



**JOHNSON BLOCK**  
**CPAs**

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**

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

**Year Ended December 31, 2018**

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**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

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, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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



## **Opinions**

In our opinion, the financial statements referred to previously 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, effective January 1, 2018, the Village of Prairie du Sac, Wisconsin, adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *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 OPEB liability and related ratios, and Wisconsin Retirement System schedules on pages 59 - 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

### *Other 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 other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.



**Other Matters (Continued)**

*Other Information (Continued)*

The other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
August 6, 2019

## **BASIC FINANCIAL STATEMENTS**

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

**STATEMENT OF NET POSITION  
December 31, 2018**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,050,858	\$ 2,677,970	\$ 4,728,828
Restricted cash and cash equivalents	707,889	1,372,222	2,080,111
Receivables, net	3,640,997	755,704	4,396,701
Internal balances	1,284,606	(1,284,606)	-
Due from other governmental agencies	12,572	-	12,572
Inventories	-	152,349	152,349
Prepaid expenses	25,817	-	25,817
Investment in Sauk Prairie Sewer Commission	-	1,061,020	1,061,020
Net pension asset - restricted	106,628	115,891	222,519
Capital assets:			
Land	541,578	6,604	548,182
Capital assets, net of depreciation	12,427,170	13,276,972	25,704,142
Net capital assets	12,968,748	13,283,576	26,252,324
Total Assets	20,798,115	18,134,126	38,932,241
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	194,098	210,958	405,056
Deferred life insurance OPEB outflows	4,691	12,487	17,178
Deferred health insurance OPEB outflows	1,861	-	1,861
Total Deferred Outflows of Resources	200,650	223,445	424,095
 Total Assets and Deferred Outflows of Resources	 \$ 20,998,765	 \$ 18,357,571	 \$ 39,356,336
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 252,133	\$ 329,888	\$ 582,021
Due to other governmental agencies	26,001	-	26,001
Accrued interest	83,020	22,267	105,287
Net life insurance OPEB liability	38,682	102,959	141,641
Net health insurance OPEB liability	70,214	-	70,214
Long-term liabilities:			
Due within one year	940,157	440,413	1,380,570
Due in more than one year	7,464,426	3,538,904	11,003,330
Total Liabilities	8,874,633	4,434,431	13,309,064
<b>DEFERRED INFLOWS OF RESOURCES</b>	3,607,291	238,241	3,845,532
<b>NET POSITION</b>			
Net investment in capital assets	4,661,763	9,411,193	14,072,956
Restricted for special purposes	802,340	1,349,955	2,152,295
Unrestricted	3,052,738	2,923,751	5,976,489
Total Net Position	8,516,841	13,684,899	22,201,740
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 20,998,765	\$ 18,357,571	\$ 39,356,336

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, 2018**

<u>Functions/Programs</u>	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
General Government	\$ 455,288	\$ 75,051	\$ -	\$ (191,520)		\$ (191,520)
Public Safety	1,065,885	16,133	8,711	(1,041,041)		(1,041,041)
Public Works	1,953,347	309,016	69,655	(1,153,523)		(1,153,523)
Culture and Recreation	786,052	153,573	-	(621,349)		(621,349)
Conservation and Development	528,208	2,835	-	(513,918)		(513,918)
Interest on Long-Term Debt	243,790	-	-	(243,790)		(243,790)
Total governmental activities	5,032,570	556,608	78,366	(3,765,141)		(3,765,141)
Business-type Activities:						
Water	650,285	-	-	-	269,266	269,266
Sewer	425,550	-	-	-	17,838	17,838
Electric	5,067,735	-	78,697	-	206,951	206,951
Storm Water	131,526	-	-	-	(10,316)	(10,316)
Total business-type activities	6,275,096	-	78,697	-	483,739	483,739
Total	\$ 11,307,666	\$ 556,608	\$ 157,063	(3,765,141)	483,739	(3,281,402)
General revenues:						
Property taxes:						
Property taxes, levied for general purposes				2,157,978	-	2,157,978
Property taxes, levied for debt service				1,073,691	-	1,073,691
Special assessments				20,924	-	20,924
Other taxes				33,369	-	33,369
Grants and contributions not restricted to specific programs				161,203	-	161,203
Unrestricted investment earnings				43,572	28,908	72,480
Investment loss in Sauk Prairie Sewer Commission				-	(21,714)	(21,714)
Miscellaneous				107,293	1,901	109,194
Transfers				273,042	(273,042)	-
Total general revenues and transfers				3,871,072	(263,947)	3,607,125
Change in net position				105,931	219,792	325,723
Net position - beginning, restated				8,410,910	13,465,107	21,876,017
Net position - ending				\$ 8,516,841	\$ 13,684,899	\$ 22,201,740

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, 2018**

	Major			Non-Major		Total Governmental Funds
	General Fund	TID	Capital Projects Fund	Debt Service Fund	Transit Fund	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 2,050,858	\$ -	\$ -	\$ -	\$ -	\$ 2,050,858
Receivables:						
Taxes	2,617,161	623,131	-	-	-	3,240,292
Special Assessments	189,121	-	-	-	-	189,121
Accounts	73,366	-	-	-	-	73,366
Loans	-	108,533	-	-	-	108,533
Other	29,651	-	-	-	-	29,651
Due from Other Funds	866,493	-	-	-	-	866,493
Due from Other Governments	-	-	-	-	12,572	12,572
Prepaid Expenses	25,817	-	-	-	-	25,817
Restricted Cash	-	517,799	172,525	3,483	14,082	707,889
Advances Receivable	476,289	-	-	-	-	476,289
Total Assets	<u>\$ 6,328,756</u>	<u>\$ 1,249,463</u>	<u>\$ 172,525</u>	<u>\$ 3,483</u>	<u>\$ 26,654</u>	<u>\$ 7,780,881</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 238,087	\$ -	\$ -	\$ -	\$ 6,373	\$ 244,460
Accrued Liabilities	7,674	-	-	-	-	7,674
Due to Other Funds	-	37,611	-	-	20,565	58,176
Due to Other Governments	968	-	-	-	25,000	25,968
Total Liabilities	<u>246,729</u>	<u>37,611</u>	<u>-</u>	<u>-</u>	<u>51,938</u>	<u>336,278</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>3,040,639</u>	<u>623,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,663,770</u>
<b>FUND BALANCES</b>						
Nonspendable	502,106	-	-	-	-	502,106
Restricted	-	626,332	172,525	3,483	-	802,340
Committed	5,570	-	-	-	-	5,570
Unassigned (Deficit)	2,533,712	(37,611)	-	-	(25,284)	2,470,817
Total Fund Balances (Deficit)	<u>3,041,388</u>	<u>588,721</u>	<u>172,525</u>	<u>3,483</u>	<u>(25,284)</u>	<u>3,780,833</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,328,756</u>	<u>\$ 1,249,463</u>	<u>\$ 172,525</u>	<u>\$ 3,483</u>	<u>\$ 26,654</u>	<u>\$ 7,780,881</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, 2018**

Total fund balance, governmental funds	\$	3,780,833
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Taxes from municipal utilities are recognized as revenues as they are received in the fund statements.</p>		
Property tax equivalent receivable		233,859
<p>The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.</p>		
		106,628
<p>The net OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.</p>		
		(108,896)
<p>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.</p>		
Deferred outflows of resources		200,650
Deferred inflows of resources		(215,964)
<p>Deferred inflows of resources reported in the fund financial statements, but recognized as earned on the Statement of Net Position</p>		
		38,586
<p>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.</p>		
Governmental capital assets	\$ 24,387,739	
Governmental accumulated depreciation	<u>(11,418,991)</u>	12,968,748
<p>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.</p>		
General obligation debt	(8,223,255)	
Unamortized debt premium, net	(83,730)	
Vested employee benefits	(97,598)	
Accrued interest	<u>(83,020)</u>	<u>(8,487,603)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>8,516,841</u></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, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018**

	<b>Major</b>			<b>Non-Major</b>		<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>TID</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Transit Fund</b>	
<b>REVENUES</b>						
Property Taxes	\$ 1,503,290	\$ 654,688	\$ -	\$ 1,073,691	\$ -	\$ 3,231,669
Other Taxes	295,869	-	-	-	-	295,869
Special Assessment Revenue	20,924	-	-	-	-	20,924
Intergovernmental	616,675	34,797	-	-	75,051	726,523
License and Permits	170,060	-	-	-	-	170,060
Public Charges for Services	437,463	-	-	-	-	437,463
Interest Income	41,335	2,237	-	-	-	43,572
Miscellaneous Income	93,940	-	-	30,000	8,283	132,223
Total Revenues	<u>3,179,556</u>	<u>691,722</u>	<u>-</u>	<u>1,103,691</u>	<u>83,334</u>	<u>5,058,303</u>
<b>EXPENDITURES</b>						
Current:						
General Government	301,047	-	-	-	87,267	388,314
Public Safety	966,300	-	-	-	-	966,300
Public Works	1,083,626	-	-	-	-	1,083,626
Culture and Recreation	612,513	-	-	-	-	612,513
Conservation and Development	5,000	547,025	-	-	-	552,025
Capital Outlay	40,171	-	1,234,577	-	-	1,274,748
Debt Service:						
Principal Repayment	-	20,000	-	933,750	-	953,750
Interest and Fiscal Charges	-	4,012	40,275	191,458	-	235,745
Total Expenditures	<u>3,008,657</u>	<u>571,037</u>	<u>1,274,852</u>	<u>1,125,208</u>	<u>87,267</u>	<u>6,067,021</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>170,899</u>	<u>120,685</u>	<u>(1,274,852)</u>	<u>(21,517)</u>	<u>(3,933)</u>	<u>(1,008,718)</u>
<b>OTHER FINANCING SOURCES</b>						
Proceeds from Long-Term Debt	-	-	1,304,263	-	-	1,304,263
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,304,263</u>	<u>-</u>	<u>-</u>	<u>1,304,263</u>
Net Change in Fund Balances	170,899	120,685	29,411	(21,517)	(3,933)	295,545
Fund Balances (Deficit) - Beginning	2,870,489	468,036	143,114	25,000	(21,351)	3,485,288
Fund Balances (Deficit) - Ending	<u>\$ 3,041,388</u>	<u>\$ 588,721</u>	<u>\$ 172,525</u>	<u>\$ 3,483</u>	<u>\$ (25,284)</u>	<u>\$ 3,780,833</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, 2018**

Net change in fund balances - total governmental funds:		\$ 295,545
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Property taxes on assets of the municipality 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	\$ (262,500)	
Property taxes from municipally owned utilities earned during the year	<u>273,042</u>	
Amount by which property taxes earned are greater (less) than that which was received:		10,542
In governmental funds, special assessments are reported as revenue when measurable and available. In the Statement of Activities, revenue is reported when earned.		
		69,656
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	1,274,748	
Capital outlay not included in capital asset additions	(53,355)	
Depreciation expense reported in the Statement of Activities	<u>(1,120,972)</u>	100,421
Vested employee benefits are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.		
Amounts paid are greater (less) than amounts earned by:		3,684
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:		(1,304,263)
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:		953,750
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	235,745	
The amount of interest accrued during the current period	<u>(244,787)</u>	(9,042)
In governmental funds, discounts on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities, discounts are amortized and expensed over the life of the issue.		
The amount of debt discounts recognized during the current period is:		997
Pension and OPEB expenses reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expenses in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as the difference between the net pension asset and net OPEB liability from the prior year to the current year, with some adjustments.		
		<u>(15,359)</u>
Change in net position of governmental activities		<u>\$ 105,931</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, 2018**

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Fund	Storm Water Fund	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,587,721	\$ 88,629	\$ 772,764	\$ 228,856	\$ 2,677,970
Receivables					
Accounts (net allowance)	753,829	-	-	-	753,829
Other	1,000	566	250	59	1,875
Inventories	145,750	5,472	1,127	-	152,349
Total Current Assets	2,488,300	94,667	774,141	228,915	3,586,023
Restricted Assets:					
Restricted Cash and Cash Equivalents	548,776	689,068	56,666	77,712	1,372,222
Net Pension Asset	76,663	24,930	9,089	5,209	115,891
Total Restricted Assets	625,439	713,998	65,755	82,921	1,488,113
Capital Assets:					
Land and Improvements	1,178	5,426	-	-	6,604
Capital Assets	8,793,119	8,652,262	2,321,540	2,080,673	21,847,594
Less Accumulated Depreciation	(5,427,791)	(1,940,269)	(691,267)	(511,295)	(8,570,622)
Net Capital Assets	3,366,506	6,717,419	1,630,273	1,569,378	13,283,576
Noncurrent Assets:					
Investment in Sauk Prairie Sewer Commission	-	-	1,061,020	-	1,061,020
Total Noncurrent Assets	-	-	1,061,020	-	1,061,020
Total Assets	6,480,245	7,526,084	3,531,189	1,881,214	19,418,732
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Pension Outflows	139,551	45,380	16,545	9,482	210,958
Deferred Life Insurance OPEB Outflows	8,974	3,513	-	-	12,487
Total Deferred Outflows of Resources	148,525	48,893	16,545	9,482	223,445
Total Assets and Deferred Outflows of Resources	\$ 6,628,770	\$ 7,574,977	\$ 3,547,734	\$ 1,890,696	\$ 19,642,177

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, 2018**

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Fund	Storm Water Fund	
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 308,043	\$ -	\$ -	\$ -	\$ 308,043
Accrued Liabilities	21,845	-	-	-	21,845
Accrued Interest Payable	1,408	17,901	2,958	-	22,267
Due to Other Funds	154,310	398,952	127,449	127,606	808,317
Current Portion of Long-Term Liabilities	133,014	244,845	61,607	947	440,413
Total Current Liabilities	618,620	661,698	192,014	128,553	1,600,885
Non-Current Liabilities:					
Long-Term Liabilities	729,579	2,381,655	425,798	1,872	3,538,904
Total Long-Term Liabilities	729,579	2,381,655	425,798	1,872	3,538,904
Other Liabilities					
Advances Payable	-	72,801	-	403,488	476,289
Net Life Insurance OPEB Liability	73,994	28,965	-	-	102,959
Total Other Liabilities	73,994	101,766	-	403,488	579,248
Total Non-Current Liabilities	803,573	2,483,421	425,798	405,360	4,118,152
Total Liabilities	1,422,193	3,145,119	617,812	533,913	5,719,037
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Pension Inflows	153,667	49,971	18,219	10,441	232,298
Deferred Life Insurance OPEB Inflows	4,271	1,672	-	-	5,943
Total Deferred Inflows of Resources	157,938	51,643	18,219	10,441	238,241
<b>NET POSITION</b>					
Net Investment in Capital Assets	2,572,480	4,116,166	1,153,169	1,569,378	9,411,193
Restricted	547,368	671,167	53,708	77,712	1,349,955
Unrestricted (Deficit)	1,928,791	(409,118)	1,704,826	(300,748)	2,923,751
Total Net Position	5,048,639	4,378,215	2,911,703	1,346,342	13,684,899
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$6,628,770	\$7,574,977	\$3,547,734	\$1,890,696	\$19,642,177

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, 2018**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 5,151,649	\$ 872,367	\$ 442,815	\$ 121,128	\$ 6,587,959
Other Operating Revenues	44,340	47,184	573	82	92,179
Total Operating Revenues	<u>5,195,989</u>	<u>919,551</u>	<u>443,388</u>	<u>121,210</u>	<u>6,680,138</u>
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	4,702,157	357,136	347,893	88,382	5,495,568
Depreciation	308,058	210,352	60,535	43,144	622,089
Taxes	37,756	10,830	4,947	-	53,533
Total Operating Expenses	<u>5,047,971</u>	<u>578,318</u>	<u>413,375</u>	<u>131,526</u>	<u>6,171,190</u>
Operating Income (Loss)	<u>148,018</u>	<u>341,233</u>	<u>30,013</u>	<u>(10,316)</u>	<u>508,948</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest and Investment Revenue	15,834	1,397	10,160	1,517	28,908
Miscellaneous Non-Operating Revenue	1,901	-	-	-	1,901
Interest Expense and Fiscal Charges	(18,731)	(71,967)	(12,175)	-	(102,873)
Investment Loss in Sauk Prairie Sewer Commission	-	-	(21,714)	-	(21,714)
Amortization Expense	(1,033)	-	-	-	(1,033)
Total Non-Operating Revenues (Expenses)	<u>(2,029)</u>	<u>(70,570)</u>	<u>(23,729)</u>	<u>1,517</u>	<u>(94,811)</u>
Income (Loss) Before Capital Contributions and Transfers	145,989	270,663	6,284	(8,799)	414,137
Capital Contributions	78,697	-	-	-	78,697
Transfers Out - Tax Equivalent	(138,457)	(134,585)	-	-	(273,042)
Change in Net Position	86,229	136,078	6,284	(8,799)	219,792
Total Net Position - Beginning, Restated	4,962,410	4,242,137	2,905,419	1,355,141	13,465,107
Total Net Position - Ending	<u>\$ 5,048,639</u>	<u>\$ 4,378,215</u>	<u>\$ 2,911,703</u>	<u>\$ 1,346,342</u>	<u>\$ 13,684,899</u>

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

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2018**

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Fund	Storm Water Fund	
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers	\$ 5,240,422	\$ 918,985	\$ 443,138	\$ 121,151	\$ 6,723,696
Cash received from (paid to) other funds for services	70,560	(74,299)	78,775	2,179	77,215
Payments to suppliers	(4,373,725)	(266,801)	(323,203)	(64,405)	(5,028,134)
Payments to employees	(377,404)	(113,490)	(42,454)	(23,745)	(557,093)
Payments to other governments	(37,756)	(15,777)	-	-	(53,533)
Net cash provided (used) by operating activities	522,097	448,618	156,256	35,180	1,162,151
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of plant assets	(208,092)	(346,296)	(99,427)	-	(653,815)
Long-term debt proceeds	-	390,000	30,000	-	420,000
Contributed capital	78,697	-	-	-	78,697
Principal payments on long-term debt	(108,430)	(172,062)	(58,701)	-	(339,193)
Interest paid	(18,898)	(68,778)	(12,044)	-	(99,720)
Net cash provided (used) by capital and related financing activities	(256,723)	(197,136)	(140,172)	-	(594,031)
<b>Cash Flows from Noncapital Financing Activities:</b>					
Cash paid for property tax equivalent	(131,250)	(131,250)	-	-	(262,500)
Net cash provided (used) by noncapital financing activities	(131,250)	(131,250)	-	-	(262,500)
<b>Cash Flows from Investing Activities:</b>					
Miscellaneous non-operating income	1,901	-	-	-	1,901
Interest income	15,834	1,397	10,160	1,517	28,908
Net cash provided (used) by investing activities	17,735	1,397	10,160	1,517	30,809
Net increase (decrease) in cash and equivalents	151,859	121,629	26,244	36,697	336,429
<u>Cash and Equivalents, Beginning of year</u>	1,984,638	656,068	803,186	269,871	3,713,763
<u>Cash and Equivalents, End of year</u>	\$ 2,136,497	\$ 777,697	\$ 829,430	\$ 306,568	\$ 4,050,192
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>					
Cash and cash equivalents -					
Statement of Net Position	\$ 1,587,721	\$ 88,629	\$ 772,764	\$ 228,856	\$ 2,677,970
Restricted cash and cash equivalents -					
Statement of Net Position	548,776	689,068	56,666	77,712	1,372,222
Cash and cash equivalents - end of year	\$ 2,136,497	\$ 777,697	\$ 829,430	\$ 306,568	\$ 4,050,192

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, 2018**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating Income (Loss)	\$ 148,018	\$ 341,233	\$ 30,013	\$ (10,316)	\$ 508,948
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Joint meter allocation	-	17,352	(17,352)	-	-
Depreciation	308,058	210,352	60,535	43,144	622,089
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows:					
Customer accounts receivable	44,433	-	-	-	44,433
Other receivables	-	(566)	(250)	(59)	(875)
Due to/from other funds	70,560	(96,598)	101,074	2,179	77,215
Inventories	(32,491)	-	-	-	(32,491)
Pension related deferrals and liabilities	10,959	4,203	1,318	1,026	17,506
OPEB related deferrals and liabilities	6,324	2,476	-	-	8,800
Accounts payable	(36,354)	(29,834)	(19,082)	(2,335)	(87,605)
Accrued liabilities	2,590	-	-	1,541	4,131
Net cash provided (used) by operating activities	<u>\$ 522,097</u>	<u>\$ 448,618</u>	<u>\$ 156,256</u>	<u>\$ 35,180</u>	<u>\$ 1,162,151</u>
<b>Noncash capital and related financing activities:</b>					
Investment in Sauk Prairie Sewer Commission	\$ -	\$ -	\$ (21,714)	\$ -	\$ (21,714)
Investment earnings from Sauk Prairie Sewer Commission	-	-	21,714	-	21,714
Total non-cash activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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  
FIDUCIARY FUND  
December 31, 2018**

	<u><b>Tax Agency</b></u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 4,346,287
Receivables:	
Taxes Receivable	1,435,363
Total Assets	<u>\$ 5,781,650</u>
 <b>LIABILITIES</b>	
Due to Other Governments	\$ 5,781,650
Total Liabilities	<u>\$ 5,781,650</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2018**

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**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

**A. REPORTING ENTITY**

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

**B. BASIS OF FINANCIAL STATEMENT PRESENTATION**

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

---

**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 nonmajor funds within the governmental and fiduciary statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

**Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following governmental funds:

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

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

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

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

The Village reports the following major governmental funds:

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

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

---

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

The Village reports the following non-major governmental fund:

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

**Proprietary Funds**

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

The Village reports the following business-type activities:

*Major Enterprise Funds*

Electric Utility – Accounts for providing electric service.

Water Utility – Accounts for providing water service.

Sewer Fund – Accounts for providing sewer service.

*Non-major Enterprise Fund*

Storm Water Fund – Accounts for providing storm water services.

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

Agency Fund – The Agency 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 Agency Fund accounts for the transactions pertaining to the Village's tax appropriation.

**C. BASIS OF ACCOUNTING**

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

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

---

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

---

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

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 Fund, and Storm Water Fund are charges to customers for providing service to the Village's residents and businesses. Operating expenses for proprietary funds include the cost of providing these services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

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 – 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full or first installment due	January 31, 2019
Second installment due	July 31, 2019
Tax sale – 2018 delinquent real estate	October 2021

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.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

---

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

---

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

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

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

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

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**D. MEASUREMENT FOCUS**

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

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

**E. CASH AND INVESTMENTS**

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

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

---

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

---

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

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

**Restricted Assets**

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

**F. INVENTORIES AND PREPAID ITEMS**

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

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

**G. CAPITAL ASSETS**

**Government-Wide Statements**

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

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**G. CAPITAL ASSETS (Continued)**

**Government-Wide Statements (Continued)**

For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. 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.

**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 2018.

**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.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**J. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS (Continued)**

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, 2018 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 balance sheet. 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.

**L. CLAIMS AND JUDGMENTS**

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

**M. INTERFUND TRANSACTIONS**

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

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**N. OTHER POSTEMPLOYMENT BENEFITS**

*Group life insurance plan*

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

*Village health insurance plan*

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

**O. PENSIONS**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, 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.

**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 Wisconsin 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 deferred property tax revenue.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**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.

**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.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**Q. EQUITY CLASSIFICATIONS (Continued)**

**Fund Statements (Continued)**

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

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

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

**Electric Utility**

Current electric rates were approved by the Public Service Commission of Wisconsin (PSCW) on December 5, 2013 and placed into effect by the Electric Utility on December 15, 2013.

**Water Utility**

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

**Sewer Fund**

Current sewer rates were approved by the Village Board and placed into effect by the Sewer Fund on January 15, 2016.

**Storm Water Fund**

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

**S. CHANGE IN ACCOUNTING PRINCIPLE**

Effective January 1, 2018, the Village adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Implementation of GASB 75 required net position in governmental and business-type activities to be decreased by \$94,690 and \$87,615, respectively.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**A. BOND COVENANT DISCLOSURE**

As part of the Electric, Water and Sewer 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, 2018:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Residential	1,866	1,762	1,576
Commercial	293	155	147
Industrial	1	8	8
Public authority	-	16	14
Multifamily	-	24	-
Public street lighting	9	-	-
Totals	<u>2,169</u>	<u>1,965</u>	<u>1,745</u>

**Insurance Coverage**

The utilities are in compliance with combined insurance requirements.

**Debt Coverage**

2018 required and actual coverage factors are as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Change in net position	\$ 86,229	\$ 136,078	\$ 6,284
Plus:			
Interest and fiscal charges	18,731	71,967	12,175
Depreciation	308,058	210,352	60,535
Amortization	1,033	-	-
Investment loss in Sauk- Prairie Sewer Commission	-	-	21,714
Tax equivalent	138,457	134,585	-
Income available for debt service	<u>\$ 552,508</u>	<u>\$ 552,982</u>	<u>\$ 100,708</u>
Annual debt service	\$ 129,249	\$ 298,865	\$ 70,331
Calculated coverage ratio	4.27	1.85	1.43
Required coverage ratio	1.25	1.10	1.25

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**B. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual nonmajor funds that have deficit balances at year end. As of December 31, 2018, the following funds held a deficit balance:

Fund	Amount
Transit Fund	\$ 25,284
Tax Incremental Financing District No. 5	20,868
Tax Incremental Financing District No. 6	16,743

Fund balances will be recovered through collection of future revenues.

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

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**A. CASH AND INVESTMENTS**

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

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The Local Government Investment Pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

The carrying amount of the Village's cash and investments totaled \$11,155,226 on December 31, 2018 and is summarized below:

Petty cash and cash on hand	\$ 178,180
Deposits with financial institutions	8,296,101
Deposits with external investment pools	2,680,945
	\$ 11,155,226

**Reconciliation to the basic financial statements:**

Government-Wide Statement of Net Position:

Cash and cash equivalents	\$ 4,728,828
Restricted cash and cash equivalents	2,080,111
Fiduciary fund:	
Agency Fund	4,346,287
	\$ 11,155,226

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, 2018, \$7,732,488 of the Village's deposits with financial institutions totaling \$8,325,163 was exposed to custodial credit risks as follows. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Uninsured and uncollateralized	\$ 6,732,488
Uninsured and collateralized with securities held by pledging financial institutions	1,000,000
Total	\$ 7,732,488

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.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

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, 2018, the LGIP had an average maturity of 19 days and a fair value of \$2,680,945.

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

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

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, 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, 2018.

Investment allocation in the LGIP as of December 31, 2018 was: 87.25% in U.S. Government Securities, 2.19% in Bankers' Acceptances and 10.56% in 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.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**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	\$ 2,909,299	\$ 731,664	\$ 1,435,363	\$ 5,076,326
Amounts not expected to be collected within one year	\$ 189,121	\$ 108,533	\$ -	\$ 297,654

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

**C. DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources on the governmental funds balance sheet of \$3,663,770 at December 31, 2018, consist of the following:

	General Fund	Tax Incremental Financing Districts	Total
2018 tax apportionment	\$ 2,617,161	\$ 623,131	\$ 3,240,292
Deferred special assessments	189,121	-	189,121
Property tax equivalent	202,789	-	202,789
Other deferred inflows	31,568	-	31,568
Total	\$ 3,040,639	\$ 623,131	\$ 3,663,770

**D. RESTRICTED CASH**

Governmental funds have restricted cash in the amount of \$707,889 which consists of:

Tax Incremental Financing Districts Fund	\$	517,799
Capital Projects Fund		172,525
Debt Service Fund		3,483
Transit Fund		14,082
	\$	<u>707,889</u>

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**D. RESTRICTED CASH (Continued)**

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

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

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

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

At December 31, 2018, enterprise fund restricted cash and equivalents consisted of the following:

	Electric	Water	Sewer	Storm Water	Total
Bond principal and interest	\$ 301,448	\$ -	\$ -	\$ -	\$ 301,448
Bond reserve accounts	197,328	133,462	40,887	-	371,677
Depreciation and equipment	50,000	55,000	15,779	-	120,779
Equipment replacement fund	-	500,606	-	-	500,606
Special deposits	-	-	-	77,712	77,712
Total restricted cash and cash equivalents	<u>\$ 548,776</u>	<u>\$ 689,068</u>	<u>\$ 56,666</u>	<u>\$ 77,712</u>	<u>\$ 1,372,222</u>

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

**E. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

**Governmental Activities**

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
Capital assets not being depreciated:				
Land	\$ 541,578	\$ -	\$ -	\$ 541,578
Total capital assets not being depreciated	541,578	-	-	541,578
Capital assets being depreciated:				
Buildings and building improvements	7,126,646	161,189	-	7,287,835
Furniture and equipment	295,041	40,100	-	335,141
Vehicles	1,647,208	-	-	1,647,208
Infrastructure	13,555,873	1,020,104	-	14,575,977
Total capital assets being depreciated	22,624,768	1,221,393	-	23,846,161
Less: Accumulated depreciation:				
Buildings and building improvements	(1,641,271)	(219,529)	-	(1,860,800)
Furniture and equipment	(148,282)	(25,050)	-	(173,332)
Vehicles	(1,169,118)	(124,857)	-	(1,293,975)
Infrastructure	(7,339,348)	(751,536)	-	(8,090,884)
Total accumulated depreciation	(10,298,019)	(1,120,972)	-	(11,418,991)
Net capital assets - governmental activities	\$ 12,868,327	\$ 100,421	\$ -	\$ 12,968,748

Depreciation expense was charged to functions as follows:

**Governmental activities**

General government	\$ 10,977
Public safety	65,943
Public works	863,490
Culture and recreation	166,768
Conservation and development	13,794
Total governmental activities depreciation expense	\$ 1,120,972

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

**E. CAPITAL ASSETS (Continued)**

**Proprietary Funds**

	Balance 1/1/2018	Additions	Retirements	Balance 12/31/2018
<b>Electric Utility:</b>				
Transmission and distribution plant	\$ 7,907,003	\$ 213,693	\$ 31,327	\$ 8,089,369
General plant	709,285	-	4,357	704,928
Total electric plant	<u>\$ 8,616,288</u>	<u>\$ 213,693</u>	<u>\$ 35,684</u>	<u>\$ 8,794,297</u>
<b>Water Utility:</b>				
Source of supply plant	\$ 676,040	\$ -	\$ -	\$ 676,040
Pumping plant	911,806	-	-	911,806
Water treatment plant	807,371	-	-	807,371
Transmission and distribution plant	5,992,033	333,070	146,295	6,178,808
General plant	92,696	-	9,033	83,663
Total water plant	<u>\$ 8,479,946</u>	<u>\$ 333,070</u>	<u>\$ 155,328</u>	<u>\$ 8,657,688</u>
<b>Sewer Fund:</b>				
Collecting system plant	\$ 2,185,778	\$ 47,376	\$ 23,688	\$ 2,209,466
General plant	94,505	52,051	34,482	112,074
Total sewer plant	<u>\$ 2,280,283</u>	<u>\$ 99,427</u>	<u>\$ 58,170</u>	<u>\$ 2,321,540</u>
<b>Storm Water Fund:</b>				
Mains	\$ 1,777,706	\$ -	\$ -	\$ 1,777,706
Ponds	182,058	-	-	182,058
General equipment	81,314	-	-	81,314
Vehicles	39,595	-	-	39,595
Total storm water fund	<u>\$ 2,080,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,080,673</u>

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

Fund	Balance 1/1/2018	2018			Balance 12/31/2018
		2018 Depreciation Expense	2018 Meter Reading Allocation	2018 Retirements and Removals (Net of Salvage)	
Electric	\$ 5,149,816	\$ 308,058	\$ -	\$ 30,083	\$ 5,427,791
Water	1,881,119	210,352	17,352	168,554	1,940,269
Sewer	706,254	60,535	(17,352)	58,170	691,267
Storm Water	468,152	43,143	-	-	511,295
	<u>\$ 8,205,341</u>	<u>\$ 622,088</u>	<u>\$ -</u>	<u>\$ 256,807</u>	<u>\$ 8,570,622</u>

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

The following is a schedule of interfund receivables and payables:

	Due From Other Funds	Due To Other Funds	Purpose
General Fund	\$ 866,493	\$ -	Operating expenses
TID		37,611	Operating expenses
Transit Fund	-	20,565	Operating expenses
Enterprise Funds:			
Electric	-	154,310	Operating expenses
Water	-	398,952	Operating expenses
Sewer	-	127,449	Operating expenses
Storm Water	-	127,606	Operating expenses
Totals	<u>\$ 866,493</u>	<u>\$ 866,493</u>	

The following is a schedule of interfund advances:

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 476,289	\$ -
Enterprise Funds:		
Water	-	72,801
Storm Water	-	403,488
Totals	<u>\$ 476,289</u>	<u>\$ 476,289</u>

The following is a schedule of transfers in the Government-Wide Statement of Activities as of December 31, 2018:

Transfer from:	Transfer to:	Purpose:	Amount
Business-type Activities	Governmental Activities	Tax equivalent	\$ 273,042

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

**G. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	1/1/2018			12/31/2018	Amounts
	Balance	Increases	Decreases	Balance	Due Within
<b>Governmental Activities</b>					One Year
Bonds and notes payable:					
General obligation debt	\$7,872,742	\$1,304,263	\$ 953,750	\$8,223,255	\$ 920,632
Add/Subtract Amounts For:					
Premiums/Discount on debt	84,727	-	997	83,730	-
Total	<u>7,957,469</u>	<u>1,304,263</u>	<u>954,747</u>	<u>8,306,985</u>	<u>920,632</u>
Other liabilities:					
Vested compensated absences	101,282	-	3,684	97,598	19,525
Total other liabilities	<u>101,282</u>	<u>-</u>	<u>3,684</u>	<u>97,598</u>	<u>19,525</u>
Total governmental activities - long-term liabilities	<u>\$8,058,751</u>	<u>\$ 1,304,263</u>	<u>\$ 958,431</u>	<u>\$8,404,583</u>	<u>\$ 940,157</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$1,678,285	\$ 420,000	\$ 155,870	\$1,942,415	\$ 218,625
Revenue bonds	2,116,156	-	186,937	1,929,219	188,577
Add/Subtract Amounts For:					
Premiums/Discount on debt	(3,699)	-	(433)	(3,266)	-
Total	<u>3,790,742</u>	<u>420,000</u>	<u>342,374</u>	<u>3,868,368</u>	<u>407,202</u>
Other liabilities:					
Vested compensated absences	105,194	5,755	-	110,949	33,211
Total other liabilities	<u>105,194</u>	<u>5,755</u>	<u>-</u>	<u>110,949</u>	<u>33,211</u>
Total business-type activities - long-term liabilities	<u>\$3,895,936</u>	<u>\$ 425,755</u>	<u>\$ 342,374</u>	<u>\$3,979,317</u>	<u>\$ 440,413</u>

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.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

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, 2018 was \$20,990,650. Total general obligation debt outstanding at year end was \$10,165,670.

Governmental activities long-term debt at December 31, 2018 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2018
<b>Governmental Activities</b>					
<b>General Obligation Debt</b>					
Refunding bonds	5/17/2012	4/1/2024	2.00% - 2.20%	\$ 1,170,780	\$ 600,795
Promissory notes	4/1/2013	4/1/2023	2.65%	536,110	284,960
Corporate purpose bonds	4/15/2014	2/1/2034	0.35% - 4.10%	3,010,000	2,525,000
Promissory notes	4/30/2014	4/30/2019	3.00%	46,000	9,200
Corporate purpose bonds	5/19/2015	4/1/2030	1.00% - 3.00%	1,760,000	1,435,000
Promissory notes	3/17/2016	3/17/2026	1.50% - 2.50%	1,400,000	1,165,000
Promissory notes	9/1/2016	9/1/2026	2.50%	100,000	37,935
Promissory notes	3/23/2017	3/1/2027	1.50% - 2.75%	925,451	861,756
Promissory notes	3/20/2018	3/1/2033	1.80% - 3.40%	1,265,000	1,265,000
Promissory notes	8/22/2018	8/22/2028	0.00%	39,263	38,609
Total governmental activities - general obligation debt					<u>\$ 8,223,255</u>

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

Years	General Obligation Debt	
	Principal	Interest
2019	\$ 920,632	\$ 211,181
2020	866,651	180,589
2021	774,661	164,347
2022	804,277	148,019
2023	782,269	129,294
2024-2028	2,774,765	400,388
2029-2033	1,230,000	97,415
2034	70,000	1,435
Totals	<u>\$ 8,223,255</u>	<u>\$ 1,332,668</u>

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

Business-type activities long-term debt at December 31, 2018 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2018
<b>Business-Type Activities</b>					
Refunding bonds	5/17/2012	4/1/2024	2.00% - 2.20%	\$ 349,220	\$ 179,205
Electric revenue bonds	5/17/2012	12/1/2025	1.00% - 2.80%	1,225,000	715,000
Safe drinking water loan	4/25/2012	5/1/2031	2.20%	1,554,314	1,132,912
Promissory notes	4/1/2013	4/1/2023	2.65%	75,190	39,966
Corporate purpose bonds	4/15/2014	2/1/2034	0.35% - 4.10%	820,000	685,000
Corporate purpose bonds	5/19/2015	4/1/2030	1.00% - 3.00%	290,000	205,000
Member energy efficiency and renewable energy loan	7/22/2015	8/1/2025	0.00%	123,505	81,307
Corporate purpose notes	3/17/2016	3/17/2026	1.50% - 2.50%	175,000	125,000
Corporate purpose bonds	3/23/2017	3/1/2027	1.50% - 2.75%	310,000	288,244
Corporate purpose bonds	3/20/2018	3/1/2033	1.80% - 3.40%	420,000	420,000
Total business-type activities - long-term debt					<u><u>\$ 3,871,634</u></u>

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

Years	Business-Type Activities General Obligation Debt		Business-Type Activities Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 218,625	\$ 50,258	\$ 188,577	\$ 40,983
2020	205,261	42,189	190,254	37,288
2021	199,204	38,225	191,968	33,505
2022	205,564	34,077	193,720	29,584
2023	204,549	29,583	200,510	25,424
2024-2028	659,212	86,654	673,614	65,474
2029-2033	215,000	26,283	290,576	9,682
2034	35,000	718	-	-
Totals	<u><u>\$ 1,942,415</u></u>	<u><u>\$ 307,987</u></u>	<u><u>\$ 1,929,219</u></u>	<u><u>\$ 241,940</u></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.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**H. GOVERNMENTAL ACTIVITIES NET POSITION**

Governmental activities net position reported on the Government-Wide Statement of Net Position at December 31, 2018 includes the following:

Net investment in capital assets	
Land	\$ 541,578
Other capital assets, net of accumulated depreciation	12,427,170
Less: related long-term debt outstanding	<u>(8,306,985)</u>
Total net investment in capital assets	<u>4,661,763</u>
Restricted	
Tax Incremental Financing Districts	626,332
Capital Projects	172,525
Debt Service	<u>3,483</u>
Total restricted	<u>802,340</u>
Unrestricted	<u>3,052,738</u>
Total governmental activities net position	<u><u>\$ 8,516,841</u></u>

**I. GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2018 include the following:

<b>Nonspendable</b>	
Major Fund:	
Prepaid expenses	\$ 25,817
Advances to other funds	<u>476,289</u>
Total nonspendable fund balance	<u>502,106</u>
<b>Restricted</b>	
Major Funds:	
Tax Incremental Financing Districts	517,799
Economic development loans	108,533
Capital projects	172,525
Debt service	<u>3,483</u>
Total restricted fund balance	<u>802,340</u>
<b>Committed</b>	
Major Fund:	
Great Sauk Trail Project	<u>5,570</u>
Total committed fund balance	<u>5,570</u>

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**I. GOVERNMENTAL FUND BALANCES (Continued)**

**Unassigned**

Major Fund:

General Fund	\$ 2,533,712
Tax Incremental Financing District (deficit)	(37,611)

Non-Major Fund:

Transit Fund (deficit)	(25,284)
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Total unassigned fund balance	<u>2,470,817</u>
Total governmental fund balance	<u>\$ 3,780,833</u>

**J. OTHER POSTEMPLOYMENT BENEFITS**

The Village implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” for the fiscal year ended December 31, 2018. This superseded GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.” This implementation allows the Village to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

**Multiple-Employer Life Insurance Plan**

***General Information about the Other Postemployment Benefits***

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

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

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

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

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

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

Contribution rates as of December 31, 2018 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance	
Employee Contribution Rates	
For the year ended December 31, 2017	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$894 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At December 31, 2018, the LRLIF Employer reported a liability (asset) of \$141,641 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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, 2017, the Village's proportion was 0.04707900%, which was a decrease of 0.002935% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized OPEB expense of \$14,042.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (1,996)
Changes of assumptions	13,687	-
Net differences between projected and actual earnings on OPEB plan investments	1,631	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(6,179)
Employer contributions subsequent to the measurement date	1,860	-
Totals	\$ 17,178	\$ (8,175)

\$1,860 reported as deferred outflows related to OPEB resulting from the Village's employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Net Outflows (Inflows) of Resources</b>
Year ended December 31:	
2019	\$ 1,252
2020	1,252
2021	1,252
2022	1,252
2023	845
Thereafter	1,290
Total	\$ 7,143

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

Actuarial assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rated of Return:	5.00%
Discount Rate:	3.63%
Salary Increases	
Inflation:	3.20%
Seniority/Merit:	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

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

Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2017

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

Single Discount Rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the Village's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.63 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 (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
Village's proportionate share of the net OPEB liability (asset)	\$ (200,192)	\$ (141,641)	\$ (96,709)

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

**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 17 active members and one retired member 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, 2017, 17 active employees were eligible for the benefit terms, while one retiree was eligible.

Total OPEB Liability. The Village's total OPEB liability of \$70,214 was measured at December 31, 2017, and was determined by an actuarial valuation as of December 31, 2017.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.5 percent
Salary increases:	3.0 percent, average, including inflation
Discount rate	3.5 percent
Healthcare cost trend rates	Actual first year increase, then 7.00% decreasing by 0.50% down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums

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

Mortality rates were based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2017 valuation were based on a study conducted in 2015 using the Wisconsin Retirement System (WRS) experience from 2012-2014.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
<b>Balance at 12/31/2016</b>	<b>\$ 61,771</b>
<b>Changes for the year:</b>	
Service cost	6,173
Interest	2,270
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	-
<b>Net Changes</b>	<b>8,443</b>
<b>Balance at 12/31/2017</b>	<b>\$ 70,214</b>

There were no changes of benefit terms nor in assumptions.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

		1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	12/31/2017	\$ 75,949	\$ 70,214	\$ 64,816

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 6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (actual first year increase, then 8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (Actual first year increase, then 6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual first year increase, then 7.0% decreasing to 5.0%)	1% Increase (Actual first year increase, then 8.0% decreasing to 6.0%)
Total OPEB Liability	12/31/2017	\$ 64,370	\$ 70,214	\$ 77,064

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB. For the year ended December 31, 2018, the Village recognized OPEB expense of \$8,443.

\$1,861 is reported as deferred outflows related to OPEB resulting from Village contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019. There are no other 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.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**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:

<b>Year</b>	<b>Core Fund Adjustment</b>	<b>Variable Fund Adjustment</b>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	5
2017	2	4

*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. 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 \$78,375 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**K. PENSION PLAN (Continued)**

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

At December 31, 2018, the Village reported a liability (asset) of (\$222,519) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on a projection of the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was 0.00749447%, which was an increase of 0.00035285% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized pension expense of \$93,398.

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 282,716	\$ (132,245)
Changes of assumptions	43,965	-
Net difference between projected and actual earnings on pension plan investments	-	(305,833)
Changes in proportion and difference between Village contributions and proportionate share of contributions	-	(7,952)
Village contributions subsequent to the measurement date	78,375	-
Total	\$ 405,056	\$ (446,030)

\$78,375 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, 2019. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2019	\$ 20,951
2020	(4,480)
2021	(77,830)
2022	(58,520)
2023	530

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

---

**K. PENSION PLAN (Continued)**

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-Retirement Adjustments*	2.1%

\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% 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 2015 using experience from 2012-2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

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

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**K. PENSION PLAN (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**Retirement Funds – Asset Allocation Targets and Expected Returns**

As of December 31, 2017

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50.0%	8.2%	5.3%
Fixed Income	24.5%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	3.8%	1.0%
Real Estate	8.0%	6.5%	3.6%
Private Equity/Debt	8.0%	9.4%	6.5%
Multi-Asset	4.0%	6.5%	3.6%
Total Core Fund	<u>110.0%</u>	7.3%	4.4%
<u>Variable Fund Asset Class</u>			
US Equities	70.0%	7.5%	4.6%
International Equities	30.0%	7.8%	4.9%
Total Variable Fund	<u>100.0%</u>	7.9%	5.0%

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

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

*Single Discount Rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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**K. PENSION PLAN (Continued)**

*Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	<b>1% Decrease to Discount Rate (6.20%)</b>	<b>Current Discount Rate (7.20%)</b>	<b>1% Increase to Discount Rate (8.20%)</b>
Village's proportionate share of the net pension liability (asset)	\$ 575,734	\$ (222,519)	\$ (829,217)

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

**Allocation of Pension Plan**

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

**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.

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. 3 in 1996 and 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 are as follows:

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

<b>TID No. 3</b>	Cumulative To Date Costs
Revenues:	
Taxes	\$ 4,058,100
Intergovernmental	66,202
Interest income	34,827
Long-term debt proceeds	378,698
Total revenue	4,537,827
Expenditures:	
Project costs	4,208,755
Fund balance, December 31	\$ 329,072
<b>TID No. 4</b>	
Revenues:	
Taxes	\$ 2,490,283
Intergovernmental	172,015
Total revenue	2,662,298
Expenditures:	
Project costs	2,365,038
Fund balance, December 31	\$ 297,260

Current valuations of TID No. 3 and No. 4 are as follows:

	TID No. 3	TID No. 4
Current value	\$ 18,338,300	\$ 16,345,400
Base	5,204,800	483,300
Increment	\$ 13,133,500	\$ 15,862,100

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. 3	8/27/2023
TID No. 4	8/26/2028
TID No. 5	5/22/2038
TID No. 6	9/25/2038

A resolution to terminate TID No. 3 was adopted September 25, 2018.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE 4. OTHER INFORMATION**

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**A. JOINT VENTURES**

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

The Villages of Prairie du Sac and Sauk City jointly formed the Sauk Prairie Police Commission to provide law enforcement services to each of the Villages. Under the agreement, costs are jointly shared and are apportioned annually based upon several criteria. The Village paid \$768,426 to the Commission in 2018 for its share of expenditures. The investment in the 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 Department.

SAUK PRAIRIE TRANSIT FUND

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

**B. COMMITMENTS AND CONTINGENCIES**

Electric Utility Power Purchase Agreement

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

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

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

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

Operating Leases

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

Lawsuits

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

Grants

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

State Funding

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

**C. RISK MANAGEMENT**

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

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

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 83, Certain Asset Retirement Obligations, GASB Statement No. 84, Fiduciary Activities, GASB Statement No. 87, Leases, and GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. When these become effective, application of these standards may restate portions of these financial statements.

**VILLAGE OF PRAIRIE DU SAC, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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

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

For the year ended December 31, 2018, the Village abated property taxes totaling \$121,422 related to the TID No. 3 developer agreements and \$363,512 related to the TID No. 4 developer agreements.

**F. SUBSEQUENT EVENTS**

Subsequent to year end but prior to the issuance of this report, the Village authorized \$1,220,000 of general obligation promissory notes. The notes were issued to finance 2019 public works improvement contracts for street, water, sewer, and storm infrastructure projects. The Village also approved \$1,122,323 of construction contracts.

**G. PRIOR PERIOD ADJUSTMENT**

A prior period adjustment has been recorded effective January 1, 2018, as follows:

	Governmental Activities	Business-Type Activities	Electric	Water
Total net position as previously reported	\$ 8,505,600	\$ 13,552,722	\$ 5,025,377	\$ 4,266,785
Cumulative effect of change in accounting principle (GASB Statement No. 75)				
OPEB - multiple-employer life insurance plan	(32,918)	(87,615)	(62,967)	(24,648)
OPEB - single-employer health insurance plan	(61,772)	-	-	-
	<u>\$ 8,410,910</u>	<u>\$ 13,465,107</u>	<u>\$ 4,962,410</u>	<u>\$ 4,242,137</u>

Implementation of GASB Statement No. 75 required net position in the governmental and business-type activities to be decreased. The decrease in net position was to reflect the OPEB liability balances related to the Village's group life insurance and single-employer health insurance plan as of January 1, 2018 and beginning deferred outflows of resources for Village contributions to the OPEB plans after the actuarial measurement dates.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL (WITH VARIANCES)  
GENERAL FUND  
For the Year Ended December 31, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property Taxes	\$ 1,503,290	\$ 1,503,290	\$ 1,503,290	\$ -
Other Taxes	298,000	298,000	295,869	(2,131)
Special Assessment Revenue	-	-	20,924	20,924
Intergovernmental	605,314	605,314	616,675	11,361
License and Permits	145,335	145,335	170,060	24,725
Public Charges for Services	419,665	419,665	437,463	17,798
Interest Income	8,000	8,000	41,335	33,335
Miscellaneous Income	77,230	77,230	93,940	16,710
Total Revenues	<u>3,056,834</u>	<u>3,056,834</u>	<u>3,179,556</u>	<u>122,722</u>
<b>EXPENDITURES</b>				
Current:				
General Government	320,818	317,819	301,047	16,772
Public Safety	991,479	991,479	966,300	25,179
Public Works	1,064,420	1,062,920	1,083,626	(20,706)
Culture and Recreation	604,800	604,800	612,513	(7,713)
Conservation and Development	14,420	14,420	5,000	9,420
Capital Outlay	60,897	60,897	40,171	20,726
Total Expenditures	<u>3,056,834</u>	<u>3,052,335</u>	<u>3,008,657</u>	<u>43,678</u>
Excess (Deficiency) of Revenues Over Expenditures	-	4,499	170,899	166,400
Fund Balances - Beginning	2,870,489	2,870,489	2,870,489	-
Fund Balances - Ending	<u>\$ 2,870,489</u>	<u>\$ 2,874,988</u>	<u>\$ 3,041,388</u>	<u>\$ 166,400</u>

See notes to required supplementary information.

**VILLAGE OF PRAIRIE DU SAC  
LOCAL RETIREE LIFE INSURANCE SCHEDULES  
December 31, 2018**

**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	Proportionate share of the 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)
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
2018	\$ 1,860	(1,860)	-	\$ 1,042,000	0.18%

See notes to required supplementary information.

**VILLAGE OF PRAIRIE DU SAC**  
**SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL HEALTH INSURANCE**  
**OPEB LIABILITY AND RELATED RATIOS**  
**December 31, 2018**

	<b>2017</b>
<b>Total OPEB Liability</b>	
Service Cost	\$ 6,173
Interest	2,270
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments	-
Net change in total OPEB	8,443
Total OPEB Liability - Beginning	61,771
Total OPEB Liability - Ending	\$ 70,214
 <b>Covered Employee Payroll</b>	 \$ 986,546
 <b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	 7.12%

See notes to required supplementary information.

**VILLAGE OF PRAIRIE DU SAC  
WISCONSIN RETIREMENT SYSTEM SCHEDULES  
December 31, 2018**

**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	Proportionate share of the 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)
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
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, 2018**

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**NOTE 1. BUDGETARY INFORMATION**

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**A. BUDGETS**

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

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

**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The Village controls expenditures at the function level. During 2018, the Village experienced expenditures which exceeded appropriations in the following functions: Public Works - \$20,706 and Culture and Recreation - \$7,713.

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

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Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 9 preceding years.

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

Changes of assumptions. There were no changes in assumptions.

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

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Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 9 preceding years.

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

Changes of assumptions. There were no changes in assumptions.

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

**VILLAGE OF PRAIRIE DU SAC  
PRAIRIE DU SAC, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2018**

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**NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES**

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Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 6 preceding years.

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

Changes of assumptions. There were no changes in assumptions.

**OTHER SUPPLEMENTARY INFORMATION**

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

**COMBINING BALANCE SHEET  
TAX INCREMENTAL FINANCING DISTRICTS  
December 31, 2018**

	<b>Tax Incremental Financing District No. 3</b>	<b>Tax Incremental Financing District No. 4</b>	<b>Tax Incremental Financing District No. 5</b>	<b>Tax Incremental Financing District No. 6</b>	<b>Total Tax Incremental Financing Districts</b>
<b>ASSETS</b>					
Receivables:					
Taxes	\$ 282,246	\$ 340,885	\$ -	\$ -	\$ 623,131
Loans	108,533	-	-	-	108,533
Restricted Cash	220,539	297,260	-	-	517,799
Total Assets	<u>\$ 611,318</u>	<u>\$ 638,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,249,463</u>
<b>LIABILITIES</b>					
Due to Other Funds	\$ -	\$ -	\$ 20,868	\$ 16,743	\$ 37,611
Total Liabilities	<u>-</u>	<u>-</u>	<u>20,868</u>	<u>16,743</u>	<u>37,611</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Subsequent Year Tax Levy	\$ 282,246	\$ 340,885	\$ -	\$ -	\$ 623,131
Total Deferred Inflows of Resources	<u>282,246</u>	<u>340,885</u>	<u>-</u>	<u>-</u>	<u>623,131</u>
<b>FUND BALANCES</b>					
Restricted	329,072	297,260	-	-	626,332
Unassigned (Deficit)	-	-	(20,868)	(16,743)	(37,611)
Total Fund Balances (Deficit)	<u>329,072</u>	<u>297,260</u>	<u>(20,868)</u>	<u>(16,743)</u>	<u>588,721</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 611,318</u>	<u>\$ 638,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,249,463</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - TAX INCREMENTAL FINANCING DISTRICTS  
For the Year Ended December 31, 2018**

	<b>Tax Incremental Financing District No. 3</b>	<b>Tax Incremental Financing District No. 4</b>	<b>Tax Incremental Financing District No. 5</b>	<b>Tax Incremental Financing District No. 6</b>	<b>Total Tax Incremental Financing Districts</b>
<b>REVENUES</b>					
Property Taxes	\$ 290,773	\$ 363,915	\$ -	\$ -	\$ 654,688
Intergovernmental	2,835	31,962	-	-	34,797
Interest Income	2,237	-	-	-	2,237
Total Revenues	<u>295,845</u>	<u>395,877</u>	<u>-</u>	<u>-</u>	<u>691,722</u>
<b>EXPENDITURES</b>					
Current:					
Conservation and Development	138,765	370,649	20,868	16,743	547,025
Debt Service:					
Principal Repayment	20,000	-	-	-	20,000
Interest and Fiscal Charges	4,012	-	-	-	4,012
Total Expenditures	<u>162,777</u>	<u>370,649</u>	<u>20,868</u>	<u>16,743</u>	<u>571,037</u>
Excess (Deficiency) of Revenues Over Expenditures	133,068	25,228	(20,868)	(16,743)	120,685
Fund Balances - Beginning	196,004	272,032	-	-	468,036
Fund Balances (Deficit) - Ending	<u>\$ 329,072</u>	<u>\$ 297,260</u>	<u>\$ (20,868)</u>	<u>\$ (16,743)</u>	<u>\$ 588,721</u>