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CPAs

VILLAGE OF PRAIRIE DU SAC, WISCONSIN

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

Year Ended December 31, 2022

VILLAGE OF PRAIRIE DU SAC, WISCONSIN

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INDEPENDENT AUDITOR'S REPORT

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

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, 2022, 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, 2022, 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. 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, effective January 1, 2022, the Village of Prairie du Sac, Wisconsin adopted the provisions of Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Emphasis of Matter

As described in Note 3 to the financial statements, fund balance in the TID Fund was over-stated in the amount of \$25,667 for the year ended December 31, 2021. Accordingly, beginning fund balance as of January 1, 2022 was restated to reflect the correction of this error. Additionally, net position in the governmental activities was under-stated in the amount of \$261,398 for the year ended December 31, 2021. Accordingly, beginning net position as of January 1, 2022 was restated to reflect the correction of this error. Our opinions are not modified with respect to this matter.

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 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, 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 schedules, the schedule of changes in the Village's total health insurance OPEB liability and related ratios, and Wisconsin Retirement System schedules on pages 61 - 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
October 3, 2023

BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
December 31, 2022**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,318,501	\$ 2,464,118	\$ 5,782,619
Restricted cash and cash equivalents	793,722	1,494,794	2,288,516
Receivables, net	2,523,574	921,960	3,445,534
Lease receivable	-	186,135	186,135
Internal balances	565,674	(565,674)	-
Due from other governmental agencies	4,641	-	4,641
Inventories	-	242,495	242,495
Prepaid expenses	26,007	-	26,007
Investment in Sauk Prairie Sewer Commission	-	1,098,770	1,098,770
Net pension asset - restricted	299,323	308,989	608,312
Capital assets:			
Land and construction work in progress	3,402,612	21,982	3,424,594
Capital assets, net of depreciation	19,623,942	13,550,319	33,174,261
Net capital assets	<u>23,026,554</u>	<u>13,572,301</u>	<u>36,598,855</u>
Total Assets	<u>30,557,996</u>	<u>19,723,888</u>	<u>50,281,884</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	583,667	602,513	1,186,180
Deferred life insurance OPEB outflows	66,198	51,066	117,264
Deferred health insurance OPEB outflows	36,578	-	36,578
Total Deferred Outflows of Resources	<u>686,443</u>	<u>653,579</u>	<u>1,340,022</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 31,244,439</u>	 <u>\$ 20,377,467</u>	 <u>\$ 51,621,906</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 170,149	\$ 417,467	\$ 587,616
Due to other governmental agencies	25,968	-	25,968
Refundable advance - ARPA	227,788	-	227,788
Accrued interest	145,077	34,717	179,794
Net life insurance OPEB liability	177,364	136,819	314,183
Total health insurance OPEB liability	120,900	-	120,900
Long-term liabilities:			
Due within one year	1,236,300	569,559	1,805,859
Due in more than one year	14,739,069	3,517,317	18,256,386
Total Liabilities	<u>16,842,615</u>	<u>4,675,879</u>	<u>21,518,494</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>4,496,727</u>	 <u>933,649</u>	 <u>5,430,376</u>
NET POSITION			
Net investment in capital assets	7,183,626	9,615,611	16,799,237
Restricted for:			
Tax Incremental Financing Districts	212,029	-	212,029
Capital projects	518,664	-	518,664
Net pension asset	299,323	308,989	608,312
Equipment replacement	-	798,804	798,804
Debt service	2,552	661,273	663,825
Unrestricted	<u>1,688,903</u>	<u>3,383,262</u>	<u>5,072,165</u>
Total Net Position	<u>9,905,097</u>	<u>14,767,939</u>	<u>24,673,036</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 31,244,439</u>	<u>\$ 20,377,467</u>	<u>\$ 51,621,906</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 ACTIVITIES
For the Year Ended December 31, 2022

<u>Functions/Programs</u>	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:							
General Government	\$ 543,823	\$ 158,426	\$ 79,968	\$ 4,106	\$ (301,323)		\$ (301,323)
Public Safety	1,556,111	45,803	55,174	-	(1,455,134)		(1,455,134)
Public Works	2,239,170	486,011	401,947	104,344	(1,246,868)		(1,246,868)
Culture and Recreation	924,274	7,177	224,241	-	(692,856)		(692,856)
Conservation and Development	816,399	16,672	32,684	-	(767,043)		(767,043)
Interest on Long-Term Debt	342,090	-	-	-	(342,090)		(342,090)
Total governmental activities	<u>6,421,867</u>	<u>714,089</u>	<u>794,014</u>	<u>108,450</u>	<u>(4,805,314)</u>		<u>(4,805,314)</u>
Business-type Activities:							
Water	705,740	1,066,883	-	-	-	\$ 361,143	361,143
Sewer	391,077	517,817	-	-	-	126,740	126,740
Electric	5,632,629	5,839,908	-	-	-	207,279	207,279
Storm Water	149,889	125,716	-	-	-	(24,173)	(24,173)
Total business-type activities	<u>6,879,335</u>	<u>7,550,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670,989</u>	<u>670,989</u>
Total	<u>\$ 13,301,202</u>	<u>\$ 8,264,413</u>	<u>\$ 794,014</u>	<u>\$ 108,450</u>	<u>(4,805,314)</u>	<u>670,989</u>	<u>(4,134,325)</u>
General revenues:							
Property taxes:							
Property taxes, levied for general purposes					2,292,745	-	2,292,745
Property taxes, levied for debt service					1,423,302	-	1,423,302
Other taxes					23,730	-	23,730
Grants and contributions not restricted to specific programs					162,512	-	162,512
Unrestricted investment earnings					53,233	37,002	90,235
Investment loss in Sauk Prairie Sewer Commission					-	(56,698)	(56,698)
Miscellaneous					94,178	655	94,833
Special item - gain (loss) on disposal of asset					56,510	-	56,510
Transfers					265,487	(265,487)	-
Total general revenues and transfers					<u>4,371,697</u>	<u>(284,528)</u>	<u>4,087,169</u>
Change in net position					(433,617)	386,461	(47,156)
Net position - beginning, restated					10,338,714	14,381,478	24,720,192
Net position - ending					<u>\$ 9,905,097</u>	<u>\$ 14,767,939</u>	<u>\$ 24,673,036</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, 2022**

	Major			Non-Major		Total Governmental Funds
	General Fund	TID Fund	Capital Projects Fund	Debt Service Fund	Transit Fund	
ASSETS						
Cash and Cash Equivalents	\$ 3,318,501	\$ -	\$ -	\$ -	\$ -	\$ 3,318,501
Receivables:						
Taxes	2,129,737	101,796	-	-	-	2,231,533
Special Assessments	190,035	-	-	-	-	190,035
Loans	54,258	-	-	-	-	54,258
Other	47,749	-	-	-	-	47,749
Due from Other Funds	492,873	-	-	-	-	492,873
Due from Other Governments	4,641	-	-	-	-	4,641
Prepaid Expenses	26,007	-	-	-	-	26,007
Restricted Cash	-	435,107	354,083	2,552	1,980	793,722
Advances Receivable	72,801	-	268,700	-	-	341,501
Total Assets	<u>\$ 6,336,602</u>	<u>\$ 536,903</u>	<u>\$ 622,783</u>	<u>\$ 2,552</u>	<u>\$ 1,980</u>	<u>\$ 7,500,820</u>
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 41,525	\$ -	\$ 104,119	\$ -	\$ 24,505	\$ 170,149
Due to Other Governments	968	-	-	-	25,000	25,968
Refundable Advance - ARPA	227,788	-	-	-	-	227,788
Advances Payable	-	268,700	-	-	-	268,700
Total Liabilities	<u>270,281</u>	<u>268,700</u>	<u>104,119</u>	<u>-</u>	<u>49,505</u>	<u>692,605</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>3,742,739</u>	<u>162,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,905,635</u>
FUND BALANCES						
Nonspendable	153,066	-	-	-	-	153,066
Restricted	-	212,029	518,664	2,552	-	733,245
Committed	5,570	-	-	-	-	5,570
Assigned	251,842	-	-	-	-	251,842
Unassigned (Deficit)	1,913,104	(106,722)	-	-	(47,525)	1,758,857
Total Fund Balances (Deficit)	<u>2,323,582</u>	<u>105,307</u>	<u>518,664</u>	<u>2,552</u>	<u>(47,525)</u>	<u>2,902,580</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,336,602</u>	<u>\$ 536,903</u>	<u>\$ 622,783</u>	<u>\$ 2,552</u>	<u>\$ 1,980</u>	<u>\$ 7,500,820</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, 2022

Total fund balances, governmental funds	\$	2,902,580
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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		97,913
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The net pension asset is not a current financial source and is, therefore, not reported in the fund statements.		299,323
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The OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.		(298,264)
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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		686,443
Deferred inflows of resources		(745,106)

Deferred inflows of resources reported in the fund financial statements, but recognized as earned on the Statement of Net Position		56,100
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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	38,625,315	
Governmental accumulated depreciation	<u>(15,598,761)</u>	23,026,554

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	(15,358,359)	
Unamortized debt premium, net	(484,569)	
Vested employee benefits	(132,441)	
Accrued interest	<u>(145,077)</u>	<u>(16,120,446)</u>

Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>9,905,097</u></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, 2022**

	Major			Non-Major	Total Governmental Funds	
	General Fund	TID Fund	Capital Projects Fund	Debt Service Fund		Transit Fund
REVENUES						
Property Taxes	\$ 1,741,162	\$ 551,582	\$ -	\$1,423,302	\$ -	\$ 3,716,046
Other Taxes	311,730	-	-	-	-	311,730
Special Assessment Revenue	62,501	-	-	-	-	62,501
Intergovernmental	843,875	32,684	4,106	-	79,968	960,633
License and Permits	187,445	-	-	-	-	187,445
Public Charges for Services	512,265	-	-	-	-	512,265
Interest Income	53,233	-	-	-	-	53,233
Miscellaneous Income	113,997	-	-	358	5,523	119,878
Total Revenues	<u>3,826,208</u>	<u>584,266</u>	<u>4,106</u>	<u>1,423,660</u>	<u>85,491</u>	<u>5,923,731</u>
EXPENDITURES						
Current:						
General Government	374,008	-	-	-	120,499	494,507
Public Safety	1,352,319	-	-	-	-	1,352,319
Public Works	1,214,251	-	-	-	-	1,214,251
Culture and Recreation	713,142	-	-	-	-	713,142
Conservation and Development	19,585	783,021	-	-	-	802,606
Capital Outlay	46,284	-	3,040,937	-	-	3,087,221
Debt Service:						
Principal Repayment	-	-	-	429,841	-	429,841
Interest and Fiscal Charges	-	-	24,244	427,598	-	451,842
Total Expenditures	<u>3,719,589</u>	<u>783,021</u>	<u>3,065,181</u>	<u>857,439</u>	<u>120,499</u>	<u>8,545,729</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>106,619</u>	<u>(198,755)</u>	<u>(3,061,075)</u>	<u>566,221</u>	<u>(35,008)</u>	<u>(2,621,998)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	-	-	1,265,000	-	-	1,265,000
Proceeds from Refunding Bonds	-	-	-	1,880,000	-	1,880,000
Premium on Long-Term Debt	-	-	-	21,187	-	21,187
Payment on Refunded Debt	-	-	-	(2,610,000)	-	(2,610,000)
Transfers In	-	-	309,951	-	-	309,951
Transfers Out	(309,951)	-	-	-	-	(309,951)
Total Other Financing Sources (Uses)	<u>(309,951)</u>	<u>-</u>	<u>1,574,951</u>	<u>(708,813)</u>	<u>-</u>	<u>556,187</u>
Net Change in Fund Balances	(203,332)	(198,755)	(1,486,124)	(142,592)	(35,008)	(2,065,811)
Fund Balances (Deficit) - Beginning, Restated	2,526,914	304,062	2,004,788	145,144	(12,517)	4,968,391
Fund Balances (Deficit) - Ending	<u>\$ 2,323,582</u>	<u>\$ 105,307</u>	<u>\$ 518,664</u>	<u>\$ 2,552</u>	<u>\$ (47,525)</u>	<u>\$ 2,902,580</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, 2022**

Net change in fund balances - total governmental funds:		\$ (2,065,811)
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	\$ (288,000)	
Property taxes from municipally owned utilities earned during the year	265,487	
Amount by which property taxes earned are greater (less) than that which was received:		(22,513)
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.		
		41,843
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	3,097,371	
Capital outlay not included in capital asset additions	(305,127)	
Depreciation expense reported in the Statement of Activities	(1,204,222)	
Gain on trade-in and sale of asset	60,000	1,648,022
The Village disposed of capital assets which resulted in a reduction in capital assets and recapture of prior depreciation expense. This is reported on the Statement of Net Position as a loss and has no effect on the Governmental Funds Balance Sheet.		
The value of capital assets disposed during the year was	(231,025)	
The amount of depreciation recapture for the year was	216,227	
The difference in the value of assets net of recaptured depreciation creates a gain (loss) of:		(14,798)
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:		(26,375)
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:		(3,145,000)
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:		3,039,841
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	451,842	
The amount of interest accrued during the current period	(382,806)	69,036
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:		(21,187)
The amount of debt discounts recognized during the current period is:		40,716
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.		
		22,609
Change in net position of governmental activities		\$ (433,617)

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, 2022**

	<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>	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,253,603	\$ 120,118	\$ 749,304	\$ 341,093	\$ 2,464,118
Receivables					
Accounts (net of allowance)	900,299	-	-	-	900,299
Lease	-	34,967	-	-	34,967
Other	11,894	8,513	1,073	181	21,661
Due from Other Funds	-	-	-	16,168	16,168
Inventories	235,738	5,181	1,576	-	242,495
Total Current Assets	<u>2,401,534</u>	<u>168,779</u>	<u>751,953</u>	<u>357,442</u>	<u>3,679,708</u>
Restricted Assets:					
Restricted Cash and Cash Equivalents	566,959	870,393	57,442	-	1,494,794
Net Pension Asset	203,571	68,716	23,500	13,202	308,989
Total Restricted Assets	<u>770,530</u>	<u>939,109</u>	<u>80,942</u>	<u>13,202</u>	<u>1,803,783</u>
Capital Assets:					
Land	1,178	5,426	-	-	6,604
Construction Work in Progress	-	15,378	-	-	15,378
Capital Assets	9,555,752	9,811,769	2,579,225	2,085,168	24,031,914
Less Accumulated Depreciation	<u>(6,467,337)</u>	<u>(2,518,019)</u>	<u>(817,844)</u>	<u>(678,395)</u>	<u>(10,481,595)</u>
Net Capital Assets	<u>3,089,593</u>	<u>7,314,554</u>	<u>1,761,381</u>	<u>1,406,773</u>	<u>13,572,301</u>
Noncurrent Assets:					
Lease Receivable	-	151,168	-	-	151,168
Investment in Sauk Prairie Sewer Commission	-	-	1,098,770	-	1,098,770
Total Noncurrent Assets	<u>-</u>	<u>151,168</u>	<u>1,098,770</u>	<u>-</u>	<u>1,249,938</u>
Total Assets	<u>6,261,657</u>	<u>8,573,610</u>	<u>3,693,046</u>	<u>1,777,417</u>	<u>20,305,730</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Outflows	396,955	133,992	45,825	25,741	602,513
Deferred Life Insurance OPEB Outflows	28,709	22,357	-	-	51,066
Total Deferred Outflows of Resources	<u>425,664</u>	<u>156,349</u>	<u>45,825</u>	<u>25,741</u>	<u>653,579</u>
Total Assets and Deferred Outflows of Resources					
	<u>\$6,687,321</u>	<u>\$8,729,959</u>	<u>\$3,738,871</u>	<u>\$1,803,158</u>	<u>\$20,959,309</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, 2022**

	<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>	
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 370,549	\$ -	\$ 15,402	\$ -	\$ 385,951
Accrued Liabilities	31,516	-	-	-	31,516
Accrued Interest Payable	696	27,558	6,463	-	34,717
Due to Other Funds	91,840	320,472	96,729	-	509,041
Current Portion of Long-Term Liabilities	150,804	340,986	76,754	1,015	569,559
Total Current Liabilities	<u>645,405</u>	<u>689,016</u>	<u>195,348</u>	<u>1,015</u>	<u>1,530,784</u>
Non-Current Liabilities:					
Long-Term Liabilities	270,945	2,725,580	519,220	1,572	3,517,317
Total Long-Term Liabilities	<u>270,945</u>	<u>2,725,580</u>	<u>519,220</u>	<u>1,572</u>	<u>3,517,317</u>
Other Liabilities					
Advances Payable	-	72,801	-	-	72,801
Net Life Insurance OPEB Liability	76,923	59,896	-	-	136,819
Total Other Liabilities	<u>76,923</u>	<u>132,697</u>	<u>-</u>	<u>-</u>	<u>209,620</u>
Total Non-Current Liabilities	<u>347,868</u>	<u>2,858,277</u>	<u>519,220</u>	<u>1,572</u>	<u>3,726,937</u>
Total Liabilities	<u>993,273</u>	<u>3,547,293</u>	<u>714,568</u>	<u>2,587</u>	<u>5,257,721</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Inflows	479,510	161,858	55,355	31,096	727,819
Deferred Life Insurance OPEB Inflows	10,493	8,167	-	-	18,660
Lease	-	187,170	-	-	187,170
Total Deferred Inflows of Resources	<u>490,003</u>	<u>357,195</u>	<u>55,355</u>	<u>31,096</u>	<u>933,649</u>
NET POSITION					
Net Investment in Capital Assets	2,733,894	4,290,895	1,184,049	1,406,773	9,615,611
Restricted for:					
Net Pension Asset	203,571	68,716	23,500	13,202	308,989
Equipment Replacement	50,000	732,915	15,889	-	798,804
Debt Service	516,263	109,920	35,090	-	661,273
Unrestricted (Deficit)	1,700,317	(376,975)	1,710,420	349,500	3,383,262
Total Net Position	<u>5,204,045</u>	<u>4,825,471</u>	<u>2,968,948</u>	<u>1,769,475</u>	<u>14,767,939</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$6,687,321</u>	<u>\$8,729,959</u>	<u>\$3,738,871</u>	<u>\$1,803,158</u>	<u>\$20,959,309</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 REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended December 31, 2022

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Utility	Storm Water Utility	
OPERATING REVENUES					
Charges for Services	\$ 5,782,206	\$ 1,014,226	\$ 516,943	\$ 125,614	\$ 7,438,989
Other Operating Revenues	57,702	52,657	874	102	111,335
Total Operating Revenues	5,839,908	1,066,883	517,817	125,716	7,550,324
OPERATING EXPENSES					
Operation and Maintenance	5,238,363	383,745	306,712	111,538	6,040,358
Depreciation	340,949	227,281	65,540	38,351	672,121
Taxes	41,782	8,255	4,593	-	54,630
Total Operating Expenses	5,621,094	619,281	376,845	149,889	6,767,109
Operating Income (Loss)	218,814	447,602	140,972	(24,173)	783,215
NON-OPERATING REVENUES (EXPENSES)					
Interest and Investment Revenue	13,207	10,145	8,706	4,945	37,003
Miscellaneous Non-Operating Revenue	654	-	-	-	654
Interest Expense and Fiscal Charges	(10,502)	(86,459)	(14,232)	-	(111,193)
Investment Loss in Sauk Prairie Sewer Commission	-	-	(56,698)	-	(56,698)
Amortization Expense	(1,033)	-	-	-	(1,033)
Total Non-Operating Revenues (Expenses)	2,326	(76,314)	(62,224)	4,945	(131,267)
Income (Loss) Before Transfers	221,140	371,288	78,748	(19,228)	651,948
Transfers Out - Tax Equivalent	(134,678)	(130,809)	-	-	(265,487)
Change in Net Position	86,462	240,479	78,748	(19,228)	386,461
Total Net Position - Beginning	5,117,583	4,584,992	2,890,200	1,788,703	14,381,478
Total Net Position - Ending	\$ 5,204,045	\$ 4,825,471	\$ 2,968,948	\$ 1,769,475	\$ 14,767,939

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, 2022**

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Utility	Storm Water Utility	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 5,769,610	\$ 873,827	\$ 517,817	\$ 125,716	\$ 7,286,970
Cash received from (paid to) other funds for services	144,953	149,366	190,065	(25,824)	458,560
Payments to suppliers	(5,000,269)	(66,743)	(266,910)	(86,146)	(5,420,068)
Payments to employees	(378,805)	(129,191)	(46,726)	(27,617)	(582,339)
Payments to other governments	(41,782)	(12,848)	-	-	(54,630)
Net cash provided (used) by operating activities	493,707	814,411	394,246	(13,871)	1,688,493
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of plant assets	(227,718)	(598,823)	(164,086)	(4,494)	(995,121)
Long-term debt proceeds	9,452	715,000	145,000	-	869,452
Principal payments on long-term debt	(135,904)	(651,077)	(223,059)	-	(1,010,040)
Interest paid	(10,697)	(83,004)	(14,642)	-	(108,343)
Net cash provided (used) by capital and related financing activities	(364,867)	(617,904)	(256,787)	(4,494)	(1,244,052)
Cash Flows from Noncapital Financing Activities:					
Cash paid for property tax equivalent	(144,000)	(144,000)	-	-	(288,000)
Net cash provided (used) by noncapital financing activities	(144,000)	(144,000)	-	-	(288,000)
Cash Flows from Investing Activities:					
Miscellaneous non-operating income	654	-	-	-	654
Interest income	13,207	10,145	8,706	4,944	37,002
Net cash provided (used) by investing activities	13,861	10,145	8,706	4,944	37,656
Net increase (decrease) in cash and equivalents	(1,299)	62,652	146,165	(13,421)	194,097
<u>Cash and Equivalents, Beginning of year</u>	1,821,861	927,859	660,581	354,514	3,764,815
<u>Cash and Equivalents, End of year</u>	\$ 1,820,562	\$ 990,511	\$ 806,746	\$ 341,093	\$ 3,958,912
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents - Statement of Net Position	\$ 1,253,603	\$ 120,118	\$ 749,304	\$ 341,093	\$ 2,464,118
Restricted cash and cash equivalents - Statement of Net Position	566,959	870,393	57,442	-	1,494,794
Cash and cash equivalents - end of year	\$ 1,820,562	\$ 990,511	\$ 806,746	\$ 341,093	\$ 3,958,912

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, 2022**

	<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>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	\$ 218,814	\$ 447,602	\$ 140,972	\$ (24,173)	\$ 783,215
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Joint meter allocation	-	17,982	(17,982)	-	-
Depreciation	340,949	227,281	65,540	38,351	672,121
Noncash portion of lease accounting	-	1,035	-	-	1,035
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows:					
Customer accounts receivable	(62,690)	-	-	-	(62,690)
Other receivables	(7,608)	(6,921)	-	-	(14,529)
Due to/from other funds	144,953	126,791	212,640	(25,824)	458,560
Inventories	(42,872)	413	(449)	-	(42,908)
Pension related deferrals and liabilities	(49,274)	(16,200)	(5,373)	(3,131)	(73,978)
OPEB related deferrals and liabilities	(11,991)	16,428	-	-	4,437
Accounts payable	(38,636)	-	(1,102)	-	(39,738)
Accrued liabilities	2,062	-	-	906	2,968
Net cash provided (used) by operating activities	<u>\$ 493,707</u>	<u>\$ 814,411</u>	<u>\$ 394,246</u>	<u>\$ (13,871)</u>	<u>\$ 1,688,493</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 FIDUCIARY NET POSITION
FIDUCIARY FUND
December 31, 2022**

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 2,857,569
Receivables:	
Taxes Receivable	4,760,832
Total Assets	<u>\$ 7,618,401</u>
LIABILITIES	
Due to Other Governments	<u>\$ 7,618,401</u>
Total Liabilities	<u>7,618,401</u>
NET POSITION	
Total Net Position	<u>-</u>
Total Liabilities and Net Position	<u>\$ 7,618,401</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, 2022**

	Custodial Fund
ADDITIONS	
Property Tax Collections for Other Governments	\$ 5,193,355
Total Additions	5,193,355
DEDUCTIONS	
Payments of Taxes to Other Governments	5,193,355
Total Deductions	5,193,355
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, 2022**

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**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 (Village). 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, 2022**

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 of resources, liabilities and deferred inflows of resources, 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 of resources, liabilities and deferred inflows of resources, 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, 2022**

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 expenditures 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, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of resources. 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 of resources. 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, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 – 2022 tax roll:

Lien date and levy date	January 1, 2023
Tax bills mailed	December 2022
Payment in full or first installment due	January 31, 2023
Second installment due	July 31, 2023

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 of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

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 of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the period in which the funds are first permitted to be used. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, deferred inflows of resources are removed from the balance sheet and revenue is recognized. Resources that are received prior to incurring qualifying expenditures are reported as a liability and recognized as revenue in subsequent periods when eligibility requirements have been met.

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
December 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of resources 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. 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, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Governmental Accounting Standards Board Statement (GASB) Statement No. 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
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2022.

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, 2022 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
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of GASB 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 other post-employment benefit (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 (the 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
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 an unassigned fund balance between 30% and 50% of annual General Fund revenues. If the fund balance drops below 30%, a plan for regaining compliance with the policy shall be submitted to the Village Board via the Administrative Committee. In the event that unassigned fund balance exceeds 50%, the difference must be used for property tax relief by paying towards debt service and/or one time capital expenditures.

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 February 14, 2022 and placed into effect by the Water Utility on February 15, 2022.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The Village Board approved new sewer rates in 2022 and will be placed into effect on January 15, 2023.

Storm Water Utility

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

S. CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2022, the Village adopted GASB Statement No. 87, Leases (GASB 87). GASB 87 replaces previous lease accounting methodology and establishes a single model for lease accounting based on the foundation principle that leases are a financing right to use an underlying asset. GASB 87 requires recognition of certain lease assets and liabilities for lessee agreements and lease receivables and deferred inflows of resources for lessor agreements. No restatement of net position was necessary due to adopting this standard.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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, 2022:

	Electric	Water
Residential	1,904	1,838
Commercial	300	155
Industrial	1	8
Public authority	-	23
Multifamily	-	26
Public street lighting	2	-
Totals	2,207	2,050

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

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

A. BOND COVENANT DISCLOSURE (Continued)

Insurance Coverage

The utilities are in compliance with combined insurance requirements.

Debt Coverage

2022 required and actual coverage factors are as follows:

	Electric	Water
Change in net position	\$ 86,462	\$ 240,479
Plus:		
Interest and fiscal charges	10,502	86,459
Depreciation	340,949	227,281
Amortization	1,033	-
Tax equivalent	134,678	130,809
Income available for debt service	\$ 573,624	\$ 685,028
Annual debt service	\$ 129,123	\$ 413,036
Calculated coverage ratio	4.44	1.66
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, 2022, the following funds held a deficit balance:

Fund	Amount
Transit Fund	\$ 47,525

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, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS

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 Village 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 Wisconsin Aerospace Authority, a local exposition district, a local professional baseball park district, a local professional football stadium district, or a local cultural arts district.

The carrying amount of the Village's cash and investments totaled \$10,928,704 on December 31, 2022 and is summarized below:

Petty cash and cash on hand	\$ 220
Deposits with financial institutions	7,595,052
Deposits with external investment pools	3,333,432
	\$ 10,928,704

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:

Cash and cash equivalents	\$ 5,782,619
Restricted cash and cash equivalents	2,288,516

Fiduciary fund:

Custodial Fund	2,857,569
	\$ 10,928,704

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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.

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, 2022, \$6,481,130 of the Village's deposits with financial institutions totaling \$7,077,185 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	\$ 5,423,217
Uninsured and collateralized with securities	1,057,913
Total	<u>\$ 6,481,130</u>

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, 2022, the LGIP had an average maturity of 15 days and a fair value of \$3,333,432.

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.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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>.

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, 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, 2022.

Investment allocation in the LGIP as of December 31, 2022 was: 88% in U.S. Government Securities, 2% in Certificates of Deposit and Bankers' Acceptances and 10% 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	\$ 2,421,779	\$ 101,796	\$ 4,760,832	\$ 7,284,407
Amounts not expected to be collected within one year	\$ 244,293	\$ -	\$ -	\$ 244,293

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources on the governmental funds balance sheet of \$3,905,635 at December 31, 2022, consist of the following:

	General Fund	Tax Incremental Financing Districts	Total
2022 tax apportionment	\$ 3,454,291	\$ 162,896	\$ 3,617,187
Deferred special assessments	190,035	-	190,035
Property tax equivalent	97,913	-	97,913
Other deferred inflows	500	-	500
Total	\$ 3,742,739	\$ 162,896	\$ 3,905,635

D. RESTRICTED CASH

Governmental funds have restricted cash in the amount of \$793,722 which consists of:

Tax Incremental Financing Districts Fund	\$	435,107
Capital Projects Fund		354,083
Debt Service Fund		2,552
Transit Fund		1,980
	\$	793,722

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.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

D. RESTRICTED CASH (Continued)

At December 31, 2022, enterprise fund restricted cash and equivalents consisted of the following:

	Electric	Water	Sewer	Total
Bond principal and interest	\$ 309,902	\$ -	\$ -	\$ 309,902
Bond reserve accounts	207,057	137,478	41,553	386,088
Depreciation and equipment	50,000	55,000	15,889	120,889
Equipment replacement fund	-	677,915	-	677,915
Total restricted cash and cash equivalents	<u>\$ 566,959</u>	<u>\$ 870,393</u>	<u>\$ 57,442</u>	<u>\$ 1,494,794</u>

E. LEASES

The Village has entered into two lease arrangements where the Village leases space on its water tower for telecommunication equipment. In the Statement of Activities, lease revenue for the year ended December 31, 2022 was as follows:

Lease-related Revenue	Year Ending 12/31/2022
Lease Revenue	
Water Tower	<u>\$ 39,530</u>
Total Lease Revenue	39,530
Interest Revenue	<u>6,996</u>
Total	<u><u>\$ 46,526</u></u>

Aggregate cash flows for the revenue to be generated by the lease receivable at December 31, 2022 are as follows:

Year Ending	Principal	Interest	Total Receipts
2023	\$ 34,966	\$ 7,288	\$ 42,254
2024	38,064	5,867	43,931
2025	41,356	4,320	45,676
2026	44,850	2,640	47,490
2027	573	818	1,391
2028-2032	3,815	3,792	7,607
2033-2037	5,717	3,102	8,819
2038-2042	8,132	2,092	10,224
2043-2047	8,662	678	9,340
	<u>\$ 186,135</u>	<u>\$ 30,597</u>	<u>\$ 216,732</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

Governmental Activities

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Capital assets not being depreciated:				
Land	\$ 3,361,577	\$ -	\$ -	\$ 3,361,577
Construction work in progress	2,794,537	41,035	2,794,537	41,035
Total capital assets not being depreciated	6,156,114	41,035	2,794,537	3,402,612
Capital assets being depreciated:				
Buildings and building improvements	8,883,863	4,214,509	-	13,098,372
Furniture and equipment	487,156	39,037	-	526,193
Vehicles	3,166,056	212,761	231,025	3,147,792
Infrastructure	17,310,908	1,139,438	-	18,450,346
Total capital assets being depreciated	29,847,983	5,605,745	231,025	35,222,703
Less: Accumulated depreciation:				
Buildings and building improvements	(2,552,276)	(361,537)	-	(2,913,813)
Furniture and equipment	(252,729)	(28,541)	-	(281,270)
Vehicles	(1,649,267)	(190,301)	(216,227)	(1,623,341)
Infrastructure	(10,156,494)	(623,843)	-	(10,780,337)
Total accumulated depreciation	(14,610,766)	(1,204,222)	(216,227)	(15,598,761)
Net capital assets - governmental activities	\$ 21,393,331	\$ 4,442,558	\$ 2,809,335	\$ 23,026,554

Depreciation expense was charged to functions as follows:

Governmental activities

General government	\$ 22,214
Public safety	166,605
Public works	785,229
Culture and recreation	216,380
Conservation and development	13,794
Total governmental activities depreciation expense	\$ 1,204,222

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

Proprietary Funds

	Balance 1/1/2022	Additions	Retirements	Balance 12/31/2022
Electric Utility:				
Transmission and distribution plant	\$ 8,649,195	\$ 96,191	\$ 7,350	\$ 8,738,036
General plant	747,103	195,437	123,646	818,894
Total electric plant	<u>\$ 9,396,298</u>	<u>\$ 291,628</u>	<u>\$ 130,996</u>	<u>\$ 9,556,930</u>
Water Utility:				
Construction work in progress	\$ -	\$ 15,378	\$ -	\$ 15,378
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	6,826,745	583,445	74,400	7,335,790
General plant	86,188	-	-	86,188
Total water plant	<u>\$ 9,308,150</u>	<u>\$ 598,823</u>	<u>\$ 74,400</u>	<u>\$ 9,832,573</u>
Sewer Utility:				
Collecting system plant	\$ 2,327,678	\$ 164,086	\$ 24,613	\$ 2,467,151
General plant	112,074	-	-	112,074
Total sewer plant	<u>\$ 2,439,752</u>	<u>\$ 164,086</u>	<u>\$ 24,613</u>	<u>\$ 2,579,225</u>
Storm Water Utility:				
Mains	\$ 1,777,706	\$ -	\$ -	\$ 1,777,706
Ponds	182,058	-	-	182,058
General equipment	81,314	4,495	-	85,809
Vehicles	39,595	-	-	39,595
Total storm water fund	<u>\$ 2,080,673</u>	<u>\$ 4,495</u>	<u>\$ -</u>	<u>\$ 2,085,168</u>

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

Fund	Balance 1/1/2022	2022			Balance 12/31/2022
		2022 Depreciation Expense	2022 Meter Reading Allocation	2022 Retirements and Removals (Net of Salvage)	
Electric	\$ 6,193,474	\$ 340,949	\$ -	\$ 67,086	\$ 6,467,337
Water	2,347,156	227,281	17,982	74,400	2,518,019
Sewer	794,899	65,540	(17,982)	24,613	817,844
Storm Water	640,044	38,351	-	-	678,395
	<u>\$ 9,975,573</u>	<u>\$ 672,121</u>	<u>\$ -</u>	<u>\$ 166,099</u>	<u>\$ 10,481,595</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

G. 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	\$ 492,873	\$ -	Operating expenses
Enterprise Funds:			
Electric	-	91,840	Operating expenses
Water	-	320,472	Operating expenses
Sewer	-	96,729	Operating expenses
Storm Water	16,168	-	Operating expenses
Totals	<u>\$ 509,041</u>	<u>\$ 509,041</u>	

The following is a schedule of interfund advances:

	Advances To Other Funds	Advances From Other Funds	Purpose
General Fund	\$ 72,801	\$ -	Debt refinancing
Tax Incremental Financing Districts	-	268,700	Finance TID-eligible costs
Capital Projects Fund	268,700	-	Finance TID-eligible costs
Enterprise Fund:			
Water	-	72,801	Debt refinancing
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	<u>\$ 265,487</u>
			<u>\$ 265,487</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2022 was as follows:

	1/1/2022 Balance	Increases	Decreases	12/31/2022 Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes from direct borrowings and placements	\$ 195,957	\$ -	\$ 72,188	\$ 123,769	\$ 73,399
Bonds and notes payable:					
General obligation debt	15,057,243	3,145,000	2,967,653	15,234,590	1,128,802
Add/Subtract Amounts For:					
Premiums/Discount on debt	504,096	21,189	40,716	484,569	-
Total	<u>15,757,296</u>	<u>3,166,189</u>	<u>3,080,557</u>	<u>15,842,928</u>	<u>1,202,201</u>
Other liabilities:					
Vested compensated absences	106,066	26,375	-	132,441	34,099
Total other liabilities	<u>106,066</u>	<u>26,375</u>	<u>-</u>	<u>132,441</u>	<u>34,099</u>
Total governmental activities - long-term liabilities	<u>\$ 15,863,362</u>	<u>\$ 3,192,564</u>	<u>\$ 3,080,557</u>	<u>\$ 15,975,369</u>	<u>\$ 1,236,300</u>
Business-Type Activities					
Bonds and notes from direct borrowings and placements	\$ 963,263	\$ 9,452	\$ 103,807	\$ 868,908	\$ 107,263
Bonds and notes payable:					
General obligation debt	2,692,760	860,000	802,347	2,750,413	306,198
Revenue bonds	415,000	-	100,000	315,000	105,000
Add/Subtract Amounts For:					
Premiums/Discount on debt	19,197	4,148	978	22,367	-
Total	<u>4,090,220</u>	<u>873,602</u>	<u>1,007,132</u>	<u>3,956,690</u>	<u>518,461</u>
Other liabilities:					
Vested compensated absences	135,305	23,125	28,244	130,186	51,098
Total other liabilities	<u>135,305</u>	<u>23,125</u>	<u>28,244</u>	<u>130,186</u>	<u>51,098</u>
Total business-type activities - long-term liabilities	<u>\$ 4,225,525</u>	<u>\$ 896,727</u>	<u>\$ 1,035,376</u>	<u>\$ 4,086,876</u>	<u>\$ 569,559</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. 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, 2022 was \$30,066,910. Total general obligation debt outstanding at year end was \$18,108,772.

Governmental activities long-term debt at December 31, 2022 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2022
Governmental Activities					
General Obligation Debt					
Refunding bonds	5/17/2012	4/1/2024	2.00% - 2.20%	\$ 1,170,780	\$ 188,711
Promissory notes	4/1/2013	4/1/2023	2.65%	536,110	59,543
Corporate purpose bonds	5/19/2015	4/1/2030	1.00% - 3.00%	1,760,000	945,000
Promissory notes	3/17/2016	3/17/2026	1.50% - 2.50%	1,400,000	525,000
Promissory notes	3/23/2017	3/1/2027	1.50% - 2.75%	925,451	430,878
Promissory notes	3/20/2018	3/1/2033	1.80% - 3.40%	1,265,000	810,000
Promissory notes	8/22/2018	8/22/2028	0.00%	39,263	22,904
Corporate purpose bonds	2/27/2019	2/1/2029	3.00% - 4.00%	910,000	705,000
Corporate purpose bonds	3/19/2020	3/1/2040	2.00% - 4.00%	3,195,000	3,090,000
Promissory notes	2/12/2021	2/12/2026	2.60%	51,000	41,323
Corporate purpose bonds	3/3/2021	3/1/2041	1.00% - 3.00%	5,670,000	5,395,000
Corporate purpose bonds	3/10/2022	3/1/2036	2.00% - 2.35%	3,145,000	3,145,000
Total governmental activities - general obligation debt					<u><u>\$ 15,358,359</u></u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

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

Years	Governmental Activities					
	Bonds and Notes from Direct Borrowings and Placements		General Obligation Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 73,399	\$ 2,683	\$ 1,128,802	\$ 353,928	\$ 1,202,201	\$ 356,611
2024	14,120	828	1,197,248	293,306	1,211,368	294,133
2025	14,387	560	1,113,669	262,165	1,128,056	262,725
2026	14,664	283	1,059,935	232,121	1,074,599	232,404
2027	3,926	-	984,936	203,414	988,862	203,414
2028-2032	3,273	-	4,380,000	664,080	4,383,273	664,080
2033-2037	-	-	3,790,000	275,635	3,790,000	275,635
2038-2041	-	-	1,580,000	43,429	1,580,000	43,429
Totals	\$ 123,769	\$ 4,354	\$ 15,234,590	\$ 2,328,078	\$ 15,358,359	\$ 2,332,432

Business-type activities long-term debt at December 31, 2022 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2022
Business-Type Activities					
Refunding bonds	5/17/2012	4/1/2024	2.00% - 2.20%	\$ 349,220	\$ 56,289
Electric revenue bonds	5/17/2012	12/1/2025	1.00% - 2.80%	1,225,000	315,000
Safe drinking water loan	4/25/2012	5/1/2031	2.20%	1,554,314	817,794
Promissory notes	4/1/2013	4/1/2023	2.65%	75,190	8,351
Corporate purpose bonds	5/19/2015	4/1/2030	1.00% - 3.00%	290,000	85,000
Member energy efficiency and renewable energy loan	7/22/2015	8/1/2025	0.00%	123,505	31,905
Corporate purpose notes	3/17/2016	3/17/2026	1.50% - 2.50%	175,000	60,000
Corporate purpose bonds	3/23/2017	3/1/2027	1.50% - 2.75%	310,000	144,122
Corporate purpose bonds	3/20/2018	3/1/2033	1.80% - 3.40%	420,000	240,000
Corporate purpose bonds	2/27/2019	2/1/2029	3.00% - 4.00%	295,000	190,000
Promissory note	4/10/2019	3/10/2024	2.00%	6,851	1,904
Corporate purpose bonds	3/19/2020	3/1/2035	2.00% - 4.00%	445,000	395,000
Corporate purpose bonds	3/3/2021	3/1/2041	1.00% - 3.00%	745,000	720,000
Corporate purpose bonds	3/10/2022	3/1/2036	2.00% - 2.35%	860,000	860,000
Promissory note	7/6/2022	7/28/2027	2.00%	9,452	8,956
Total business-type activities - long-term debt					<u>\$ 3,934,321</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

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

Years	Business-Type Activities							
	Bonds and Notes from Direct Borrowings and Placements		General Obligation Debt		Mortgage Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 107,263	\$ 17,323	\$ 306,198	\$ 69,092	\$ 105,000	\$ 8,348	\$ 518,461	\$ 94,762
2024	99,923	15,228	307,752	52,558	105,000	5,723	512,675	73,510
2025	96,047	13,337	271,331	44,693	105,000	2,940	472,378	60,969
2026	90,754	11,405	235,065	37,649	-	-	325,819	49,053
2027	91,743	9,430	225,067	31,262	-	-	316,810	40,693
2028-2032	383,178	17,094	755,000	90,683	-	-	1,138,178	107,778
2033-2037	-	-	475,000	28,849	-	-	475,000	28,849
2038-2041	-	-	175,000	5,388	-	-	175,000	5,388
Totals	<u>\$ 868,908</u>	<u>\$ 83,817</u>	<u>\$ 2,750,413</u>	<u>\$ 360,174</u>	<u>\$ 315,000</u>	<u>\$ 17,011</u>	<u>\$ 3,934,321</u>	<u>\$ 461,000</u>

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.

Current Refunding

On March 10, 2022, the Village issued \$4,005,000 of general obligation corporate purpose bonds, which included \$2,385,000 of refunding bonds, with interest rates of 2.00%-2.35% to currently refund \$2,395,000 of bonds issued in 2014 with interest rates of 0.35%-4.10%. Cash flow requirements of the old debt totaled \$2,831,775 and cash flow requirements of the new debt total \$2,655,123. The refunding resulted in savings of \$176,652 and an economic gain (difference between present value of the debt service payments on the old and new debt) of \$158,040.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

Nonspendable

Major Fund:	
Prepaid expenses	\$ 26,007
Loans receivable	54,258
Advances to other funds	72,801
Total nonspendable fund balance	<u>153,066</u>

Restricted

Major Funds:	
Tax Incremental Financing Districts	212,029
Capital projects	518,664
Debt service	2,552
Total restricted fund balance	<u>733,245</u>

Committed

Major Fund:	
Great Sauk Trail Project	5,570
Total committed fund balance	<u>5,570</u>

Assigned

Major Fund:	
2023 Budgeted General Fund Capital Applied Surplus	251,842
Total assigned fund balance	<u>251,842</u>

Unassigned

Major Funds:	
General Fund	1,913,104
Tax Incremental Financing Districts (deficit)	(106,722)
Non-Major Fund:	
Transit Fund (deficit)	(47,525)
Total unassigned fund balance	<u>1,758,857</u>
Total governmental fund balance	<u>\$ 2,902,580</u>

VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS

Multiple-Employer Life Insurance Plan

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

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

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

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

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

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

Contribution rates as of December 31, 2022 are:

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2021 are as listed below:

Life Insurance		
Member Contribution Rates*		
For the year ended December 31, 2021		
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 \$1,088 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, 2022, the Village reported a liability of \$314,183 for its proportionate share of the net OPEB liability. The net OPEB liability (asset) was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the Village's proportion was 0.05315800%, which was a decrease of 0.002754% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized OPEB expense of \$40,398.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

At December 31, 2022, 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	\$ -	\$ (15,982)
Net differences between projected and actual earnings on plan investments	4,088	-
Changes in actuarial assumptions	94,926	(15,229)
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,177	(11,641)
Employer contributions subsequent to the measurement date	1,074	-
Totals	<u>\$ 117,265</u>	<u>\$ (42,852)</u>

\$1,074 reported as deferred outflows of resources related to OPEB resulting from the Village'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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2023	\$ 16,744
2024	16,270
2025	15,282
2026	18,607
2027	7,819
Thereafter	(1,383)
Total	<u>\$ 73,339</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.17%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	45%	1.68%
US Credit Bonds	Bloomberg US Long Credit	5%	1.82%
US Mortgages	Bloomberg US MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate. A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 2.17 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 (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Village's proportionate share of the net OPEB liability (asset)	\$ 426,234	\$ 314,183	\$ 229,870

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 21 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, 2021, 16 active employees were eligible for the benefit terms and one retiree.

Total OPEB Liability. The Village's total OPEB liability of \$120,900 was measured at December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.0 percent
Salary increases:	3.0 percent, average, including inflation
Discount rate	2.0 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 S&P Municipal Bond 20 Year High Grade Rate Index as of the week of the measurement date.

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, 2021 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

	<u>Total OPEB Liability</u>
Balance at 12/31/2020	<u>\$ 84,424</u>
Changes for the year:	
Service cost	6,617
Interest	1,974
Differences between expected and actual experience	(2,600)
Changes in assumptions or other inputs	30,485
Net Changes	<u>36,476</u>
Balance at 12/31/2021	<u><u>\$ 120,900</u></u>

There were no changes of benefit terms.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The changes of assumptions were updating WRS retirement rates to age 75, assumed discount rate, assumed health care trend and updated methodologies in determining the expected per capita claims cost and the average expected remaining service life.

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 (1.00 percent) or 1-percentage-point higher (3.00 percent) than the current discount rate:

		1% Decrease 1.00%	Current Discount Rate 2.00%	1% Increase 3.00%
Total OPEB Liability	12/31/2021	\$ 129,720	\$ 120,900	\$ 112,292

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	12/31/2021	\$ 110,089	\$ 120,900	\$ 133,568

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB. For the year ended December 31, 2022, the Village recognized OPEB expense of \$10,182.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (13,972)
Changes of assumptions or other input	36,578	(1,887)
Totals	\$ 36,578	\$ (15,859)

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.

	Net Outflows (Inflows) of Resources
Year ended December 31:	
2023	\$ 1,591
2024	1,591
2025	1,591
2026	1,591
2027	1,591
Thereafter	12,764
Total	\$ 20,719

K. 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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. 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 (%)
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
2021	5.1	13.0

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 \$24,359 in contributions from the employer.

Contribution rates as of December 31, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

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

At December 31, 2022, the Village reported an asset of \$608,312 for its proportionate share of the net pension asset. The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.00754713%, which was a decrease of 0.00002116% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized pension income of \$54,332.

At December 31, 2022, 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	\$ 982,698	\$ (70,863)
Net differences between projected and actual earnings on pension plan investments	-	(1,360,845)
Changes in assumptions	113,490	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	340	(1,167)
Employer contributions subsequent to the measurement date	89,652	-
Total	<u>\$ 1,186,180</u>	<u>\$ (1,432,875)</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

\$89,652 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (29,306)
2024	(165,032)
2025	(72,477)
2026	(69,532)
2027	-
Total	\$ (336,347)

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

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

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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

Asset Allocation Targets and Expected Returns¹
As of December 31, 2021

<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 %²</u>
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115	6.6	4.0
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**VILLAGE OF PRAIRIE DU SAC
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NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax- exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the 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 6.80 percent, as well as what the Village’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's proportionate share of the net pension liability (asset)	\$ 431,640	\$ (608,312)	\$ (1,356,885)

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

Allocation of Pension Plan. Pension amounts are allocated between the governmental activities and business-type activities based on the percentage of the required contributions of each opinion unit.

L. 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
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

L. 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:

TID No. 4	Cumulative To Date
Revenues:	
Taxes	\$ 3,866,465
Intergovernmental	304,823
Total revenue	4,171,288
Expenditures:	
Project costs	3,959,259
Fund balance, December 31	\$ 212,029
TID No. 5	
Revenues:	
Taxes	\$ 147,553
Intergovernmental	-
Total revenue	147,553
Expenditures:	
Project costs	160,119
Fund balance (deficit), December 31	\$ (12,566)
TID No. 6	
Revenues:	
Taxes	\$ 180,952
Intergovernmental	-
Total revenue	180,952
Expenditures:	
Project costs	275,108
Fund balance (deficit), December 31	\$ (94,156)

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

L. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS (Continued)

The Village approved an early termination date for TID No. 4 of March 8, 2022. The current valuations of TID No. 5 and No. 6 are as follows:

	TID No. 5	TID No. 6
Current value	\$ 4,015,000	\$ 15,716,600
Base	142,200	10,871,000
Increment	\$ 3,872,800	\$ 4,845,600

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:

	Termination Date
TID No. 5	5/22/2038
TID No. 6	9/25/2038

M. PRIOR PERIOD ADJUSTMENTS

Prior period adjustments have been recorded effective January 1, 2022 as follows:

	General Fund	TID Fund
Fund Balances, as previously reported	\$ 2,501,247	\$ 329,729
Report TID #4 eligible costs in appropriate fund	25,667	(25,667)
Fund Balances, as restated	\$ 2,526,914	\$ 304,062
	Governmental Activities	
Net Position, as previously reported	\$ 10,077,316	
Restore net position for overdepreciated capital assets in prior years	261,398	
Net Position, as restated	\$ 10,338,714	

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 4. OTHER INFORMATION

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 \$1,056,272 to the Sauk Prairie Police Commission in 2022 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.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 4. OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

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.

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 GASB has adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. When this standard becomes effective, application may restate portions of these financial statements.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 4. OTHER INFORMATION (Continued)

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 and TID No. 5, 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, 2022, the Village abated property taxes totaling \$699,757 and \$65,920 related to the TID No. 4 and TID No. 5 developer agreements, respectively.

F. AMERICAN RESCUE PLAN ACT (ARPA)

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), as part of the American Rescue Plan, delivered \$350 billion in state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Municipalities can spend the funds into the following four eligible use categories: replace lost public-sector revenue; support the COVID-19 public health and economic response; provide premium pay for eligible workers performing essential work; and invest in water, sewer, and broadband infrastructure.

In June 2022, the Village received \$231,893 in SLFRF from the American Rescue Plan Act (ARPA). As of December 31, 2022, the Village had \$227,788 in unspent ARPA funds. Therefore, the funds received are being reported as a refundable advance in these financial statements.

G. SUBSEQUENT EVENTS

Subsequent to the year end but prior to the issuance of this report, the Village issued \$2,140,000 of general obligation bonds as follows: \$1,225,000 for street improvements, \$430,000 for storm water, and \$485,000 for a new fire truck. Also, the Village issued \$2,220,000 of water system and sewer system revenue bonds as follows: \$2,015,000 for water system improvements and \$205,000 for sewer system improvements.

Additionally, the Village approved a contract for a Village Hall expansion and renovation project in the amount of \$1,123,397 and took out a line of credit for \$1,300,000 to finance the project.

Lastly, the Village approved street improvement contracts totaling \$1,949,332.

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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 1,757,311	\$ 1,757,311	\$ 1,741,162	\$ (16,149)
Other Taxes	301,000	301,000	311,730	10,730
Special Assessment Revenue	-	-	62,501	62,501
Intergovernmental	817,725	817,725	843,875	26,150
License and Permits	173,700	173,700	187,445	13,745
Public Charges for Services	488,305	488,305	512,265	23,960
Interest Income	20,000	20,000	53,233	33,233
Miscellaneous Income	99,364	99,364	113,997	14,633
Total Revenues	<u>3,657,405</u>	<u>3,657,405</u>	<u>3,826,208</u>	<u>168,803</u>
EXPENDITURES				
Current:				
General Government	387,037	391,907	374,008	17,899
Public Safety	1,333,097	1,333,097	1,352,319	(19,222)
Public Works	1,238,583	1,243,713	1,214,251	29,462
Culture and Recreation	716,715	716,715	713,142	3,573
Conservation and Development	17,420	7,420	19,585	(12,165)
Capital Outlay	61,000	61,000	46,284	14,716
Total Expenditures	<u>3,753,852</u>	<u>3,753,852</u>	<u>3,719,589</u>	<u>34,263</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(96,447)</u>	<u>(96,447)</u>	<u>106,619</u>	<u>203,066</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	96,447	96,447	-	(96,447)
Transfers Out	-	-	(309,951)	(309,951)
Total Other Financing Sources (Uses)	<u>96,447</u>	<u>96,447</u>	<u>(309,951)</u>	<u>(406,398)</u>
Net Change in Fund Balance	-	-	(203,332)	(203,332)
Fund Balance - Beginning, Restated	2,526,914	2,526,914	2,526,914	-
Fund Balance - Ending	<u>\$ 2,526,914</u>	<u>\$ 2,526,914</u>	<u>\$ 2,323,582</u>	<u>\$ (203,332)</u>

See notes to required supplementary information.

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

**LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
December 31, 2022**

**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)
2021	0.05315800%	\$ 314,183	\$ 1,261,000	24.92%	29.57%
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%

**SCHEDULE OF 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
2022	\$ 1,074	\$ (1,074)	\$ -	\$ 1,312,932	0.08%
2021	1,088	(1,088)	-	1,261,000	0.09%
2020	1,020	(1,020)	-	1,202,000	0.08%
2019	1,017	(1,017)	-	1,170,000	0.09%
2018	1,860	(1,860)	-	1,042,000	0.18%

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, 2022

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	\$ 6,617	\$ 5,974	\$ 5,710	\$ 6,173	\$ 6,173
Interest	1,974	2,101	3,041	2,533	2,270
Differences between expected and actual experience	(2,600)	-	(16,554)	-	-
Changes in assumptions or other inputs	30,485	2,918	8,999	(2,963)	-
Benefit payments	-	-	(1,861)	(1,861)	-
Net change in total OPEB	36,476	10,993	(665)	3,882	8,443
Total OPEB Liability - Beginning	84,424	73,431	74,096	70,214	61,771
Total OPEB Liability - Ending	<u>\$ 120,900</u>	<u>\$ 84,424</u>	<u>\$ 73,431</u>	<u>\$ 74,096</u>	<u>\$ 70,214</u>
Covered Employee Payroll	\$ 1,238,102	\$ 875,590	\$ 875,590	\$ 986,546	\$ 986,546
Total OPEB Liability as a Percentage of Covered-Employee Payroll	9.76%	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, 2022**

**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)
2021	(0.00754713%)	\$ (608,312)	\$ 1,300,744	(46.77%)	(106.02%)
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
2022	\$ 89,668	\$ 89,668	\$ -	\$ 1,379,228	6.50%
2021	87,951	87,951	-	1,300,744	6.76%
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, 2022**

NOTE 1. BUDGETARY INFORMATION

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 2022, the Village experienced expenditures which exceeded appropriations in the following functions: Public Safety - \$19,222 and Conservation and Development - \$12,165.

NOTE 2. LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

Changes of Benefit Terms. There were no recent changes in benefit terms.

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

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

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

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022**

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

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 5 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 WRS retirement rates to age 75, assumed discount rate, assumed health care trend and updated methodologies in determining the expected per capita claims cost and the average expected remaining service life.

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

NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 2 preceding years.

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

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

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

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022**

NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:					
Retirement Age:	1.9%	1.9%	2.1%	2.1%	2.1%
	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022**

NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
	2.1%	2.1%	2.1%	2.1%
Post-retirement Benefit Adjustments*:				
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

OTHER SUPPLEMENTARY INFORMATION

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

**COMBINING BALANCE SHEET
TAX INCREMENTAL FINANCING DISTRICTS
December 31, 2022**

	Tax Incremental Financing District No. 4	Tax Incremental Financing District No. 5	Tax Incremental Financing District No. 6	Total Tax Incremental Financing Districts
ASSETS				
Receivables:				
Taxes	\$ -	\$ 45,219	\$ 56,577	\$ 101,796
Restricted Cash	212,029	14,575	208,503	435,107
Total Assets	\$ 212,029	\$ 59,794	\$ 265,080	\$ 536,903
LIABILITIES				
Advances Payable	\$ -	\$ -	\$ 268,700	\$ 268,700
Total Liabilities	-	-	268,700	268,700
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year Tax Levy	-	72,360	90,536	162,896
Total Deferred Inflows of Resources	-	72,360	90,536	162,896
FUND BALANCES				
Restricted	212,029	-	-	212,029
Unassigned (Deficit)	-	(12,566)	(94,156)	(106,722)
Total Fund Balances (Deficit)	212,029	(12,566)	(94,156)	105,307
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 212,029	\$ 59,794	\$ 265,080	\$ 536,903

**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, 2022**

	Tax Incremental Financing District No. 4	Tax Incremental Financing District No. 5	Tax Incremental Financing District No. 6	Total Tax Incremental Financing Districts
REVENUES				
Property Taxes	\$ 374,910	\$ 78,403	\$ 98,269	\$ 551,582
Intergovernmental	32,684	-	-	32,684
Total Revenues	<u>407,594</u>	<u>78,403</u>	<u>98,269</u>	<u>584,266</u>
EXPENDITURES				
Current:				
Conservation and Development	<u>706,335</u>	<u>67,753</u>	<u>8,933</u>	<u>783,021</u>
Total Expenditures	<u>706,335</u>	<u>67,753</u>	<u>8,933</u>	<u>783,021</u>
Excess (Deficiency) of Revenues Over Expenditures	(298,741)	10,650	89,336	(198,755)
Fund Balances (Deficit) - Beginning, Restated	510,770	(23,216)	(183,492)	304,062
Fund Balances (Deficit) - Ending	<u>\$ 212,029</u>	<u>\$ (12,566)</u>	<u>\$ (94,156)</u>	<u>\$ 105,307</u>