

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 18, 2020

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The Village will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

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

VILLAGE OF PRAIRIE DU SAC, WISCONSIN (Sauk County)

\$3,690,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A

BID OPENING: February 25, 2020, 10:00 A.M., C.T.

CONSIDERATION: February 25, 2020, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$3,690,000* General Obligation Corporate Purpose Bonds, Series 2020A (the "Bonds") of the Village of Prairie du Sac, Wisconsin (the "Village") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of street improvement projects, parking lot projects, storm water projects, sanitary sewer projects, water system projects and fire engines and other equipment of the fire department. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: March 19, 2020

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$95,000	2028	\$230,000	2035	\$260,000
2022	85,000	2029	180,000	2036	230,000
2023	85,000	2030	180,000	2037	225,000
2024	100,000	2031	230,000	2038	225,000
2025	155,000	2032	205,000	2039	225,000
2026	150,000	2033	180,000	2040	215,000
2027	230,000	2034	205,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2021 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on March 1, 2029 and thereafter are subject to call for prior optional redemption on March 1, 2028 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$3,643,875.

MAXIMUM BID: \$3,911,400.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$73,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL & DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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



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REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Bonds.

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

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

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

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

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

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

CLOSING CERTIFICATES

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

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**VILLAGE OF PRAIRIE DU SAC
VILLAGE BOARD**

		<u>Term Expires</u>
Cheryl Sherman	Village President	April 2021
Craig Bender	Trustee	April 2020
Raymond Bolton	Trustee	April 2021
Abby Howell-Dinger	Trustee	April 2021
Nick Lester	Trustee	April 2021
Lauri Meixelsperger	Trustee	April 2020
Andrew Stratham	Trustee	April 2020

ADMINISTRATION

Alan Wildmann II, Village Administrator
Niki Conway, Village Clerk/Treasurer

PROFESSIONAL SERVICES

William S. Cole, Village Attorney, Madison, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Prairie du Sac, Wisconsin (the "Village") and the issuance of its \$3,690,000* General Obligation Corporate Purpose Bonds, Series 2020A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Village Board on February 25, 2020.

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

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of March 19, 2020. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2021, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

OPTIONAL REDEMPTION

At the option of the Village, the Bonds maturing on or after March 1, 2029 shall be subject to optional redemption prior to maturity on March 1, 2028 or any date thereafter, at a price of par plus accrued interest.

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

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

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of street improvement projects, parking lot projects, storm water projects, sanitary sewer projects, water system projects and fire engines and other equipment of the fire department.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$3,690,000	
Estimated Interest Earnings	<u>18,000</u>	
Total Sources		\$3,708,000
Uses		
Estimated Underwriter's Discount	\$46,125	
Costs of Issuance	58,250	
Deposit to Project Construction Fund	3,600,000	
Rounding Amount	<u>3,625</u>	
Total Uses		\$3,708,000

*Preliminary, subject to change

SECURITY

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

RATING

General obligation debt of the Village is currently rated "A1" by Moody's Investors Service, Inc. ("Moody's").

The Village has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

CONTINUING DISCLOSURE

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

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

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

Certain of the Village's continuing disclosure filings for the years ended December 31, 2014 and December 31, 2015 were not associated with the CUSIP numbers of all the Village's outstanding bonds. Except to the extent that the preceding is deemed to be material, the Village believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL MATTERS

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

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Bonds. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2018, have been audited by Johnson Block & Company, Inc., Viroqua, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2019 Equalized Value	\$449,857,200
2019 Equalized Value Reduced by Tax Increment Valuation	\$433,781,600
2019 Assessed Value	\$423,096,500

2019 EQUALIZED VALUE BY CLASSIFICATION

	2019 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 345,231,700	76.743%
Commercial	88,255,700	19.619%
Manufacturing	9,879,100	2.196%
Agricultural	9,100	0.002%
Ag Forest	4,200	0.001%
Personal Property	6,477,400	1.440%
Total	<u>\$ 449,857,200</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2015	\$358,928,900	\$359,383,000	3.65%
2016	363,767,900	386,355,000	7.51%
2017	369,617,200	401,319,000	3.87%
2018	417,150,800	419,813,000	4.61%
2019	423,096,500	449,857,200	7.16%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2019 Equalized Value¹	Percent of Village's Total Equalized Value
Sauk Prairie Mob LLC	Commercial Real Estate	\$ 10,980,414	2.44%
CAB LLC	Commercial Real Estate	9,773,622	2.17%
Elsing Development Company LLC	Real Estate Development	6,364,630	1.41%
Pines Assisted Living LLC	Assisted Living/Residential	5,355,249	1.19%
Milwaukee Valve Co. Inc.	Industrial	3,405,076	0.76%
Compeer Financial	Financial Services	3,672,346	0.82%
Rapp Real Estate Inv.	Commercial Real Estate	3,183,427	0.71%
KIG LLP LC	Residential	3,092,078	0.69%
Bank of Prairie du Sac	Bank	2,724,357	0.61%
Heffron Living Trust	Real Estate Development	2,998,825	0.67%
Total		\$ 51,550,024	11.46%
Village's Total 2019 Equalized Value ²		\$449,857,200	

Source: The Village.

¹ Calculated by dividing the 2019 Assessed Values by the 2019 Aggregate Ratio of assessment for the Village.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)*	<u><u>\$ 13,140,125</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues	<u><u>\$ 687,903</u></u>
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Total revenue debt secured by water revenues	<u><u>\$ 1,056,685</u></u>
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Other Debt

In December, 2019, the Village entered into a Memorandum of Understanding with the Friends of Sauk Prairie Parks and Recreation, Inc. ("Friends Group") and the Sauk Prairie Recreation Commission with the intention of developing a new recreation center to meet the needs of citizens in the Village and the Village of Sauk City. The memorandum establishes that the Friends Group will be primarily responsible for a fundraising campaign for the new recreation center. In addition to the Memorandum of Understanding, the Village also entered into a Fundraising Agreement in December, 2019 with the Friends Group which establishes fundraising goals and certain parameters for the Friends Group to construct the recreation center after meeting certain fundraising thresholds. The Village shall be responsible for acquiring the land for the new recreation center, at a cost of \$2,100,000. The Village will soon be agreeing to an Offer to Purchase the property for the new recreation center that calls for \$225,000 due at closing from the Village and for the seller of the property to provide a loan for the remaining costs of the land purchase for two years at 2.00% interest. The Village will provide the seller a mortgage note on the property to secure the loan (the "Mortgage Note"). The Friends Group will use fundraising proceeds to reimburse the Village for the closing funds and make monthly reimbursement payments to the Village for payments under the Mortgage Note. To date, the Friends Group has secured donations that are in excess of the purchase price of the land, and it is anticipated that the Village will be reimbursed for all of its funds used towards the land acquisition; however, no assurance can be given that the Friends Group will make all agreed upon reimbursement payments to the Village.

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

Village of Prairie du Sac, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 03/19/2020)

Dated Amount	Maturity	GO Refund Bonds Series 2012A		GO Prom Note (Bank Note)		GO Corp Purp Bonds Series 2014A		GO Corp Purp Bonds Series 2015A	
		05/17/2012 \$1,520,000	04/01	04/01/2013 \$611,300	04/01	04/15/2014 \$3,830,000	02/01	05/19/2015 \$2,050,000	04/01
Calendar Year Ending		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020		130,000	11,860	63,383	7,006	0	42,035	150,000	35,738
2021		130,000	9,260	65,088	5,301	200,000	82,270	150,000	32,738
2022		135,000	6,610	66,802	3,587	215,000	78,320	160,000	29,638
2023		130,000	3,895	68,572	1,817	225,000	73,695	160,000	26,038
2024		115,000	1,265			230,000	68,460	170,000	21,913
2025						245,000	62,515	125,000	18,225
2026						250,000	55,705	120,000	15,013
2027						250,000	48,205	115,000	11,781
2028						240,000	40,370	120,000	8,400
2029						255,000	31,948	110,000	4,950
2030						290,000	22,048	110,000	1,650
2031						100,000	14,610		
2032						100,000	10,610		
2033						105,000	6,458		
2034						105,000	2,153		
2035									
2036									
2037									
2038									
2039									
2040									
		640,000	32,890	263,845	17,711	2,810,000	639,400	1,490,000	206,081

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Village of Prairie du Sac, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 03/19/2020)

Dated Amount	Maturity	GO Prom Notes Series 2016A		GO Prom Note (Bank Note)		GO Prom Notes Series 2017A		GO Corp Purp Bonds Series 2018A	
		03/17/2016 \$1,575,000	03/01	09/01/2016 \$100,000	09/01	03/23/2017 \$1,235,000	03/01	03/20/2018 \$1,685,000	03/01
Calendar Year Ending		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020		0	10,629	9,602	1,845	0	9,938	0	17,213
2021		170,000	19,558	9,851	1,596	125,000	18,625	120,000	33,225
2022		170,000	15,945	10,101	1,347	125,000	15,969	125,000	30,681
2023		150,000	12,345	10,357	1,091	125,000	13,156	125,000	27,931
2024		145,000	8,954	10,617	830	125,000	10,188	125,000	25,025
2025		145,000	5,438	10,888	559	125,000	7,063	125,000	21,963
2026		145,000	1,813	11,164	283	100,000	4,125	100,000	19,100
2027						100,000	1,375	100,000	16,450
2028								100,000	13,700
2029								75,000	11,138
2030								75,000	8,813
2031								75,000	6,375
2032								75,000	3,825
2033								75,000	1,275
2034									
2035									
2036									
2037									
2038									
2039									
2040		925,000	74,680	72,579	7,550	825,000	80,438	1,295,000	236,713

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Village of Prairie du Sac, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 03/19/2020)

Dated Amount	Maturity	WPPI Loan		GO Prom Notes Series 2019A		GO Corp Purp Bonds Series 2020A		Estimated Interest*	Principal*	Interest	Principal*	Total Principal*	Total Interest*	Total P & I*	Principal Outstanding*	% Paid*	Calendar Year Ending
		08/16/2018 \$39,263 Monthly	02/27/2019 \$1,205,000 02/01	03/19/2020 \$3,690,000* 03/01													
		Principal	Interest	Principal	Interest	Principal*	Interest*										
2020		3,272	0	0	20,000	0	0					356,257	156,262	512,519	12,783,867	2.71%	2020
2021		3,926	0	115,000	37,700	95,000	105,583					1,183,865	345,856	1,529,721	11,600,002	11.72%	2021
2022		3,926	0	85,000	33,700	85,000	71,425					1,180,829	287,221	1,468,050	10,419,173	20.71%	2022
2023		3,926	0	130,000	29,400	85,000	70,239					1,212,855	259,607	1,472,461	9,206,319	29.94%	2023
2024		3,926	0	130,000	24,200	100,000	68,891					1,154,543	229,725	1,384,268	8,051,776	38.72%	2024
2025		3,926	0	130,000	19,000	155,000	66,952					1,064,814	201,713	1,266,528	6,986,961	46.83%	2025
2026		3,926	0	125,000	13,900	150,000	64,559					1,005,090	174,496	1,179,587	5,981,871	54.48%	2026
2027		3,926	0	125,000	9,525	230,000	61,415					923,926	148,751	1,072,678	5,057,945	61.51%	2027
2028		2,945	0	125,000	5,775	230,000	57,459					817,945	125,704	943,649	4,240,000	67.73%	2028
2029				130,000	1,950	180,000	53,809					750,000	103,794	853,794	3,490,000	73.44%	2029
2030						180,000	50,461					655,000	82,971	737,971	2,835,000	78.42%	2030
2031						230,000	46,485					405,000	67,470	472,470	2,430,000	81.51%	2031
2032						205,000	42,118					380,000	56,553	436,553	2,050,000	84.40%	2032
2033						180,000	38,118					360,000	45,851	405,851	1,690,000	87.14%	2033
2034						205,000	34,005					310,000	36,158	346,158	1,380,000	89.50%	2034
2035						260,000	28,905					260,000	28,905	288,905	1,120,000	91.48%	2035
2036						230,000	23,420					230,000	23,420	253,420	890,000	93.23%	2036
2037						225,000	18,245					225,000	18,245	243,245	665,000	94.94%	2037
2038						225,000	13,059					225,000	13,059	238,059	440,000	96.65%	2038
2039						225,000	7,794					225,000	7,794	232,794	215,000	98.36%	2039
2040						215,000	2,569					215,000	2,569	217,569	0	100.00%	2040
		33,701	0	1,095,000	195,150	3,690,000	925,508					13,140,125	2,416,122	15,556,246			

* Preliminary, subject to change.

Village of Prairie du Sac, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Electric Revenues
 (As of 03/19/2020)

Elec Sys Rev Refund Bonds*
 Series 2012B

Dated Amount	Maturity	WPPI Loan		WPPI Loan		Total P & I	Total Interest	Total Principal	Principal Outstanding	% Paid	Calendar Year Ending
		05/17/2012 \$1,225,000	12/01	07/14/2015 \$123,505	04/10/2019 \$6,851						
		Principal	Interest	Principal	Interest						
2020		100,000	14,898	10,292	0	126,478	14,985	111,493	576,410	16.21%	2020
2021		100,000	12,848	12,351	0	126,720	12,928	113,792	462,618	32.75%	2021
2022		100,000	10,698	12,351	0	124,542	10,751	113,792	348,827	49.29%	2022
2023		105,000	8,348	12,351	0	127,164	8,372	118,792	230,035	66.56%	2023
2024		105,000	5,723	12,351	0	123,556	5,725	117,831	112,204	83.69%	2024
2025		105,000	2,940	7,204	0	115,144	2,940	112,204	0	100.00%	2025
		615,000	55,453	66,899	0	743,604	55,701	687,903			

* Payable on a basis senior to WPPI Loans

Village of Prairie du Sac, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Water Revenues
 (As of 03/19/2020)

Water Sys Rev Bonds
 Series 2012

Dated 04/25/2012
 Amount \$1,592,714
 Maturity 05/01

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2020	77,904	22,390	77,904	22,390	100,294	978,781	7.37%	2020
2021	79,618	20,657	79,618	20,657	100,275	899,163	14.91%	2021
2022	81,369	18,887	81,369	18,887	100,256	817,794	22.61%	2022
2023	83,160	17,077	83,160	17,077	100,237	734,634	30.48%	2023
2024	84,989	15,227	84,989	15,227	100,216	649,645	38.52%	2024
2025	86,859	13,337	86,859	13,337	100,196	562,786	46.74%	2025
2026	88,770	11,405	88,770	11,405	100,175	474,016	55.14%	2026
2027	90,723	9,430	90,723	9,430	100,153	383,293	63.73%	2027
2028	92,719	7,413	92,719	7,413	100,132	290,574	72.50%	2028
2029	94,758	5,350	94,758	5,350	100,108	195,816	81.47%	2029
2030	96,843	3,243	96,843	3,243	100,086	98,973	90.63%	2030
2031	98,974	1,089	98,974	1,089	100,063	-1	100.00%	2031
	1,056,685	145,505	1,056,685	145,505	1,202,191			

DEBT LIMIT

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

Equalized Value	\$ 449,857,200
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 22,492,860
Less: General Obligation Debt (includes the Bonds)*	<u>(13,140,125)</u>
Unused Debt Limit*	<u><u>\$ 9,352,735</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2019 Equalized Value ²	% In Village	Total G.O. Debt ³	Village's Proportionate Share
Sauk County	\$ 7,715,950,200	5.83%	\$ 11,310,000	\$ 659,373
Sauk Prairie School District	2,138,702,161	21.03%	25,432,781	5,348,514
Madison Area Technical College District ⁴	94,997,912,017	0.47%	153,865,000	<u>723,166</u>
Village's Share of Total Overlapping Debt				<u><u>\$ 6,731,053</u></u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

⁴ Madison Area Technical College is in the process of issuing \$4,250,000 General Obligation Promissory Notes, Series 2019D which issue is expected to close on March 2, 2020.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$449,857,200	Debt/ Per Capita 4,184¹
Total General Obligation Debt*	\$ 13,140,125	2.92%	\$ 3,140.57
Village's Share of Total Overlapping Debt	<u>6,731,053</u>	<u>1.50%</u>	<u>1,608.76</u>
Total*	\$ 19,871,178	4.42%	\$ 4,749.33

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

Due to administrative oversights, the Village did not make the final principal and interest payments for the \$1,820,000 Electric System Revenue Bonds, Series 2004, dated April 29, 2004 (the “2004 Bonds”) on December 1, 2013 and for the \$1,585,000 General Obligation Refunding Bonds, Series 2010A, dated February 11, 2010 (the “2010A Bonds”) on February 1, 2018. The payments were made on December 3, 2013 to DTC for the 2004 Bonds and on February 2, 2018 (principal) and February 5, 2018 (interest) to DTC for the 2010A Bonds. The Village Board adopted a resolution on February 27, 2018 to appoint BTSC as paying agent to make all future debt service payments on behalf of the Village for the Village’s outstanding issues that use DTC’s book-entry-only system.

FUTURE FINANCING

The Village and the Village of Sauk City are in the process of constructing a new police station to serve their joint police commission. The police commission is currently negotiating the purchase of land for the police station, which is expected to cost approximately \$250,000 to \$270,000. The total cost of the police station is expected to be approximately \$6,000,000, with construction to begin in Spring 2021. The Village would be responsible for financing 55% of the costs of the new police station, and the Village expects to issue general obligation debt for its portion of the land purchase and construction of the police station. The Village has no current plans for additional financing in the next 12 months.

¹ Estimated 2019 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2015/16	\$2,377,014	100%	\$7.43
2016/17	2,509,680	100%	7.02
2017/18	2,576,981	100%	6.94
2018/19	2,617,160	100%	6.70
2019/20	2,667,955	[In process]	6.15

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

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

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2015/16	\$11.25	\$4.60	\$7.43	\$0.19	\$23.47
2016/17	10.48	4.57	7.02	0.18	22.25
2017/18	10.47	4.52	6.94	0.00	21.93
2018/19	10.42	4.38	6.70	0.00	21.50
2019/20	10.40	4.28	6.15	0.00	20.83

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

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

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

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

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

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

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

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

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

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1885 and is governed by the President and a six-member Village Board, of which the Village President is a voting member. All members are elected to two-year terms. The appointed Village Administrator and Village Clerk/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 18 full-time and 10 part-time employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2016 ("Fiscal Year 2016"), the fiscal year ended December 31, 2017 ("Fiscal Year 2017") and the fiscal year ended December 31, 2018 ("Fiscal Year 2018"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$73,552, \$78,822 and \$78,375 respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2017, the total pension liability of the WRS was calculated as \$101.43 billion and the fiduciary net position of the WRS was calculated as \$104.4 billion, resulting in a net pension asset of \$2.97 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2018, the Village reported an asset of \$222,519 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2017 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.00749447% of the aggregate WRS net pension asset as of December 31, 2017. As of December 31, 2018, the net pension liability of the WRS was calculated as \$3.56 billion. Accordingly, the Village will report a liability for its proportionate share

of the net pension liability of the WRS in its audited financial statements for the fiscal year ended December 31, 2019.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 3.K. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The Village does not have any collective bargaining units that represent employees.

OTHER POST EMPLOYMENT BENEFITS

The Village provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the Village and have satisfied specified eligibility standards through a single-employer defined benefit plan. Eligible retirees may remain on the Village's group health plan but are responsible for payment of premiums, resulting in an implicit rate subsidy. Membership of the plan consisted of 1 retiree receiving benefits and 17 active eligible plan members as of December 31, 2017, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every three years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statements No. 74 and No. 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Key Benefits Concepts, LLC in April, 2019 with an actuarial valuation date of December 31, 2017 (the "Actuarial Report"). Certain tables of the Actuarial Report were updated in September 2019.

For Fiscal Year 2018, benefit payments for the plan totaled \$0. The Village's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2018, the plan's total OPEB liability was \$74,096 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$74,096.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see Note 3.J in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

In addition, the Village provides other post-employment benefits ("OPEB") through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2018, the Village's portion of contributions to the LRLIF totaled \$894. For Fiscal Year 2018, the Village reported a liability of \$141,641 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2017 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was .04707900% of the aggregate LRLIF net OPEB liability as of December 31, 2017.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 3.J in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of December 31, 2019)

Fund	Total Cash and Investments
St Pool Balance	\$ 2,751,021
Cash on Hand - Bank of Prairie du Sac	4,808,574
Electric	1,352,890
Sewer	135,341
Water	153,356
Storm	205,406
Total Funds on Hand	<u><u>\$ 9,406,588</u></u>

ENTERPRISE FUNDS

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

	2016	2017	2018
Water			
Total Operating Revenues	\$ 757,172	\$ 910,554	\$ 919,551
Less: Operating Expenses	<u>(611,125)</u>	<u>(575,458)</u>	<u>(578,318)</u>
Operating Income	\$ 146,047	\$ 335,096	\$ 341,233
Plus: Depreciation	187,887	199,031	210,352
Interest Income	<u>2,122</u>	<u>2,675</u>	<u>1,397</u>
Revenues Available for Debt Service	<u><u>\$ 336,056</u></u>	<u><u>\$ 536,802</u></u>	<u><u>\$ 552,982</u></u>
Sewer			
Total Operating Revenues	\$ 427,611	\$ 439,614	\$ 443,388
Less: Operating Expenses	<u>(366,878)</u>	<u>(400,414)</u>	<u>(413,375)</u>
Operating Income	\$ 60,733	\$ 39,200	\$ 30,013
Plus: Depreciation	53,308	55,504	60,535
Interest Income	<u>2,343</u>	<u>4,529</u>	<u>10,160</u>
Revenues Available for Debt Service	<u><u>\$ 116,384</u></u>	<u><u>\$ 99,233</u></u>	<u><u>\$ 100,708</u></u>
Electric			
Total Operating Revenues	\$ 5,289,137	\$ 5,418,495	\$ 5,195,989
Less: Operating Expenses	<u>(5,130,409)</u>	<u>(5,239,105)</u>	<u>(5,047,971)</u>
Operating Income	\$ 158,728	\$ 179,390	\$ 148,018
Plus: Depreciation	291,849	301,277	308,058
Interest Income	<u>5,084</u>	<u>7,628</u>	<u>15,834</u>
Revenues Available for Debt Service	<u><u>\$ 455,661</u></u>	<u><u>\$ 488,295</u></u>	<u><u>\$ 471,910</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete audited financial statements are available upon request. See Appendix A for the Village's 2018 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2016 Audited	2017 Audited	2018 Audited	2019 Unaudited ¹	2020 Adopted Budget ²
Revenues					
Property Taxes	\$ 1,420,659	\$ 1,458,696	\$ 1,503,290	\$ 1,518,734	\$ 1,589,333
Other taxes	318,276	462,794	295,869	286,315	290,500
Special assessments	29,611	44,928	20,924	0	0
Intergovernmental	558,863	580,411	616,675	627,357	716,623
License and permits	193,198	168,660	170,060	190,124	169,032
Public charges for services	361,319	411,421	437,463	437,396	459,941
Interest income	15,650	15,629	41,335	44,856	35,000
Miscellaneous	113,197	87,736	93,940	92,361	88,270
Total Revenues	\$ 3,010,773	\$ 3,230,275	\$ 3,179,556	\$ 3,197,143	\$ 3,348,699
Expenditures					
Current:					
General government	\$ 334,104	\$ 280,417	\$ 301,047	\$ 325,652	\$ 363,331
Public safety	950,989	929,739	966,300	1,032,058	1,175,087
Public works	913,302	954,455	1,083,626	1,174,958	1,141,458
Culture, recreation and education	539,981	569,620	612,513	575,755	648,158
Conservation and development	4,148	6,550	5,000	10,200	17,500
Capital outlay	4,500	4,352	40,171	0	0
Interest on fiscal charges	559	0	0	0	0
Total Expenditures	\$ 2,747,583	\$ 2,745,133	\$ 3,008,657	\$ 3,118,623	\$ 3,345,534
Excess of revenues over (under) expenditures	\$ 263,190	\$ 485,142	\$ 170,899	\$ 78,520	\$ 3,165
Other Financing Sources (Uses)					
Transfers in	286,202	0	0	0	0
Transfers out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 286,202	\$ 0	\$ 0	\$ 0	\$ 0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 549,392	\$ 485,142	\$ 170,899	\$ 78,520	\$ 3,165
General Fund Balance January 1	1,835,955	2,385,347	2,870,489	3,041,388	3,119,908
General Fund Balance December 31	\$ 2,385,347	\$ 2,870,489	\$ 3,041,388	\$ 3,119,908	\$ 3,123,073
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 476,289	\$ 502,241	\$ 502,106		
Restricted	0	0	0		
Committed	207,500	9,778	5,570		
Assigned	0	0	0		
Unassigned	1,701,558	2,358,470	2,533,712		
Total	\$ 2,385,347	\$ 2,870,489	\$ 3,041,388		

¹ Unaudited data is as of February 6, 2020.

² The 2020 budget was adopted on November 26, 2020.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 3,972 and a current estimated population of 4,184 comprises an area of 1.93 square miles and is located in Sauk County, approximately 25 miles northwest of Madison. The Sauk-Prairie Municipal Airport provides charter airline service, and commercial service is available in Madison.

LARGER EMPLOYERS¹

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Sauk Prairie Health Care	Hospital	513
School District of Sauk Prairie	Elementary and secondary education	425
Milwaukee Valve	Manufacturing	325
Mueller Sports Medicine, Inc.	Distributor of sports medicine products	140
Culver's Franchising Systems, Inc.	Corporate headquarters for Culver's Restaurants	117
Bank of Prairie du Sac	Financial institution	54
Sauk Prairie Market (Sentry)	Grocery store	50
Frey Construction	General contractors, home remodeling	45
Wollersheim Winery & Distillery	Company headquarters & wine & spirits	40
Schwartz Insurance	Insurance sales	34

Source: *ReferenceUSA, Sauk Prairie EDC, written and telephone survey (January 2020), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	20	9	11	7	0
Valuation	\$5,121,529	\$1,995,000	\$3,047,311	\$2,340,100	\$0
<u>New Multiple Family Buildings</u>					
No. of building permits	4	4	1	0	0
Valuation	\$392,000	\$1,660,000	\$480,000	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	2	0	1	3	0
Valuation	\$3,600,000	\$0	\$1,255,767	\$2,605,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	155	131	138	143	2
Valuation	\$13,097,888	\$5,579,308	\$7,166,649	\$7,014,668	\$26,546

Source: The Village.

¹ As of January 16, 2020.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	3,231
2010 U.S. Census	3,972
2019 Estimated Population	4,184
Percent of Change 2000 - 2010	22.93%

Income and Age Statistics

	The Village	Sauk County	State of Wisconsin	United States
2018 per capita income	\$30,666	\$29,608	\$32,018	\$32,621
2018 median household income	\$60,556	\$56,732	\$59,209	\$60,293
2018 median family income	\$80,208	\$71,827	\$75,313	\$73,965
2018 median gross rent	\$1,084	\$780	\$837	\$1,023
2018 median value owner occupied units	\$227,000	\$174,500	\$173,600	\$204,900
2018 median age	37.8 yrs.	41.2 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
Village % of 2018 per capita income	95.78%	94.01%
Village % of 2018 median family income	106.50%	108.44%

Housing Statistics

	<u>The Village</u>		Percent of Change
	2010	2018	
All Housing Units	1,733	1,920	10.79%

Source: 2000 and 2010 Census of Population and Housing, and 2018 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Sauk County		Sauk County	State of Wisconsin
2015	33,855		4.1%	4.6%
2016	34,049		3.6%	4.0%
2017	34,591		2.9%	3.3%
2018	34,765		2.6%	3.0%
2019, December ¹	33,786		3.1%	3.2%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

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

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

JBC

JOHNSON BLOCK

CPAs

VILLAGE OF PRAIRIE DU SAC, WISCONSIN

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

Year Ended December 31, 2018

**Johnson Block & Company, Inc.
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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

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

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
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
DEFERRED OUTFLOWS OF RESOURCES			
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
LIABILITIES			
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
 DEFERRED INFLOWS OF RESOURCES	 3,607,291	 238,241	 3,845,532
NET POSITION			
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**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 455,288	\$ 188,717	\$ 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	421,153	309,016	69,655	(1,153,523)	-	(1,153,523)
Culture and Recreation	786,052	11,130	153,573	-	(621,349)	-	(621,349)
Conservation and Development	528,208	11,455	2,835	-	(513,918)	-	(513,918)
Interest on Long-Term Debt	243,790	-	-	-	(243,790)	-	(243,790)
Total governmental activities	5,032,570	632,455	556,608	78,366	(3,765,141)	-	(3,765,141)
Business-type Activities:							
Water	650,285	919,551	-	-	-	\$ 269,266	269,266
Sewer	425,550	443,388	-	-	-	17,838	17,838
Electric	5,067,735	5,195,989	-	78,697	-	206,951	206,951
Storm Water	131,526	121,210	-	-	-	(10,316)	(10,316)
Total business-type activities	6,275,096	6,680,138	-	78,697	-	483,739	483,739
Total	\$ 11,307,666	\$ 7,312,593	\$ 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	-	43,572
Investment loss in Sauk Prairie Sewer Commission					-	28,908	28,908
Miscellaneous					107,293	(21,714)	(13,421)
Transfers					273,042	1,901	274,943
Total general revenues and transfers					3,871,072	(273,042)	3,600,030
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	
ASSETS						
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>
LIABILITIES						
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>
DEFERRED INFLOWS OF RESOURCES	<u>3,040,639</u>	<u>623,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,663,770</u>
FUND BALANCES						
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
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Property tax equivalent receivable		233,859
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The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.		106,628
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The net OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.		(108,896)
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Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and the deferred inflows of resources are not financial resources or uses and, therefore, are not reported in the fund statements.

Deferred outflows of resources		200,650
Deferred inflows of resources		(215,964)

Deferred inflows of resources reported in the fund financial statements, but recognized as earned on the Statement of Net Position		38,586
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Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Governmental capital assets	\$ 24,387,739	
Governmental accumulated depreciation	(11,418,991)	12,968,748

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

General obligation debt	(8,223,255)	
Unamortized debt premium, net	(83,730)	
Vested employee benefits	(97,598)	
Accrued interest	(83,020)	(8,487,603)

Net Position of Governmental Activities in the Statement of Net Position	\$	<u>8,516,841</u>
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The accompanying notes to financial statements are an integral part of this statement.

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018**

	Major			Non-Major		Total Governmental Funds
	General Fund	TID	Capital Projects Fund	Debt Service Fund	Transit Fund	
REVENUES						
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>
EXPENDITURES						
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>
OTHER FINANCING SOURCES						
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	273,042	
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	(1,120,972)	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	(244,787)	(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.		
		(15,359)
Change in net position of governmental activities		\$ 105,931

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	
ASSETS					
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	<u>2,488,300</u>	<u>94,667</u>	<u>774,141</u>	<u>228,915</u>	<u>3,586,023</u>
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	<u>625,439</u>	<u>713,998</u>	<u>65,755</u>	<u>82,921</u>	<u>1,488,113</u>
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	<u>(5,427,791)</u>	<u>(1,940,269)</u>	<u>(691,267)</u>	<u>(511,295)</u>	<u>(8,570,622)</u>
Net Capital Assets	<u>3,366,506</u>	<u>6,717,419</u>	<u>1,630,273</u>	<u>1,569,378</u>	<u>13,283,576</u>
Noncurrent Assets:					
Investment in Sauk Prairie Sewer Commission	-	-	1,061,020	-	1,061,020
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>1,061,020</u>	<u>-</u>	<u>1,061,020</u>
Total Assets	<u>6,480,245</u>	<u>7,526,084</u>	<u>3,531,189</u>	<u>1,881,214</u>	<u>19,418,732</u>
DEFERRED OUTFLOWS OF RESOURCES					
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	<u>148,525</u>	<u>48,893</u>	<u>16,545</u>	<u>9,482</u>	<u>223,445</u>
Total Assets and Deferred Outflows of Resources					
	<u>\$ 6,628,770</u>	<u>\$ 7,574,977</u>	<u>\$ 3,547,734</u>	<u>\$ 1,890,696</u>	<u>\$ 19,642,177</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	
LIABILITIES					
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	<u>618,620</u>	<u>661,698</u>	<u>192,014</u>	<u>128,553</u>	<u>1,600,885</u>
Non-Current Liabilities:					
Long-Term Liabilities	729,579	2,381,655	425,798	1,872	3,538,904
Total Long-Term Liabilities	<u>729,579</u>	<u>2,381,655</u>	<u>425,798</u>	<u>1,872</u>	<u>3,538,904</u>
Other Liabilities					
Advances Payable	-	72,801	-	403,488	476,289
Net Life Insurance OPEB Liability	73,994	28,965	-	-	102,959
Total Other Liabilities	<u>73,994</u>	<u>101,766</u>	<u>-</u>	<u>403,488</u>	<u>579,248</u>
Total Non-Current Liabilities	<u>803,573</u>	<u>2,483,421</u>	<u>425,798</u>	<u>405,360</u>	<u>4,118,152</u>
Total Liabilities	<u>1,422,193</u>	<u>3,145,119</u>	<u>617,812</u>	<u>533,913</u>	<u>5,719,037</u>
DEFERRED INFLOWS OF RESOURCES					
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	<u>157,938</u>	<u>51,643</u>	<u>18,219</u>	<u>10,441</u>	<u>238,241</u>
NET POSITION					
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	<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>
Total Liabilities, Deferred Inflows of Resources, and Net Position					
	<u>\$ 6,628,770</u>	<u>\$ 7,574,977</u>	<u>\$ 3,547,734</u>	<u>\$ 1,890,696</u>	<u>\$ 19,642,177</u>

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

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

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

For the Year Ended December 31, 2018

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Fund	Storm Water Fund	
OPERATING REVENUES					
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>
OPERATING EXPENSES					
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>
NON-OPERATING REVENUES (EXPENSES)					
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**

	<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>	
Cash Flows from Operating Activities:					
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	<u>522,097</u>	<u>448,618</u>	<u>156,256</u>	<u>35,180</u>	<u>1,162,151</u>
Cash Flows from Capital and Related Financing Activities:					
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	<u>(256,723)</u>	<u>(197,136)</u>	<u>(140,172)</u>	<u>-</u>	<u>(594,031)</u>
Cash Flows from Noncapital Financing Activities:					
Cash paid for property tax equivalent	<u>(131,250)</u>	<u>(131,250)</u>	<u>-</u>	<u>-</u>	<u>(262,500)</u>
Net cash provided (used) by noncapital financing activities	<u>(131,250)</u>	<u>(131,250)</u>	<u>-</u>	<u>-</u>	<u>(262,500)</u>
Cash Flows from Investing Activities:					
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	<u>17,735</u>	<u>1,397</u>	<u>10,160</u>	<u>1,517</u>	<u>30,809</u>
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>	<u>1,984,638</u>	<u>656,068</u>	<u>803,186</u>	<u>269,871</u>	<u>3,713,763</u>
<u>Cash and Equivalents, End of year</u>	<u>\$ 2,136,497</u>	<u>\$ 777,697</u>	<u>\$ 829,430</u>	<u>\$ 306,568</u>	<u>\$ 4,050,192</u>
Reconciliation of cash and cash equivalents to the statement of net position:					
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	<u>548,776</u>	<u>689,068</u>	<u>56,666</u>	<u>77,712</u>	<u>1,372,222</u>
Cash and cash equivalents - end of year	<u>\$ 2,136,497</u>	<u>\$ 777,697</u>	<u>\$ 829,430</u>	<u>\$ 306,568</u>	<u>\$ 4,050,192</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	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
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	\$ 522,097	\$ 448,618	\$ 156,256	\$ 35,180	\$ 1,162,151
Noncash capital and related financing activities:					
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	\$ -	\$ -	\$ -	\$ -	\$ -

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

VILLAGE OF PRAIRIE DU SAC, WISCONSIN
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December 31, 2018

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

This report includes all of the funds of the Village of Prairie du Sac. 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, liabilities, 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

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 Saak 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 unamortized 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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:

	Electric	Water	Sewer
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	2,169	1,965	1,745

Insurance Coverage

The utilities are in compliance with combined insurance requirements.

Debt Coverage

2018 required and actual coverage factors are as follows:

	Electric	Water	Sewer
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	\$ 552,508	\$ 552,982	\$ 100,708
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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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
	<u>\$ 11,155,226</u>
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	<u>4,346,287</u>
	<u>\$ 11,155,226</u>

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	<u>1,000,000</u>
Total	<u>\$ 7,732,488</u>

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

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

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

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.

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

- 1 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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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.dhs.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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES

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

	Tax			Total
	General Fund	Incremental Financing Districts Funds	Fiduciary Fund	
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:

	Tax		Total
	General Fund	Incremental Financing Districts	
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
	\$ 707,889

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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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	\$ 548,776	\$ 689,068	\$ 56,666	\$ 77,712	\$ 1,372,222

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	10,977
General government	65,943
Public safety	863,490
Public works	166,768
Culture and recreation	13,794
Conservation and development	-
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
Electric Utility:				
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	\$ 8,616,288	\$ 213,693	\$ 35,684	\$ 8,794,297
Water Utility:				
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	\$ 8,479,946	\$ 333,070	\$ 155,328	\$ 8,657,688
Sewer Fund:				
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	\$ 2,280,283	\$ 99,427	\$ 58,170	\$ 2,321,540
Storm Water Fund:				
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	\$ 2,080,673	\$ -	\$ -	\$ 2,080,673

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

Fund	Balance 1/1/2018	2018		Balance 12/31/2018
		Depreciation Expense	2018 Meter Reading Allocation	
Electric	\$ 5,149,816	\$ 308,058	\$ -	\$ 5,427,791
Water	1,881,119	210,352	17,352	1,940,269
Sewer	706,254	60,535	(17,352)	691,267
Storm Water	468,152	43,143	-	511,295
Total	\$ 8,205,341	\$ 622,088	\$ -	\$ 8,570,622

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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. INTERFUND RECEIVABLES / PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables:

	Due From		Due To		Purpose
	Other Funds	\$	Other Funds	\$	
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	\$ 866,493	\$ 866,493			

The following is a schedule of interfund advances:

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

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

Transfer from:	Transfer to:	Purpose:	
		Governmental Activities	Tax equivalent
Business-type Activities	Governmental Activities	\$ -	\$ 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 (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:

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2018
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				\$ 8,223,255	\$ 8,223,255

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	\$ 8,223,255	\$ 1,332,668

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:

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

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)

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

Business-Type Activities	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2018
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					\$ 3,871,634

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

Years	Business-Type Activities		Business-Type Activities	
	General Obligation Debt	Interest	Mortgage Revenue Bonds	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	\$ 1,942,415	\$ 307,987	\$ 1,929,219	\$ 241,940

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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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

I. GOVERNMENTAL FUND BALANCES

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

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

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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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)
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://ef.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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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 (asset) 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 0.047079000%, which was a decrease of 0.0029355% 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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,687	\$ (1,996)
Changes of assumptions	-	-
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	<u>\$ 17,178</u>	<u>\$ (8,175)</u>

\$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:

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

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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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 Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases:	3.20%
Inflation:	0.2% - 5.6%
Seniority/Merit:	Wisconsin 2012 Mortality Table
Mortality:	

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 LRLJF are held with Securitan, the insurance carrier. Interest is calculated and credited to the LRLJF 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.

Asset Class	Local OPEB Life Insurance		Long-Term Expected Geometric Real Rate of Return
	Index	Target Allocation	
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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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://efw.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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 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

Balance at 12/31/2016	\$ 61,771	Total OPEB Liability
Changes for the year:		
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	8,443	
Net Changes	8,443	
Balance at 12/31/2017	\$ 70,214	\$ 70,214

There were no changes of benefit terms nor in assumptions.

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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 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:

Healthcare Cost Trend Rates		1% Increase
1% Decrease	(Actual first year increase, then 6.0% decreasing to 4.0%)	(Actual first year increase, then 8.0% decreasing to 6.0%)
Total OPEB Liability	\$ 64,370	\$ 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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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://ctf.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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
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. Employees 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:

Employee Category	Employee	Employer
General	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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 employees. 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
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

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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Return %	Long-Term Expected Real Rate of Return %
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	110.0%	7.3%	4.4%

Variable Fund Asset Class

US Equities	70.0%	7.5%	4.6%
International Equities	30.0%	7.8%	4.9%
Total Variable Fund	100.0%	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-Discipline 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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

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:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
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://ef.wi.gov/publications/capf.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

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

L. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS (Continued)

	TID No. 3	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
	TID No. 4	
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

NOTE 4. OTHER INFORMATION

A. JOINT VENTURES

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

The Villages of Prairie du Sac and Sauk City jointly formed the Sauk Prairie Police Commission to provide law enforcement services to each of the Villages. Under the agreement, costs are jointly shared and are apportioned annually based upon several criteria. The Village paid \$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 WPPJ Energy member municipalities located throughout the States of Wisconsin, Iowa and Michigan. On December 1, 1989, each initial WPPJ Energy member commenced purchasing electric service from WPPJ Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPJ 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 WPPJ Energy members to pay for power and energy requirements supplied or made available by WPPJ Energy at rates sufficient to cover WPPJ Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPJ 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 WPPJ Energy obligations. The long-term contract provides that all payments to WPPJ Energy constitute operating expenses of the electric utility payable from any operating and maintenance fund established for that system.

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

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

NOTE 4. OTHER INFORMATION (Continued)

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.

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

NOTE 4. OTHER INFORMATION (Continued)

E. TAX ABATEMENTS

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

The Village of Prairie du Sac, through its TID No. 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	\$ 8,305,600	\$ 13,552,722	\$ 5,025,377	\$ 4,266,785
Cumulative effect of change in accounting principle (GASB Statement No. 75)	(32,918)	(87,615)	(62,967)	(24,648)
OPEB - multiple-employer life insurance plan	(61,772)	-	-	-
OPEB - single-employer health insurance plan	\$ 8,410,910	\$ 13,465,107	\$ 4,962,410	\$ 4,242,137

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 actual measurement dates.

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

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
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	3,056,834	3,056,834	3,179,556	122,722
EXPENDITURES				
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	3,056,834	3,052,335	3,008,657	43,678
Excess (Deficiency) of Revenues Over Expenditures			170,899	166,400
Fund Balances - Beginning	2,870,489	2,870,489	2,870,489	-
Fund Balances - Ending	\$ 2,870,489	\$ 2,874,988	\$ 3,041,388	\$ 166,400

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)	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	7.15%	44.81%
		\$ 1,979,807		

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)	Contributions as a percentage of covered-employee payroll
2018	\$ 1,860	(1,860)	\$ -	0.18%
			\$ 1,042,000	

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

	2017
Total OPEB Liability	\$ 70,214
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	8,443
Net change in total OPEB	61,771
Total OPEB Liability - Beginning	8,443
Total OPEB Liability - Ending	\$ 70,214
Covered Employee Payroll	\$ 986,546
Total OPEB Liability as a Percentage of Covered-Employee Payroll	7.12%

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	0.00675569%	(165,401)	948,208	(17.44%)	102.74%

SCHEDULE OF VILLAGE'S CONTRIBUTIONS
FOR THE YEAR ENDED

Year ended December 31,	Contributions in relation to		Covered-employee payroll	Contributions as a percentage of covered- employee payroll
	Contractually required contributions	the contractually required contributions		
2018	\$ 78,375	\$ 78,375	\$ -	6.70%
2017	78,822	78,822	-	6.80%
2016	73,552	73,552	-	6.60%
2015	67,172	67,172	-	6.80%

See notes to required supplementary information.

See notes to required supplementary information.

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

NOTE 1. BUDGETARY INFORMATION

A. BUDGETS

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

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

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

NOTE 2. LOCAL RETIREE LIFE INSURANCE SCHEDULES

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

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

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

NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES

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

VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN

COMBINING BALANCE SHEET
TAX INCREMENTAL FINANCING DISTRICTS
December 31, 2018

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

OTHER SUPPLEMENTARY INFORMATION

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

	Tax Incremental Financing District No. 3	Tax Incremental Financing District No. 4	Tax Incremental Financing District No. 5	Tax Incremental Financing District No. 6	Total Tax Incremental Financing Districts
REVENUES					
Property Taxes	\$ 290,773	\$ 363,915	\$ -	\$ -	\$ 654,688
Intergovernmental	2,835	31,962	-	-	34,797
Interest Income	2,237	-	-	-	2,237
Total Revenues	295,845	395,877	-	-	691,722
EXPENDITURES					
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	162,777	370,649	20,868	16,743	571,037
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	\$ 329,072	\$ 297,260	\$ (20,868)	\$ (16,743)	\$ 588,721

FORM OF LEGAL OPINION

(See following pages.)

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

March 19, 2020

Re: Village of Prairie du Sac, Wisconsin ("Issuer")
\$3,690,000 General Obligation Corporate Purpose Bonds, Series 2020A,
dated March 19, 2020 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$95,000	___%
2022	85,000	___
2023	85,000	___
2024	100,000	___
2025	155,000	___
2026	150,000	___
2027	230,000	___
2028	230,000	___
2029	180,000	___
2030	180,000	___
2031	230,000	___
2032	205,000	___
2033	180,000	___
2034	205,000	___
2035	260,000	___
2036	230,000	___
2037	225,000	___
2038	225,000	___
2039	225,000	___
2040	215,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2021.

The Bonds maturing on March 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Prairie du Sac, Sauk County, Wisconsin (the "Issuer") in connection with the issuance of \$3,690,000 General Obligation Corporate Purpose Bonds, Series 2020A, dated March 19, 2020 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on January 28, 2020 and February 25, 2020 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

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

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

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

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

"Final Official Statement" means the Final Official Statement dated February 26, 2020 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

"Issuer" means the Village of Prairie du Sac, Sauk County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Administrator of the Issuer who can be contacted at Village Hall, 335 Galena Street, Prairie du Sac, Wisconsin 53578, phone (608) 643-2421, fax (608) 643-7927.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2019, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

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

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

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

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

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

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

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

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

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 19th day of March, 2020.

(SEAL)

Cheryl A. Sherman
President

Niki Conway
Village Clerk/Treasurer

NOTICE OF SALE

**\$3,690,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A
VILLAGE OF PRAIRIE DU SAC, WISCONSIN**

Bids for the purchase of \$3,690,000* General Obligation Corporate Purpose Bonds, Series 2020A (the "Bonds") of the Village of Prairie du Sac, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on February 25, 2020, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of street improvement projects, parking lot projects, storm water projects, sanitary sewer projects, water system projects and fire engines and other equipment of the fire department. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated March 19, 2020, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$95,000	2028	\$230,000	2035	\$260,000
2022	85,000	2029	180,000	2036	230,000
2023	85,000	2030	180,000	2037	225,000
2024	100,000	2031	230,000	2038	225,000
2025	155,000	2032	205,000	2039	225,000
2026	150,000	2033	180,000	2040	215,000
2027	230,000	2034	205,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2021, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the Village, the Bonds maturing on or after March 1, 2029 shall be subject to optional redemption prior to maturity on March 1, 2028 or any date thereafter, at a price of par plus accrued interest.

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

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

DELIVERY

On or about March 19, 2020, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Bonds. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$3,643,875 nor more than \$3,911,400 plus accrued interest on the principal sum of \$3,690,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

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

A good faith deposit ("Deposit") in the amount of \$73,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The Village and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have

no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

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

identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Village Board

Niki Conway, Clerk/Treasurer
Village of Prairie du Sac, Wisconsin

BID FORM

The Village Board
Village of Prairie du Sac, Wisconsin

February 25, 2020

RE: \$3,690,000* General Obligation Corporate Purpose Bonds, Series 2020A (the "Bonds")
DATED: March 19, 2020

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$3,643,875 nor more than \$3,911,400) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2021	_____	% due	2028	_____	% due	2035
_____	% due	2022	_____	% due	2029	_____	% due	2036
_____	% due	2023	_____	% due	2030	_____	% due	2037
_____	% due	2024	_____	% due	2031	_____	% due	2038
_____	% due	2025	_____	% due	2032	_____	% due	2039
_____	% due	2026	_____	% due	2033	_____	% due	2040
_____	% due	2027	_____	% due	2034			

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

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$73,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about March 19, 2020.

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

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

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

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

If the competitive sale requirements are not met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from March 19, 2020 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Village Board of the Village of Prairie du Sac, Wisconsin, on February 25, 2020.

By: _____ By: _____
Title: _____ Title: _____