric Utility – Accounts for providing electric service.

Water Utility – Accounts for providing water service.

Sewer Utility – Accounts for providing sewer service.

*Non-major Enterprise Fund*

Storm Water Utility – Accounts for providing storm water services.

**Fiduciary Funds (Not included in Government-Wide Statements)**

Fiduciary funds consist of pension (and other employee benefit) trust funds, private purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government controls the assets that finance the activity, b) Assets are not generated from the government's own-source revenues or from government-mandated or voluntary nonexchange transactions, c) Assets are administered through a qualifying trust or the government does not have administrative involvement and the assets are not generated from the government's delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government's reporting entity.

The Village reports the following fiduciary fund:

Custodial Fund – The Custodial Fund is used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village's Tax Custodial Fund accounts for tax collections payable to overlying taxing jurisdictions.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**C. BASIS OF ACCOUNTING**

The government-wide financial statements and fund financial statements for the proprietary funds are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Electric Utility, Water Utility, Sewer Utility, and Storm Water Utility are charges to customers for providing service to the Village's residents and businesses. Operating expenses for proprietary funds include the cost of providing these services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Property taxes are levied in December on the assessed valuation as of the prior January 1 for all general property located in the Village. The taxes are due and payable in the following year. Property taxes are recorded in the year levied as taxes receivable and deferred inflows. Property taxes are recognized in the appropriate fund as revenues in the succeeding year when they are collected and available to finance services.

In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying custodial fund statement of fiduciary net position.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**C. BASIS OF ACCOUNTING (Continued)**

The aggregate amount of property taxes to be levied for Village purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the Village are certified to local taxing districts for collection. Property taxes attach as an enforceable lien as of January 1.

Property tax calendar – 2021 tax roll:

Lien date and levy date	January 1, 2022
Tax bills mailed	December 2021
Payment in full or first installment due	January 31, 2022
Second installment due	July 31, 2022

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. Provision for uncollectible accounts receivable has been made for the Electric Utility. All the utilities also have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are also recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, deferred inflows are removed from the balance sheet and revenue is recognized.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 could differ from those estimates.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**D. MEASUREMENT FOCUS**

On the Government-Wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred inflows or nonspendable fund equity. Liabilities for claims, judgments and compensated absences which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

**E. CASH AND INVESTMENTS**

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair value of investments in the Local Government Investment Pool (LGIP) is based on information provided by the State of Wisconsin Investment Board.

**Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

**F. INVENTORIES AND PREPAID ITEMS**

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Enterprise funds inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**G. CAPITAL ASSETS**

**Government-Wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 for general capital assets and \$2,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged, but not required. The Village has elected to retroactively report all major general infrastructure assets.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, and overhead.

The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Infrastructure	30 years
Buildings and building improvements	25 - 75 years
Furniture and equipment	7 - 10 years
Vehicles	7 - 20 years
Utility plant	4 - 135 years

**Fund Financial Statements**

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

**VILLAGE OF PRAIRIE DU SAC  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**H. INTERFUND RECEIVABLES AND PAYABLES**

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**I. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

The Electric Utility has an allowance for uncollectible accounts of \$3,936 in 2021.

**J. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS**

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.

All vested vacation and sick leave pay is accrued when incurred in the government-wide, enterprise, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021 are determined on the basis of current salary rates and include salary related payments.

**K. LONG-TERM OBLIGATIONS**

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 primarily of notes and bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net position. The Village does not engage in conduit debt transactions.

Debt issuance costs are recognized in the current period for the government-wide, proprietary, and governmental fund statements.

**VILLAGE OF PRAIRIE DU SAC  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**L. 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 funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statement. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year end.

**M. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**N. OTHER POSTEMPLOYMENT BENEFITS**

Group life insurance plan

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to / deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Village health insurance plan

For purposes of measuring the OPEB liability and deferred outflows of resources related to OPEB, and OPEB expense, information of the Village's OPEB plan has been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with benefit terms.

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

**VILLAGE OF PRAIRIE DU SAC  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**P. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The deferred outflows of resources are for the WRS pension system, Wisconsin local retiree life insurance fund, and the Village health insurance plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The deferred inflows of resources are for the WRS pension system, Wisconsin local retiree life insurance fund, special assessments, and property tax levy for the subsequent year.

**Q. EQUITY CLASSIFICATIONS**

**Government-Wide Statements**

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position – Consists of net positions with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the 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.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Q. EQUITY CLASSIFICATIONS (Continued)**

**Fund Statements**

Governmental fund equity is reported as fund balance and is classified as follows:

- a. Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – amounts with externally imposed constraints placed on the use of resources by constitution, external resource providers, or through enabling legislation.
- c. Committed – amounts that can only be spent for specific purposes pursuant to constraints imposed by formal action by the Village Board. A formal resolution by the Village Board is required to establish, modify, or rescind a fund balance commitment.
- d. Assigned – amounts that are neither restricted nor committed for which a government has stated intended use for a specific purpose. This intent can be expressed through the Village Board, or through the Village Board delegating this responsibility to the Village Administrator through the budgetary process.
- e. Unassigned – amounts not classified as non-spendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in the unassigned fund balance. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific purposes.

The Village's fund balance policy states the Village shall endeavor to maintain a fund balance of 25% of the annual General Fund operating budget expenditures. If the fund balance drops below 20%, appropriate steps shall be taken to restore it to 25% in the subsequent year's budget.

When the Village incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Village's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

**R. BASIS FOR EXISTING RATES – PROPRIETARY FUNDS**

**Electric Utility**

Current electric rates were approved by the Public Service Commission of Wisconsin (PSCW) on December 14, 2021 and placed into effect by the Electric Utility on December 15, 2021.

**Water Utility**

Current water rates were approved by the PSCW on June 22, 2016 and placed into effect by the Water Utility on July 15, 2016.

**VILLAGE OF PRAIRIE DU SAC  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**R. BASIS FOR EXISTING RATES – PROPRIETARY FUNDS (Continued)**

**Sewer Utility**

Current sewer rates were approved by the Village Board and placed into effect by the Sewer Utility on January 15, 2021.

**Storm Water Utility**

Current Storm Water rates were approved by the Village Board and placed into effect on January 16, 2007.

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**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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**A. BOND COVENANT DISCLOSURE**

As part of the Electric and Water Bond resolutions, certain information is required to be disclosed.

**Compliance with Funding Requirements**

The utilities are in compliance with combined bond funding requirements.

**Number of Customers**

The utilities served the following number of customers at December 31, 2021:

	Electric	Water
Residential	1,894	1,824
Commercial	285	156
Industrial	1	8
Public authority	-	25
Multifamily	-	25
Public street lighting	7	-
Totals	2,187	2,038

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
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December 31, 2021**

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**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

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**A. BOND COVENANT DISCLOSURE (Continued)**

**Insurance Coverage**

The utilities are in compliance with combined insurance requirements.

**Debt Coverage**

2021 required and actual coverage factors are as follows:

	Electric	Water
Change in net position	\$ 85,934	\$ 85,731
Plus:		
Interest and fiscal charges	12,668	88,142
Depreciation	328,989	220,093
Amortization	1,033	-
Tax equivalent	143,638	139,425
Income available for debt service	<u>\$ 572,262</u>	<u>\$ 533,391</u>
Annual debt service	\$ 124,489	\$ 370,799
Calculated coverage ratio	4.60	1.44
Required coverage ratio	1.25	1.10

**B. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual non-major funds that have deficit balances at year end. As of December 31, 2021, the following funds held a deficit balance:

Fund	Amount
Transit Fund	\$ 12,517
Tax Incremental Financing District No. 5	23,216
Tax Incremental Financing District No. 6	183,492

Fund balances will be recovered through collection of future revenues.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS**

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**A. CASH AND INVESTMENTS**

Investment of Village funds is restricted by State Statutes. Available investments are limited to:

1. Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State.
2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
3. Bonds or securities of any county, drainage district, technical college district, village, city, town, or school district of this State.
4. Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
5. Bonds or securities issued under the authority of the municipality.
6. The local government pooled-investment fund has an established under Section 25.50 of the Wisconsin Statutes.
7. Agreements in which a public depository agrees to repay funds advanced to it by the City plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
8. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
9. Repurchase agreements with public depositories, with certain conditions.
10. Bonds issues by the University of Wisconsin Hospital and Clinics Authority.

The carrying amount of the Village's cash and investments totaled \$13,044,454 on December 31, 2021 and is summarized below:

Petty cash and cash on hand	\$ 574,115
Deposits with financial institutions	8,679,481
Deposits with external investment pools	3,790,858
	\$ 13,044,454

**Reconciliation to the basic financial statements:**

Government-Wide Statement of Net Position:

Cash and cash equivalents	\$ 5,791,772
Restricted cash and cash equivalents	4,472,706
Fiduciary fund:	
Custodial Fund	2,779,976
	\$ 13,044,454

Deposits and investments of the Village are subject to various risks. Following is a discussion of the specific risks and the Village's policy related to the risk.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**A. CASH AND INVESTMENTS (Continued)**

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure the Village’s deposits may not be returned to it. The Village evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits are held. Formal written custodial risk policies have not been adopted by the Village. As of December 31, 2021, \$8,169,341 of the Village’s deposits with financial institutions totaling \$8,765,348 was exposed to custodial credit risks as follows. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Uninsured and uncollateralized	\$	6,863,532
Uninsured and collateralized with securities		1,305,809
Total		\$ 8,169,341

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand accounts and \$250,000 for time and savings accounts. Deposits and the Local Government Investment Pool (LGIP) are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. This coverage has not been considered in computing the above amounts.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. As of December 31, 2021, the LGIP had an average maturity of 61 days and a fair value of \$3,790,858.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statute limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool’s investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

**VILLAGE OF PRAIRIE DU SAC  
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December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**A. CASH AND INVESTMENTS (Continued)**

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the Village. The LGIP was not rated as of December 31, 2021.

Investment allocation in the LGIP as of December 31, 2021 was: 81% in U.S. Government Securities, 3% in Certificates of Deposit and Bankers' Acceptances and 16% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk – The investment policy of the Village contains no limitations on the amount that can be invested in any one issuer. The Village had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village investments.

**B. RECEIVABLES**

Receivables as of year-end for the governmental funds' individual major funds, and fiduciary funds in the aggregate, are as follows:

	General Fund	Tax Incremental Financing Districts Funds	Fiduciary Fund	Total
Total receivables	\$ 2,183,048	\$ 331,316	\$ 4,181,930	\$ 6,696,294
Amounts not expected to be collected within one year	\$ 214,891	\$ -	\$ -	\$ 214,891

Special assessments and economic development loan receivables are not expected to be collected within one year.

**C. DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources on the governmental funds balance sheet of \$3,995,843 at December 31, 2021, consist of the following:

	General Fund	Tax Incremental Financing Districts	Total
2021 tax apportionment	\$ 3,164,460	\$ 551,582	\$ 3,716,042
Deferred special assessments	158,870	-	158,870
Property tax equivalent	120,431	-	120,431
Other deferred inflows	500	-	500
Total	\$ 3,444,261	\$ 551,582	\$ 3,995,843

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**D. RESTRICTED CASH**

Governmental funds have restricted cash in the amount of \$3,024,537 which consists of:

Tax Incremental Financing Districts Fund	\$	818,695
Capital Projects Fund		2,038,773
Debt Service Fund		145,144
Transit Fund		21,925
		\$ 3,024,537

In the Electric, Water and Sewer Enterprise Funds, restricted assets represent cash reserved in accordance with utility revenue bond ordinances and can only be used in the following ways:

Bond Principal and Interest Accounts – Payments from these accounts can be made only for interest and principal and paying agent’s fees as such become due.

Bond Reserve Accounts – Payments from the accounts may be made only to prevent default in the event the monies in the bond principal and interest accounts are insufficient to make payments when due.

Bond Depreciation and Replacement Account – Payments from the account may be made for making emergency replacements, repairs and additions to the Village’s utility systems if other funds are not available.

At December 31, 2021, enterprise fund restricted cash and equivalents consisted of the following:

	Electric	Water	Sewer	Total
Bond principal and interest	\$ 307,970	\$ -	\$ -	\$ 307,970
Bond reserve accounts	206,006	136,558	41,378	383,942
Depreciation and equipment	50,000	55,000	15,862	120,862
Equipment replacement fund	-	635,395	-	635,395
Total restricted cash and cash equivalents	\$ 563,976	\$ 826,953	\$ 57,240	\$ 1,448,169

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. CAPITAL ASSETS**

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

**Governmental Activities**

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
Capital assets not being depreciated:				
Land	\$ 2,416,577	\$ 945,000	\$ -	\$ 3,361,577
Construction work in progress	1,111,667	2,794,537	1,111,667	2,794,537
Total capital assets not being depreciated	<u>3,528,244</u>	<u>3,739,537</u>	<u>1,111,667</u>	<u>6,156,114</u>
Capital assets being depreciated:				
Buildings and building improvements	7,375,165	1,508,698	-	8,883,863
Furniture and equipment	437,741	49,415	-	487,156
Vehicles	2,258,155	941,937	34,036	3,166,056
Infrastructure	16,461,061	849,847	-	17,310,908
Total capital assets being depreciated	<u>26,532,122</u>	<u>3,349,897</u>	<u>34,036</u>	<u>29,847,983</u>
Less: Accumulated depreciation:				
Buildings and building improvements	(2,303,136)	(249,140)	-	(2,552,276)
Furniture and equipment	(224,119)	(28,610)	-	(252,729)
Vehicles	(1,522,763)	(166,120)	(34,036)	(1,654,847)
Infrastructure	(9,583,691)	(828,621)	-	(10,412,312)
Total accumulated depreciation	<u>(13,633,709)</u>	<u>(1,272,491)</u>	<u>(34,036)</u>	<u>(14,872,164)</u>
Net capital assets - governmental activities	<u>\$ 16,426,657</u>	<u>\$ 5,816,943</u>	<u>\$ 1,111,667</u>	<u>\$ 21,131,933</u>

Depreciation expense was charged to functions as follows:

**Governmental activities**

General government	\$ 13,675
Public safety	67,527
Public works	986,239
Culture and recreation	191,256
Conservation and development	13,794
Total governmental activities depreciation expense	<u>\$ 1,272,491</u>

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. CAPITAL ASSETS (Continued)**

**Proprietary Funds**

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021
<b>Electric Utility:</b>				
Transmission and distribution plant	\$ 8,357,524	\$ 313,358	\$ 21,687	\$ 8,649,195
General plant	710,815	75,659	39,371	747,103
Total electric plant	<u>\$ 9,068,339</u>	<u>\$ 389,017</u>	<u>\$ 61,058</u>	<u>\$ 9,396,298</u>
<b>Water Utility:</b>				
Source of supply plant	\$ 676,040	\$ -	\$ -	\$ 676,040
Pumping plant	911,806	-	-	911,806
Water treatment plant	807,371	-	-	807,371
Transmission and distribution plant	6,455,152	384,318	12,725	6,826,745
General plant	83,663	4,525	2,000	86,188
Total water plant	<u>\$ 8,934,032</u>	<u>\$ 388,843</u>	<u>\$ 14,725</u>	<u>\$ 9,308,150</u>
<b>Sewer Utility:</b>				
Collecting system plant	\$ 2,236,560	\$ 91,118	\$ -	\$ 2,327,678
General plant	112,074	-	-	112,074
Total sewer plant	<u>\$ 2,348,634</u>	<u>\$ 91,118</u>	<u>\$ -</u>	<u>\$ 2,439,752</u>
<b>Storm Water Utility:</b>				
Mains	\$ 1,777,706	\$ -	\$ -	\$ 1,777,706
Ponds	182,058	-	-	182,058
General equipment	81,314	-	-	81,314
Vehicles	39,595	-	-	39,595
Total storm water fund	<u>\$ 2,080,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,080,673</u>

A summary of depreciation rates and accumulated depreciation for the utilities follows:

Fund	Balance 1/1/2021	2021 Depreciation Expense	2021 Meter Reading Allocation	2021	Balance 12/31/2021
				Retirements and Removals (Net of Salvage)	
Electric	\$ 5,921,544	\$ 328,989	\$ -	\$ 57,059	\$ 6,193,474
Water	2,124,022	220,093	17,766	14,725	2,347,156
Sewer	749,358	63,307	(17,766)	-	794,899
Storm Water	597,582	42,462	-	-	640,044
	<u>\$ 9,392,506</u>	<u>\$ 654,851</u>	<u>\$ -</u>	<u>\$ 71,784</u>	<u>\$ 9,975,573</u>

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**F. INTERFUND RECEIVABLES / PAYABLES AND TRANSFERS**

The following is a schedule of interfund receivables and payables:

	Due From Other Funds	Due To Other Funds	Purpose
General Fund	\$ 56,826	\$ -	Operating expenses
Enterprise Funds:			
Electric	43,791	-	Operating expenses
Water	-	206,872	Operating expenses
Sewer	115,911	-	Operating expenses
Storm Water	-	9,656	Operating expenses
Totals	<u>\$ 216,528</u>	<u>\$ 216,528</u>	

The following is a schedule of interfund advances:

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 72,801	\$ -
Tax Incremental Financing Districts	-	268,700
Capital Projects Fund	268,700	-
Enterprise Fund:		
Water	-	72,801
Totals	<u>\$ 341,501</u>	<u>\$ 341,501</u>

The following is a schedule of transfers in the Government-Wide Statement of Activities:

Transfer from:	Transfer to:	Purpose:	Amount
Business-type Activities	Governmental Activities	Tax equivalent	\$ 283,063
Governmental Activities	Business-type Activities	Debt overpayment	25,325
			<u>\$ 257,738</u>

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. LONG-TERM OBLIGATIONS**

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

	1/1/2021			12/31/2021	Amounts Due Within
	Balance	Increases	Decreases	Balance	One Year
<b>Governmental Activities</b>					
Bonds and notes from direct borrowings and placements	\$ 1,462,385	\$ 51,000	\$ 1,317,429	\$ 195,957	\$ 72,188
Bonds and notes payable:					
General obligation debt	10,241,045	5,670,000	853,802	15,057,243	1,092,653
Add/Subtract Amounts For:					
Premiums/Discount on debt	298,582	244,717	39,203	504,096	-
Total	<u>12,002,012</u>	<u>5,965,717</u>	<u>2,210,434</u>	<u>15,757,296</u>	<u>1,164,841</u>
Other liabilities:					
Vested compensated absences	102,910	3,156	-	106,066	23,804
Total other liabilities	<u>102,910</u>	<u>3,156</u>	<u>-</u>	<u>106,066</u>	<u>23,804</u>
Total governmental activities - long-term liabilities	<u>\$12,104,922</u>	<u>\$ 5,968,873</u>	<u>\$ 2,210,434</u>	<u>\$ 15,863,362</u>	<u>\$ 1,188,645</u>
<b>Business-Type Activities</b>					
Bonds and notes from direct borrowings and placements	\$ 1,064,731	\$ -	\$ 101,469	\$ 963,263	\$ 103,327
Bonds and notes payable:					
General obligation debt	2,198,958	745,000	251,198	2,692,760	282,347
Revenue bonds	515,000	-	100,000	415,000	100,000
Add/Subtract Amounts For:					
Premiums/Discount on debt	(2,400)	22,277	680	19,197	-
Total	<u>3,776,289</u>	<u>767,277</u>	<u>453,348</u>	<u>4,090,220</u>	<u>485,674</u>
Other liabilities:					
Vested compensated absences	134,609	696	-	135,305	38,741
Total other liabilities	<u>134,609</u>	<u>696</u>	<u>-</u>	<u>135,305</u>	<u>38,741</u>
Total business-type activities - long-term liabilities	<u>\$ 3,910,898</u>	<u>\$ 767,973</u>	<u>\$ 453,348</u>	<u>\$ 4,225,525</u>	<u>\$ 524,415</u>

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**G. LONG-TERM OBLIGATIONS (Continued)**

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2021 was \$26,205,150. Total general obligation debt outstanding at year end was \$17,962,525.

Governmental activities long-term debt at December 31, 2021 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2021
<b>Governmental Activities</b>					
<b>General Obligation Debt</b>					
Refunding bonds	5/17/2012	4/1/2024	2.00% - 2.20%	\$ 1,170,780	\$ 292,695
Promissory notes	4/1/2013	4/1/2023	2.65%	536,110	118,128
Corporate purpose bonds	4/15/2014	2/1/2034	0.35% - 4.10%	3,010,000	2,045,000
Corporate purpose bonds	5/19/2015	4/1/2030	1.00% - 3.00%	1,760,000	1,075,000
Promissory notes	3/17/2016	3/17/2026	1.50% - 2.50%	1,400,000	680,000
Promissory notes	3/23/2017	3/1/2027	1.50% - 2.75%	925,451	524,547
Promissory notes	3/20/2018	3/1/2033	1.80% - 3.40%	1,265,000	890,000
Promissory notes	8/22/2018	8/22/2028	0.00%	39,263	26,830
Corporate purpose bonds	2/27/2019	2/1/2029	3.00% - 4.00%	910,000	755,000
Corporate purpose bonds	3/19/2020	3/1/2040	2.00% - 4.00%	3,195,000	3,125,000
Promissory notes	2/12/2021	2/12/2026	2.60%	51,000	51,000
Corporate purpose bonds	3/3/2021	3/1/2041	1.00% - 3.00%	5,670,000	5,670,000
Total governmental activities - general obligation debt					<u>\$ 15,253,200</u>

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. LONG-TERM OBLIGATIONS (Continued)**

Debt service requirements to maturity for governmental activities are as follows:

Years	Governmental Activities					
	Notes from Direct Borrowings and Placements		General Obligation Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 72,188	\$ 4,491	\$ 1,092,653	\$ 397,129	\$ 1,164,841	\$ 401,620
2023	73,399	2,683	1,028,802	319,143	1,102,200	321,826
2024	14,120	828	1,117,248	290,261	1,131,368	291,088
2025	14,387	560	1,008,669	260,000	1,023,056	260,560
2026	14,664	283	954,936	230,534	969,600	230,817
2027-2031	7,199	-	4,054,935	755,604	4,062,135	755,604
2032-2036	-	-	3,635,000	320,320	3,635,000	320,320
2037-2041	-	-	2,165,000	74,781	2,165,000	74,781
Totals	\$ 195,957	\$ 8,845	\$ 15,057,243	\$ 2,647,772	\$ 15,253,200	\$ 2,656,616

Business-type activities long-term debt at December 31, 2021 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2021
<b>Business-Type Activities</b>					
Refunding bonds	5/17/2012	4/1/2024	2.00% - 2.20%	\$ 349,220	\$ 87,305
Electric revenue bonds	5/17/2012	12/1/2025	1.00% - 2.80%	1,225,000	415,000
Safe drinking water loan	4/25/2012	5/1/2031	2.20%	1,554,314	899,163
Promissory notes	4/1/2013	4/1/2023	2.65%	75,190	16,567
Corporate purpose bonds	4/15/2014	2/1/2034	0.35% - 4.10%	820,000	565,000
Corporate purpose bonds	5/19/2015	4/1/2030	1.00% - 3.00%	290,000	115,000
Member energy efficiency and renewable energy loan	7/22/2015	8/1/2025	0.00%	123,505	44,256
Corporate purpose notes	3/17/2016	3/17/2026	1.50% - 2.50%	175,000	75,000
Corporate purpose bonds	3/23/2017	3/1/2027	1.50% - 2.75%	310,000	175,453
Corporate purpose bonds	3/20/2018	3/1/2033	1.80% - 3.40%	420,000	285,000
Corporate purpose bonds	2/27/2019	2/1/2029	3.00% - 4.00%	295,000	225,000
Promissory note	4/10/2019	3/10/2024	2.00%	6,851	3,279
Corporate purpose bonds	3/19/2020	3/1/2035	2.00% - 4.00%	445,000	420,000
Corporate purpose bonds	3/3/2021	3/1/2041	1.00% - 3.00%	745,000	745,000
Total business-type activities - long-term debt					\$ 4,071,023

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**G. LONG-TERM OBLIGATIONS (Continued)**

Debt service requirements to maturity for business-type activities are as follows:

Years	Business-Type Activities							
	Notes from Direct		General Obligation Debt		Mortgage Revenue		Total	
	Borrowings and Placements		Principal	Interest	Bonds		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 103,327	\$ 19,378	\$ 282,347	\$ 75,176	\$ 100,000	\$ 10,698	\$ 485,674	\$ 105,251
2023	105,279	17,323	286,198	60,275	105,000	8,348	496,477	85,946
2024	97,939	15,228	282,752	52,450	105,000	5,723	485,691	73,401
2025	94,063	13,337	246,331	44,860	105,000	2,940	445,394	61,137
2026	88,770	11,405	210,065	37,979	-	-	298,835	49,383
2027-2031	473,885	26,525	740,067	109,395	-	-	1,213,952	135,920
2032-2036	-	-	430,000	33,365	-	-	430,000	33,365
2037-2041	-	-	215,000	8,243	-	-	215,000	8,243
Totals	\$ 963,263	\$ 103,196	\$ 2,692,760	\$ 421,743	\$ 415,000	\$ 27,709	\$ 4,071,023	\$ 552,646

Estimated payments of vested compensated absences are not included in the debt service requirement schedules. The liability attributable to governmental activities will be liquidated primarily by General Fund. See Note 1.J. for disclosure of the Village's policy.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**H. GOVERNMENTAL FUND BALANCES**

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

**Nonspendable**

Major Fund:

Prepaid expenses	\$ 288,796
Loans receivable	55,580
Advances to other funds	72,801
Total nonspendable fund balance	417,177

**Restricted**

Major Funds:

Tax Incremental Financing Districts	536,437
Capital projects	2,004,788
Debt service	145,144
Total restricted fund balance	2,686,369

**Committed**

Major Fund:

Great Sauk Trail Project	5,570
Total committed fund balance	5,570

**Assigned**

Major Funds:

2022 Budgeted General Fund Capital Applied Surplus	354,660
Total assigned fund balance	354,660

**Unassigned**

Major Funds:

General Fund	1,723,840
Tax Incremental Financing Districts (deficit)	(206,708)

Non-Major Fund:

Transit Fund (deficit)	(12,517)
Total unassigned fund balance	1,504,615
Total governmental fund balance	\$ 4,968,391

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. OTHER POSTEMPLOYMENT BENEFITS**

**Multiple-Employer Life Insurance Plan**

*General Information about the Other Postemployment Benefits*

**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 members.

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

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

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

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

Contribution rates as of December 31, 2021 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
25% Post Retirement Coverage	20% of Member Contribution

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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, 2020 are as listed below:

Life Insurance Employee Contribution Rates*		
For the year ended December 31, 2020		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$1,114 in contributions from the employer.

***OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.*** At December 31, 2021, the LRLIF Employer reported a liability (asset) of \$307,556 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability (asset) was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the Village's proportion was 0.05591200%, which was an increase of 0.004705% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized OPEB expense (revenue) of \$40,607.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (14,675)
Net differences between projected and actual earnings on plan investments	4,478	-
Changes in actuarial assumptions	119,643	(21,103)
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,018	(3,340)
Employer contributions subsequent to the measurement date	3,391	-
Totals	\$ 148,530	\$ (39,118)

\$3,391 reported as deferred outflows related to OPEB resulting from the Village's employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ 19,509
2023	19,025
2024	18,526
2025	17,462
2026	20,964
Thereafter	10,535
Total	\$ 106,021

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

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

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

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

**VILLAGE OF PRAIRIE DU SAC  
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December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**Single Discount Rate.** A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**Sensitivity of the Village's proportionate share of the net OPEB liability (asset) to changes in the discount rate.** The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25 percent, as well as what the Village's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
	<hr/>	<hr/>	<hr/>
Village's proportionate share of the net OPEB liability (asset)	\$ 418,365	\$ 307,556	\$ 223,755

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
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December 31, 2021**

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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Single-Employer Health Insurance Plan**

**Plan description.** The Village operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees and their spouses. There are 15 active members and no retired members in the plan. Benefits and eligibility are established and amended by the governing body. The plan does not issue stand-alone financial statements.

**Benefits.** Upon retirement, those retirees eligible for the Wisconsin Retirement System may choose to remain on the Village's group medical plan indefinitely provided that they self-pay the full premiums. This is typically done with the use of accumulated sick and vacation pay.

**Funding policy.** The Village will fund the OPEB on a pay-as-you-go basis.

**Employees covered by benefit terms.** At December 31, 2019, 15 active employees were eligible for the benefit terms.

**Total OPEB Liability.** The Village's total OPEB liability of \$84,424 was measured at December 31, 2020, and was determined by an actuarial valuation as of December 31, 2019.

**Actuarial assumptions and other inputs.** The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.0 percent
Salary increases:	3.0 percent, average, including inflation
Discount rate	2.25 percent
Healthcare cost trend rates	Actual first year increase, then 6.5% decreasing by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums

The discount rate is based on the Bond Buyer GO 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Mortality rates were based on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

The actuarial assumptions used in the December 31, 2019 valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

*Changes in the Total OPEB Liability*

	Total OPEB Liability
<b>Balance at 12/31/2019</b>	\$ 73,431
<b>Changes for the year:</b>	
Service cost	5,974
Interest	2,101
Changes in assumptions or other inputs	2,918
<b>Net Changes</b>	<b>10,993</b>
<b>Balance at 12/31/2020</b>	<b>\$ 84,424</b>

There were no changes of benefit terms. Actuarial assumptions that changed from the prior year was the single discount rate (2.75% in the prior year).

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

		1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	12/31/2020	\$ 90,503	\$ 84,424	\$ 78,678

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**I. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following represents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (actual first year increase, then 5.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (actual first year increase, then 7.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (Actual first year increase, then 5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual first year increase, then 6.5% decreasing to 5.0%)	1% Increase (Actual first year increase, then 7.5% decreasing to 6.0%)
Total OPEB Liability	12/31/2020	\$ 77,594	\$ 84,424	\$ 92,395

*OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.* For the year ended December 31, 2021, the Village recognized OPEB expense of \$7,343.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (13,244)
Changes of assumptions or other input	9,825	(2,156)
Totals	<u>\$ 9,825</u>	<u>\$ (15,400)</u>

Amounts reported as deferred outflows of resources or deferred inflows of resources related to OPEB that will be recognized in OPEB expense in future years are as follows.

	<b>Net Outflows (Inflows) of Resources</b>
Year ended December 31:	
2022	\$ (732)
2023	(732)
2024	(732)
2025	(732)
2026	(732)
Thereafter	(1,915)
Total	<u>\$ (5,575)</u>

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**J. 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, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

***Benefits Provided.*** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement 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 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.

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**J. PENSION PLAN (Continued)**

*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:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

*Contributions.* Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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 \$85,700 in contributions from the employer.

Contribution rates as of December 31, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**J. PENSION PLAN (Continued)**

**Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2021, the Village reported a liability (asset) of (\$472,498) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on a projection of the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Village's proportion was 0.00756829%, which was a decrease of 0.0000658% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension expense (revenue) of (\$53,916).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 683,850	\$ (147,300)
Net differences between projected and actual earnings on pension plan investments	-	(887,078)
Changes in assumptions	10,717	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	22	(3,012)
Employer contributions subsequent to the measurement date	<u>87,951</u>	<u>-</u>
Total	<u>\$ 782,540</u>	<u>\$ (1,037,390)</u>

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**J. PENSION PLAN (Continued)**

\$87,951 reported as deferred outflows of resources related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (89,207)
2023	(24,729)
2024	(160,839)
2025	(68,026)
2026	-
Total	\$ (342,801)

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments	1.9%*

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**J. PENSION PLAN (Continued)**

*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, 2020

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	<u>115</u>	6.6	4.1
 <u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	<u>100</u>	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%  
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**J. 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 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Village’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.** The following presents the Village’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the Village’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) 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)	\$ 449,753	\$ (472,498)	\$ (1,149,886)

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**Allocation of Pension Plan**

Pension amounts are allocated between the Proprietary Funds and the General Fund based on the percentage of required contributions of each fund to the whole.

**K. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS**

**Summary Description**

The Village has created Tax Incremental Financing Districts (TIF District or TID) in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment.

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**K. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS (Continued)**

The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The District is allowed to collect tax increments until its termination date. Any over-collections are returned to the various taxing entities of the District. The Village becomes liable for any cost not recovered by the termination date.

The Village created TID No. 4 in 2008. TID No. 5 and TID No. 6 were created May 22, 2018 and September 25, 2018, respectively. A summary of cumulative status is as follows:

<b>TID No. 4</b>	Cumulative To Date
Revenues:	
Taxes	\$ 3,491,555
Intergovernmental	272,139
Total revenue	3,763,694
Expenditures:	
Project costs	3,227,257
Fund balance, December 31	\$ 536,437
<b>TID No. 5</b>	
Revenues:	
Taxes	\$ 69,150
Intergovernmental	-
Total revenue	69,150
Expenditures:	
Project costs	92,366
Fund balance (deficit), December 31	\$ (23,216)
<b>TID No. 6</b>	
Revenues:	
Taxes	\$ 82,683
Intergovernmental	-
Total revenue	82,683
Expenditures:	
Project costs	266,175
Fund balance (deficit), December 31	\$ (183,492)

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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**K. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS (Continued)**

Current valuations of TID No. 4, No. 5 and No. 6 are as follows:

	<u>TID No. 4</u>	<u>TID No. 5</u>	<u>TID No. 6</u>
Current value	\$ 18,885,600	\$ 3,990,600	\$ 15,694,500
Base	483,300	142,200	10,871,000
Increment	<u>\$ 18,402,300</u>	<u>\$ 3,848,400</u>	<u>\$ 4,823,500</u>

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective TIDs. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

	<u>Termination Date</u>
TID No. 4	8/26/2028
TID No. 5	5/22/2038
TID No. 6	9/25/2038

The Village approved an early termination date for TID No. 4 of March 8, 2022.

**L. PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments have been recorded effective January 1, 2021 as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>TID Fund</u>	<u>Debt Service Fund</u>
Fund Balances, as previously reported	\$ 2,966,645	\$ 463,897	\$ 264,531	\$ -
Adjust transfer between General Fund and Capital Projects Fund	(253,671)	253,671	-	-
Report TID eligible costs in appropriate fund	-	238,355	(238,355)	-
Report unspent debt premium cash deposits as of January 1, 2021 in appropriate fund	<u>(146,919)</u>	<u>-</u>	<u>-</u>	<u>146,919</u>
Fund Balances, as restated	<u>\$ 2,566,055</u>	<u>\$ 955,923</u>	<u>\$ 26,176</u>	<u>\$ 146,919</u>

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 4. OTHER INFORMATION**

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**A. JOINT VENTURES**

In 1981, the Villages of Prairie du Sac and Sauk City joined in an agreement with the Sauk-Prairie Joint Sewerage Commission to finance the portion of construction cost of a new waste water treatment plant not funded by grants. Prairie du Sac agreed to finance 50% of the non-funded (local) share of the plant cost. The Village's equity interest is reported on the government-wide and proprietary fund statements of net position. Changes in the equity interest are recorded on the government-wide statement of activities and statement of revenues, expenses, and changes in net position for proprietary funds.

The Villages of Prairie du Sac and Sauk City jointly formed the Sauk Prairie Police Commission to provide law enforcement services to each of the Villages. Under the agreement, costs are jointly shared and are apportioned annually based upon several criteria. The Village paid \$988,489 to the Sauk Prairie Police Commission in 2021 for its share of expenditures. The investment in the Sauk Prairie Police Commission has not been reflected in the statement of net position.

Separate financial statements are issued for Sauk-Prairie Joint Sewerage Commission and Sauk Prairie Police Commission.

**SAUK PRAIRIE TRANSIT FUND**

The Village of Prairie du Sac is in a joint venture with Sauk City to provide transportation services to each of the Villages.

**B. COMMITMENTS AND CONTINGENCIES**

**Electric Utility Power Purchase Agreement**

The Electric Utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Iowa and Michigan. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the electric utility payable from any operating and maintenance fund established for that system.

In 2015, all WPPI Energy members ratified an extension to their original contracts. The new contract expires at midnight on December 31, 2055.

**VILLAGE OF PRAIRIE DU SAC  
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**NOTE 4. OTHER INFORMATION (Continued)**

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**B. COMMITMENTS AND CONTINGENCIES (Continued)**

Operating Leases

From time to time, the Village enters into operating leases for equipment and vehicle transactions. Such leases are considered operating in nature because they are subject to annual appropriation and are thus cancelable.

Lawsuits

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

Grants

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

State Funding

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.

Contract Commitments

In February 2020, the Village purchased 67 acres of land for \$1.875 million for the development of a community park and sports complex. Total project costs are estimated at \$12 million and are anticipated to be covered by fundraising by Friends of Sauk Prairie Parks and Recreation.

In April 2021, the Sauk Prairie Police Commission started the construction of a new police station. The Village's share of the project costs is estimated to be \$3,236,000. As of December 31, 2021, \$2,751,289 in expenditures have been incurred and are recorded as construction work in progress in the financial statements for the year ended December 31, 2021.

In 2021, the Village approved and committed to purchase two new vehicles for approximately \$182,000 and \$105,000, respectively. These purchases will not take place until 2022.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021**

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**NOTE 4. OTHER INFORMATION (Continued)**

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**C. RISK MANAGEMENT**

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

**D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 87, Leases, and GASB Statement No. 96, Subscription-Based Information Technology Arrangements. When these standards become effective, application may restate portions of these financial statements.

**E. TAX ABATEMENTS**

Tax abatements are a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or its citizens.

The Village of Prairie du Sac, through its TID No. 4, has entered into tax abatement agreements with developers in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the project plans. The agreements require the Village to make annual repayments of property taxes collected within the TID to the developer based upon the terms of the agreement.

For the year ended December 31, 2021, the Village abated property taxes totaling \$125,623 related to the TID No. 4 developer agreements.

**F. SUBSEQUENT EVENTS**

Subsequent to the year end but prior to the issuance of this report, the Village issued \$4,005,000 of general obligation bonds as follows: \$1,065,000 for street improvements, \$210,000 for storm water, \$355,000 for water, and \$2,375,000 in refunding bonds.

Additionally, the Village approved roadwork for \$218,160.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (WITH VARIANCES)**

**GENERAL FUND**

**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,622,222	\$ 1,622,222	\$ 1,622,221	\$ (1)
Other Taxes	301,000	301,000	235,712	(65,288)
Special Assessment Revenue	-	-	24,337	24,337
Intergovernmental	762,145	762,145	765,016	2,871
License and Permits	173,350	173,350	187,568	14,218
Public Charges for Services	474,109	474,109	491,362	17,253
Interest Income	35,000	35,000	15,618	(19,382)
Miscellaneous Income	89,718	89,718	105,845	16,127
Total Revenues	3,457,544	3,457,544	3,447,679	(9,865)
<b>EXPENDITURES</b>				
Current:				
General Government	374,804	374,804	386,290	(11,486)
Public Safety	1,254,095	1,254,095	1,269,269	(15,174)
Public Works	1,169,003	1,169,003	1,148,245	20,758
Culture and Recreation	656,182	656,182	671,047	(14,865)
Conservation and Development	17,420	17,420	4,187	13,233
Capital Outlay	61,000	61,000	900	60,100
Total Expenditures	3,532,504	3,532,504	3,479,938	52,566
Excess (Deficiency) of Revenues Over Expenditures	(74,960)	(74,960)	(32,259)	42,701
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	76,475	76,475
Transfers Out	-	-	(109,024)	(109,024)
Total Other Financing Sources (Uses)	-	-	(32,549)	(32,549)
Net Change in Fund Balance	(74,960)	(74,960)	(64,808)	10,152
Fund Balance - Beginning, Restated	2,566,055	2,566,055	2,566,055	-
Fund Balance - Ending	\$ 2,491,095	\$ 2,491,095	\$ 2,501,247	\$ 10,152

See notes to required supplementary information.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**LOCAL RETIREE LIFE INSURANCE FUND SCHEDULE  
December 31, 2021**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
AS OF THE MEASUREMENT DATE**

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2020	0.05591200%	\$ 307,556	\$ 1,202,000	25.59%	31.36%
2019	0.05120700%	218,049	1,170,000	18.64%	37.58%
2018	0.04881900%	125,969	1,042,000	12.09%	48.69%
2017	0.04707900%	141,641	1,979,807	7.15%	44.81%

See notes to required supplementary information.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL HEALTH INSURANCE  
OPEB LIABILITY AND RELATED RATIOS**

**December 31, 2021**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 5,974	\$ 5,710	\$ 6,173	\$ 6,173
Interest	2,101	3,041	2,533	2,270
Differences between expected and actual experience	-	(16,554)	-	-
Changes in assumptions or other inputs	2,918	8,999	(2,963)	-
Benefit payments	-	(1,861)	(1,861)	-
Net change in total OPEB	<u>10,993</u>	<u>(665)</u>	<u>3,882</u>	<u>8,443</u>
Total OPEB Liability - Beginning	<u>73,431</u>	<u>74,096</u>	<u>70,214</u>	<u>61,771</u>
Total OPEB Liability - Ending	<u>\$ 84,424</u>	<u>\$ 73,431</u>	<u>\$ 74,096</u>	<u>\$ 70,214</u>
 <b>Covered Employee Payroll</b>	 \$ 875,590	 \$ 875,590	 \$ 986,546	 \$ 986,546
 <b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	 9.64%	 8.39%	 7.51%	 7.12%

See notes to required supplementary information.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**WISCONSIN RETIREMENT SYSTEM SCHEDULES  
December 31, 2021**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
AS OF THE MEASUREMENT DATE**

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2020	-0.00756829%	\$ (472,498)	\$ 1,269,640	(37.22%)	105.06%
2019	-0.00763409%	(246,157)	1,200,032	(20.51%)	102.96%
2018	0.00770662%	274,177	1,169,781	23.44%	96.45%
2017	-0.00749447%	(222,519)	1,159,749	(19.19%)	102.93%
2016	0.00714162%	58,864	1,114,427	5.28%	99.12%
2015	0.00685019%	111,314	987,825	11.27%	98.20%
2014	0.00673569%	(165,401)	948,208	(17.44%)	102.74%

**SCHEDULE OF VILLAGE'S CONTRIBUTIONS  
FOR THE YEAR ENDED**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2021	\$ 87,951	\$ 87,951	\$ -	\$ 1,303,128	6.75%
2020	85,701	85,701	-	1,269,640	6.75%
2019	78,670	78,670	-	1,200,032	6.56%
2018	78,375	78,375	-	1,169,781	6.70%
2017	78,822	78,822	-	1,159,749	6.80%
2016	73,552	73,552	-	1,114,427	6.60%
2015	67,172	67,172	-	987,825	6.80%

See notes to required supplementary information.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2021**

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**NOTE 1. BUDGETARY INFORMATION**

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**A. BUDGETS**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1 to the financial statements.

The budgeted amounts presented include any amendments made during the year. The Village Board may authorize transfers of budgeted amounts within functions. Transfers between functions and changes to the overall budget must be approved by two-thirds of the Village Board. There were no supplemental appropriations during the year. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The Village controls expenditures at the function level. During 2021, the Village experienced expenditures which exceeded appropriations in the following functions: General Government - \$11,207, Public Safety - \$15,174 and Culture and Recreation - \$14,865.

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**NOTE 2. LOCAL RETIREE LIFE INSURANCE SCHEDULES**

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Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 6 preceding years.

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

Changes of assumptions. The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section in Note 3I for additional detail.

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**NOTE 3. SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL HEALTH INSURANCE OPEB LIABILITY AND RELATED RATIOS**

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Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 6 preceding years.

Changes of benefit terms. There were no changes of benefit terms during the year.

Changes of assumptions. Actuarial assumptions changed from the prior year, including the single discount rate. Please refer to the Actuarial Assumptions section in Note 3I for additional detail.

Assets. There were no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2021**

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**NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES**

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Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 3 preceding years.

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

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

**OTHER SUPPLEMENTARY INFORMATION**

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**COMBINING BALANCE SHEET  
TAX INCREMENTAL FINANCING DISTRICTS  
December 31, 2021**

	<b>Tax Incremental Financing District No. 4</b>	<b>Tax Incremental Financing District No. 5</b>	<b>Tax Incremental Financing District No. 6</b>	<b>Total Tax Incremental Financing Districts</b>
<b>ASSETS</b>				
Receivables:				
Taxes	\$ 225,195	\$ 47,094	\$ 59,027	\$ 331,316
Restricted Cash	686,152	8,093	124,450	818,695
Total Assets	<u>\$ 911,347</u>	<u>\$ 55,187</u>	<u>\$ 183,477</u>	<u>\$ 1,150,011</u>
<b>LIABILITIES</b>				
Advances Payable	\$ -	\$ -	\$ 268,700	\$ 268,700
Total Liabilities	<u>-</u>	<u>-</u>	<u>268,700</u>	<u>268,700</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Subsequent Year Tax Levy	374,910	78,403	98,269	551,582
Total Deferred Inflows of Resources	<u>374,910</u>	<u>78,403</u>	<u>98,269</u>	<u>551,582</u>
<b>FUND BALANCES</b>				
Restricted	536,437	-	-	536,437
Unassigned (Deficit)	-	(23,216)	(183,492)	(206,708)
Total Fund Balances (Deficit)	<u>536,437</u>	<u>(23,216)</u>	<u>(183,492)</u>	<u>329,729</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 911,347</u>	<u>\$ 55,187</u>	<u>\$ 183,477</u>	<u>\$ 1,150,011</u>

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - TAX INCREMENTAL FINANCING DISTRICTS  
For the Year Ended December 31, 2021**

	<b>Tax Incremental Financing District No. 4</b>	<b>Tax Incremental Financing District No. 5</b>	<b>Tax Incremental Financing District No. 6</b>	<b>Total Tax Incremental Financing Districts</b>
<b>REVENUES</b>				
Property Taxes	\$ 339,109	\$ 55,571	\$ 82,683	\$ 477,363
Intergovernmental	32,684	-	-	32,684
Total Revenues	<u>371,793</u>	<u>55,571</u>	<u>82,683</u>	<u>510,047</u>
<b>EXPENDITURES</b>				
Current:				
Conservation and Development	130,586	66,665	9,243	206,494
Total Expenditures	<u>130,586</u>	<u>66,665</u>	<u>9,243</u>	<u>206,494</u>
Excess (Deficiency) of Revenues Over Expenditures	241,207	(11,094)	73,440	303,553
Fund Balances (Deficit) - Beginning, Restated	295,230	(12,122)	(256,932)	26,176
Fund Balances (Deficit) - Ending	<u>\$ 536,437</u>	<u>\$ (23,216)</u>	<u>\$ (183,492)</u>	<u>\$ 329,729</u>

**REPORTS AND SCHEDULES ISSUED UNDER  
THE UNIFORM GUIDANCE AND GOVERNMENT AUDITING STANDARDS**

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2021**

<u>Administering Agency/Pass-Through Agency/ Award Description</u>	Federal Assistance Listing	Pass-Through Entity ID number	Disbursements/ Expenditures
<b>U.S. Department of the Interior:</b>			
Passed through Wisconsin Department of Natural Resources Outdoor Recreation Acquisition, Development and Planning	15.916	Not available	\$ 945,000
<b>Total U.S. Department of the Interior</b>			<u>945,000</u>
<b>U.S. Department of Justice:</b>			
Passed through Wisconsin Department of Justice Coronavirus Emergency Supplemental Funding	16.034	Not available	8,760
<b>Total U.S. Department of Justice</b>			<u>8,760</u>
<b>U.S. Department of Transportation:</b>			
Passed through Wisconsin Department of Transportation Recreational Trails Program	20.219	Not available	200,000
COVID-19 - Public Transportation Transit Aids CARES Act	20.509	Not available	66,820
<b>Total U.S. Department of Transportation</b>			<u>266,820</u>
<b>U.S. Department of the Treasury:</b>			
Passed through Wisconsin Department of Revenue Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	231,893
<b>Total U.S. Department of the Treasury</b>			<u>231,893</u>
<b>Total Federal Awards</b>			<u>\$ 1,452,473</u>

See notes to schedules of expenditures of awards.

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
SCHEDULE OF EXPENDITURES OF STATE OF WISCONSIN AWARDS  
Year Ended December 31, 2021**

<u>Administering Agency/Pass-Through Agency/ Award Description</u>	State ID Number	Disbursements/ Expenditures
<b>State Awards:</b>		
<b>Wisconsin Department of Natural Resources:</b>		
Knowles-Nelson Stewardship Program	370.TA1	\$ 79,903
<b>Wisconsin Department of Transportation:</b>		
Public Transportation Transit Aids	395.104	<u>46,199</u>
<b>Total State Awards</b>		<u><u>\$ 126,102</u></u>

See notes to schedules of expenditures of awards.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS**  
**Year Ended December 31, 2021**

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**NOTE 1. BASIS OF PRESENTATION**

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The accompanying Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State of Wisconsin Awards include all of the grant activity of the Village of Prairie du Sac, Wisconsin and are presented on the full accrual basis of accounting for grants within the Enterprise funds and on the modified accrual basis of accounting for grants within the Governmental funds. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State Single Audit Guidelines. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

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**NOTE 2. OVERSIGHT AGENCY**

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The Village's oversight agency for the audit is the U.S. Department of the Interior.

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**NOTE 3. INDIRECT COST RATE**

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The Village does not use the 10 percent de Minimis indirect cost rate allowed under the Uniform Guidance.

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**NOTE 4. SUBRECIPIENTS**

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The Village did not pass through any awards to subrecipients.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

President and Board of Trustees and Management  
Village of Prairie du Sac  
Prairie du Sac, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Prairie du Sac, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village of Prairie du Sac, Wisconsin's basic financial statements and have issued our report thereon dated August 30, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Prairie du Sac, Wisconsin's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Prairie du Sac, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Prairie du Sac, Wisconsin's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Prairie du Sac, Wisconsin's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **Village's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Prairie du Sac, Wisconsin's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Village of Prairie du Sac, Wisconsin's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinions on them.

## **Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
August 30, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE  
STATE SINGLE AUDIT GUIDELINES**

President and Board of Trustees and Management  
Village of Prairie du Sac  
Prairie du Sac, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the Village of Prairie du Sac, Wisconsin’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the State Single Audit Guidelines that could have a direct and material effect on each of the Village of Prairie du Sac, Wisconsin’s major federal and state programs for the year ended December 31, 2021. The Village of Prairie du Sac, Wisconsin’s major federal and state programs are identified in the summary of audit results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Village of Prairie du Sac, Wisconsin complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Guidelines. Those standards, the Uniform Guidance and the State Single Audit Guidelines are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village of Prairie du Sac, Wisconsin and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal or state program. Our audit does not provide a legal determination of the Village of Prairie du Sac, Wisconsin’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village of Prairie du Sac, Wisconsin’s federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village of Prairie du Sac, Wisconsin's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and the State Single Audit Guidelines will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village of Prairie du Sac, Wisconsin's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and the State Single Audit Guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village of Prairie du Sac, Wisconsin's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village of Prairie du Sac, Wisconsin's internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the Village of Prairie du Sac, Wisconsin's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control-over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

### **Report on Internal Control Over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Guidelines. Accordingly, this report is not suitable for any other purpose.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
August 30, 2022

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**For the Year Ended December 31, 2021**

There were two findings in the previous year that are required to be reported.

**2020-001**

**Condition and Cause:** The size of the Village's staff precludes a proper separation of functions to assure adequate internal control. Due to the limited number of staff, management has decided to accept certain risks related to the lack of segregation of duties and relies on the Village Board to assist in monitoring matters relating to the Village's operations. During our review of internal control procedures, we noted the following areas that are weaknesses in internal control and should be compensated through oversight by the Village Board.

- Cash, reconciliation
- Utility billing, collection and receivable maintenance
- Purchasing, accounts payable

**Criteria:** Proper segregation of duties should be in place assure adequate internal control and to provide reasonable assurance that a misstatement in the financial statements would be prevented or detected and to prevent the instances of fraud.

**Effect:** Since management relies on the Village Board to provide additional knowledge and monitoring of the Village's operations, the lack of segregation of duties may not prevent, detect, or correct misstatements in the financial statements and may not prevent the instances of fraud.

**Auditor's Recommendation:** The auditor will continue to work with the Village, providing information and training where needed, to make the Village Board more knowledgeable about its responsibility in taking an active part in monitoring matters relating to Village's operations due to the lack of segregation of duties.

**Management Response:** The control deficiency has been discussed with the Village's management and they acknowledge their responsibility for providing compensating controls due to the lack of segregation of duties. The Village has implemented compensating controls to mitigate the risks of not adequately segregating accounting responsibilities. The Village Board will continue to be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

**Current Status:** The finding is repeated. See 2021-001.

**2020-002**

**Condition and Cause:** During the audit there were multiple material adjustments required to adjust account balances.

**Criteria:** Balance sheet accounts should be reviewed periodically and reconcile as needed. Income statement accounts should be reviewed for proper account coding to minimize the number of reclassifications needed.

**Effect:** Financial statements provided to the Village Board may not be accurate.

**Auditor's Recommendation:** We recommend that the Village reconcile its various balance sheet accounts on a timely basis.

**Management Response:** The Village will strive to reconcile and record transactions to the correct accounts.

**Current Status:** The finding is repeated. See 2021-002.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2021**

**A. SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name</u>
15.916	U.S. Department of the Interior – Outdoor Recreation Acquisition, Development and Planning

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**State Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Guidelines? No

Identification of major programs:

<u>State Program ID#</u>	<u>Name</u>
370.TA1	Wisconsin Department of Natural Resources – Knowles-Nelson Stewardship Program

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2021**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

Two material weaknesses were reported.

**2021-001**

**Condition and Cause:** The size of the Village's staff precludes a proper separation of functions to assure adequate internal control. Due to the limited number of staff, management has decided to accept certain risks related to the lack of segregation of duties and relies on the Village Board to assist in monitoring matters relating to the Village's operations. During our review of internal control procedures, we noted the following areas that are weaknesses in internal control and should be compensated through oversight by the Village Board.

- Cash, reconciliation
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**Criteria:** Proper segregation of duties should be in place assure adequate internal control and to provide reasonable assurance that a misstatement in the financial statements would be prevented or detected and to prevent the instances of fraud.

**Effect:** Since management relies on the Village Board to provide additional knowledge and monitoring of the Village's operations, the lack of segregation of duties may not prevent, detect, or correct misstatements in the financial statements and may not prevent the instances of fraud.

**Auditor's Recommendation:** The auditor will continue to work with the Village, providing information and training where needed, to make the Village Board more knowledgeable about its responsibility in taking an active part in monitoring matters relating to Village's operations due to the lack of segregation of duties.

**Management Response:** The control deficiency has been discussed with the Village's management and they acknowledge their responsibility for providing compensating controls due to the lack of segregation of duties. The Village has implemented compensating controls to mitigate the risks of not adequately segregating accounting responsibilities. The Village Board will continue to be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

**2021-002**

**Condition and Cause:** During the audit there were multiple material adjustments required to adjust account balances.

**Criteria:** Balance sheet accounts should be reviewed periodically and reconciled as needed. Income statement accounts should be reviewed for proper account coding to minimize the number of reclassifications needed.

**Effect:** Financial statements provided to the Village Board may not be accurate.

**Auditor's Recommendation:** We recommend that the Village reconcile its various balance sheet accounts on a timely basis.

**Management Response:** The Village will strive to reconcile and record transactions to the correct accounts.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2021**

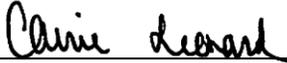
**C. FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS**

There were no findings required to be reported under the Uniform Guidance.

**D. FINDINGS AND QUESTIONED COSTS – STATE PROGRAMS**

There were no findings required to be reported under the State Single Audit Guidelines.

**E. OTHER ISSUES**

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No
  
2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines:  
  
Department of Transportation No  
Department of Natural Resources No
  
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes, an Audit Communication Letter was submitted to the oversight body
  
4. Name and signature of partner   
Carrie Leonard, CPA
  
5. Date of report: August 30, 2022