

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 21, 2026

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 Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

New Issue

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

VILLAGE OF PRAIRIE DU SAC, WISCONSIN (Sauk County)

\$1,730,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: April 28, 2026, 10:00 A.M., C.T.

CONSIDERATION: April 28, 2026, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$1,730,000* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Prairie du Sac, Wisconsin (the "Village"), for public purposes, including paying the cost of 2026 capital improvement projects, including street and stormwater improvement projects. The Notes 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 Notes 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 NOTES: May 20, 2026

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$75,000	2032	\$100,000	2037	\$105,000
2028	145,000	2033	105,000	2038	105,000
2029	150,000	2034	105,000	2039	105,000
2030	155,000	2035	105,000	2040	105,000
2031	160,000	2036	105,000	2041	105,000

***MATURITY ADJUSTMENTS:** The Village reserves the right to increase or decrease the principal amount of the Notes 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, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on March 1, 2035 and thereafter are subject to call for prior optional redemption on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: \$1,708,375.

MAXIMUM BID: \$1,868,400.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$34,600 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND

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 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 Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). 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 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 Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

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 Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes 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 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 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 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 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 Official Statement describes the conditions under which the Village is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Notes, 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 Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this 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 Notes; (3) a certificate evidencing the due execution of the Notes, 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 Notes, (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 Notes 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 Notes 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>
Andrew Strathman	Village President	April 2027
Craig Bender	Trustee	April 2028
Michael Gesicki	Trustee	April 2027
Diane Jolicoeur	Trustee	April 2027
Rich Judge	Trustee	April 2028
Nick Lester	Trustee	April 2027
Lauri Meixelsperger	Trustee	April 2028

ADMINISTRATION

Alan R. Wildmann II, Village Administrator

Niki Conway, Village Clerk/Treasurer

PROFESSIONAL SERVICES

William S. Cole, Axley, Brynson, LLP, Village Attorney, Madison, Wisconsin

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

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin

(Other office located in Minneapolis, Minnesota)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Prairie du Sac, Wisconsin (the "Village") and the issuance of its \$1,730,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). Any descriptions or summaries of the Notes, 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 Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on April 28, 2026.

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 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 NOTES

GENERAL

The Notes 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 May 20, 2026. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2027, to the registered owners of the Notes 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"). All Notes 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 Notes 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 Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes 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 Notes shall be payable as provided in the Authorizing Resolution.

The Village has selected Bond Trust Services Corporation, Minneapolis, 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 Notes maturing on or after March 1, 2035 shall be subject to optional redemption prior to maturity on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Village. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including paying the cost of 2026 capital improvement projects, including street and stormwater improvement projects.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$1,730,000	
Estimated Interest Earnings	<u>12,337</u>	
Total Sources		\$1,742,337
Uses		
Estimated Underwriter's Discount	\$21,625	
Costs of Issuance	75,150	
Deposit to Project Construction Fund	1,644,977	
Rounding Amount	<u>585</u>	
Total Uses		\$1,742,337

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Notes 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, irrepealable tax on all taxable property in the Village sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes 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 "Aa3" by Moody's Investors Service, Inc. ("Moody's"). The Village has requested a rating on the Notes 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 Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, 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 Notes 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 Notes, 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 of the Notes, 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 Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 Notes. 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 the Official Statement or other offering material relating to the Notes 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 the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes 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 Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes."

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

Prospective purchasers of the Notes should be aware that ownership of the Notes 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 Notes 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 Notes. 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 Notes may be enacted. Prospective purchasers of the Notes 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 Notes is less than the principal amount payable at maturity, such Notes ("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 Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond 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 bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond 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 bond 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 Notes shall be designated 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 Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. 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, 2024 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

The following is a description of possible risks to holders of the Notes 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. Potential investors should read this Official Statement, including the appendices, in its entirety.

Taxes: The Notes 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 of Wisconsin (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 Notes. 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 Notes 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 Notes may fall for purposes of resale. Noncompliance by the Village with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes 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 Notes. 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 Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes 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 Notes.

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 Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes 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 Notes. 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 Notes 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

2025 Equalized Value	\$700,014,200
2025 Equalized Value Reduced by Tax Increment Valuation	\$692,769,600
2025 Assessed Value	\$666,037,000

2025 EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value¹	Percent of Total Equalized Value
Residential	\$556,085,500	79.439%
Commercial	130,553,200	18.650%
Manufacturing	13,337,200	1.905%
Agricultural	21,300	0.003%
Ag Forest	<u>17,000</u>	<u>0.002%</u>
 Total	 <u><u>\$700,014,200</u></u>	 <u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2021	\$434,226,100	\$524,103,000	11.26%
2022	438,287,200	601,338,200	14.74%
2023	440,162,000	665,227,600	10.62%
2024	671,201,200 ²	671,594,000	0.96%
2025	666,037,000	700,014,200	4.23%

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

¹ Includes tax increment valuation.

² Reassessment completed.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value ¹	Percent of Village's Total Equalized Value
CAB LLC	Office Building	\$12,594,458	1.80%
GAHC4 Sauk Prairie WI Mob LLC	Medical Building	8,639,477	1.23%
CJE Development LLC	Multi-Family Residential	7,720,687	1.10%
The Pines Assisted Living LLC	Medical	7,654,482	1.09%
Milwaukee Valve Company Inc	Manufacturing	5,647,771	0.81%
Compeer Financial FLCA	Bank/Office	5,395,961	0.77%
Kwik Trip Inc	Convenience Store	3,993,068	0.57%
Schwarz PDS Properties LLC	Insurance/Office	3,776,617	0.54%
Bank of Prairie du Sac	Bank	3,690,057	0.53%
Rapp Real Estate Investments LLC	Manufacturing	<u>3,687,539</u>	<u>0.53%</u>
Total		\$62,800,117	8.98%
Village's Total 2025 Equalized Value ²		\$700,014,200	

Source: The Village.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u><u>\$22,404,489</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues	<u><u>\$2,450</u></u>
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Total revenue debt secured by sewer and water revenues	<u><u>\$6,009,502</u></u>
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*Preliminary, subject to change.

¹ Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the Village.

² Includes tax increment valuation.

³ Outstanding debt is as of the dated date of the Notes.

DEBT PAYMENT HISTORY

The Village has no record of default in the payment of principal and interest on its debt in the previous five years.

FUTURE FINANCING

The Village expects to issue general obligation debt for capital projects in 2027, but the amount and timing of such borrowing have not yet been determined. Aside from the preceding, the Village has no current plans for additional financing in the next 12 months.

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	\$700,014,200
Multiply by 5%	0.05
Statutory Debt Limit ¹	<u>\$35,000,710</u>
Less: General Obligation Debt*	<u>(22,404,489)</u>
Unused Debt Limit*	<u><u>\$12,596,221</u></u>

*Preliminary, subject to change.

¹ The Village Board has adopted a debt management policy that states that the Village shall, as a matter of policy, limit the amount of general obligation debt outstanding, excluding tax increment finance debt and self-supporting debt, to 65% of the Village's statutory debt limit, and total general obligation debt, regardless of support, to 75% of the Village's statutory debt limit. The debt management policy allows for projects to be designated as "legacy projects" by the Village Board, which related general obligation debt can cause the limits to be exceeded by no more than an additional 5% each during the first two years of the borrowing. Further, total annual debt service payments on tax supported general obligation debt, excluding tax increment finance debt and self-supporting debt, of the Village should normally not exceed \$3.25 per thousand equalized value tax rate of the Village. The Village will be in compliance with its debt management policy in connection with the issuance of the Notes.

Village of Prairie du Sac, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 05/20/2026)

	Corporate Purpose Bonds Series 2015A		Promissory Notes Series 2017A		Corporate Purpose Bonds Series 2018A		WPPI Loan		Promissory Notes Series 2019A	
Dated	05/19/2015		03/23/2017		03/20/2018		08/16/2018		02/27/2019	
Amount	\$2,050,000		\$1,235,000		\$1,685,000		\$39,263		\$1,205,000	
Maturity	04/01		03/01		03/01		Monthly		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	6,681	0	1,375	0	8,900	2,618	0	0	5,700
2027	115,000	11,781	100,000	1,375	100,000	16,450	3,926	0	125,000	9,525
2028	120,000	8,400			100,000	13,700	2,945	0	125,000	5,775
2029	110,000	4,950			75,000	11,138			130,000	1,950
2030	110,000	1,650			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										
2041										
2042										
2043										
2044										
	455,000	33,463	100,000	2,750	575,000	70,475	9,489	0	380,000	22,950

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Village of Prairie du Sac, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/20/2026)

	Corporate Purpose Bonds Series 2020A		Corporate Purpose Bonds Series 2021A		Corporate Purpose Bonds Series 2022A		Corporate Purpose Bonds Series 2023A		Promissory Notes Series 2024A	
Dated	03/19/2020		03/03/2021		03/10/2022		05/17/2023		06/20/2024	
Amount	\$3,640,000		\$6,415,000		\$4,005,000		\$2,140,000		\$4,995,000	
Maturity	03/01		03/01		03/01		03/01		03/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	34,800	0	41,816	0	26,581	0	38,700	0	106,850
2027	230,000	65,000	170,000	81,083	370,000	49,463	85,000	75,700	170,000	209,450
2028	230,000	55,800	160,000	76,133	360,000	42,163	90,000	72,200	215,000	199,825
2029	180,000	49,400	180,000	71,033	370,000	34,863	90,000	68,600	225,000	188,825
2030	180,000	45,800	265,000	64,358	385,000	27,313	95,000	64,900	260,000	176,700
2031	230,000	41,700	475,000	55,633	210,000	21,310	95,000	61,100	260,000	163,700
2032	205,000	37,350	500,000	48,383	210,000	16,953	105,000	57,100	265,000	150,575
2033	180,000	33,500	505,000	43,105	215,000	12,436	105,000	52,900	265,000	137,325
2034	205,000	29,650	530,000	37,148	220,000	7,705	105,000	48,700	265,000	124,075
2035	260,000	25,000	520,000	30,718	120,000	3,935	115,000	44,300	265,000	110,825
2036	230,000	20,100	470,000	24,413	110,000	1,293	115,000	39,700	275,000	98,700
2037	225,000	15,550	400,000	18,658			120,000	35,000	280,000	87,600
2038	225,000	11,050	350,000	13,508			125,000	30,100	285,000	76,300
2039	225,000	6,550	290,000	8,955			130,000	25,000	285,000	64,900
2040	215,000	2,150	245,000	5,015			140,000	19,600	285,000	53,500
2041			205,000	1,589			140,000	14,000	290,000	42,000
2042							140,000	8,400	290,000	30,400
2043							140,000	2,800	305,000	18,500
2044									310,000	6,200
	3,020,000	473,400	5,265,000	621,543	2,570,000	244,013	1,935,000	758,800	4,795,000	2,046,250

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Village of Prairie du Sac, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/20/2026)

	Promissory Notes Series 2025A		Promissory Notes Series 2026A							
Dated	05/14/2025		05/20/2026							
Amount	\$1,680,000		\$1,730,000*							
Maturity	03/01		03/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	35,606	0	0	2,618	307,010	309,628	22,401,871	.01%	2026
2027	90,000	68,963	75,000	76,009	1,633,926	664,798	2,298,724	20,767,945	7.30%	2027
2028	95,000	64,338	145,000	55,810	1,642,945	594,143	2,237,087	19,125,000	14.64%	2028
2029	95,000	59,588	150,000	51,348	1,605,000	541,693	2,146,693	17,520,000	21.80%	2029
2030	100,000	54,713	155,000	46,696	1,625,000	490,941	2,115,941	15,895,000	29.05%	2030
2031	100,000	49,713	160,000	41,853	1,605,000	441,383	2,046,383	14,290,000	36.22%	2031
2032	100,000	44,713	100,000	37,773	1,560,000	396,670	1,956,670	12,730,000	43.18%	2032
2033	110,000	39,463	105,000	34,440	1,560,000	354,444	1,914,444	11,170,000	50.14%	2033
2034	110,000	33,963	105,000	30,923	1,540,000	312,163	1,852,163	9,630,000	57.02%	2034
2035	110,000	29,013	105,000	27,300	1,495,000	271,090	1,766,090	8,135,000	63.69%	2035
2036	110,000	24,613	105,000	23,546	1,415,000	232,364	1,647,364	6,720,000	70.01%	2036
2037	110,000	20,213	105,000	19,661	1,240,000	196,681	1,436,681	5,480,000	75.54%	2037
2038	110,000	15,813	105,000	15,671	1,200,000	162,441	1,362,441	4,280,000	80.90%	2038
2039	110,000	11,344	105,000	11,445	1,145,000	128,194	1,273,194	3,135,000	86.01%	2039
2040	110,000	6,806	105,000	6,983	1,100,000	94,054	1,194,054	2,035,000	90.92%	2040
2041	110,000	2,269	105,000	2,363	850,000	62,220	912,220	1,185,000	94.71%	2041
2042					430,000	38,800	468,800	755,000	96.63%	2042
2043					445,000	21,300	466,300	310,000	98.62%	2043
2044					310,000	6,200	316,200	0	100.00%	2044
	1,570,000	561,125	1,730,000	481,819	22,404,489	5,316,587	27,721,075			

* Preliminary, subject to change.

Village of Prairie du Sac, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Electric Revenues
 (As of 05/20/2026)

WPPI Loan								
Dated	07/06/2022							
Amount	\$9,433							
Maturity	Monthly							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	1,299	25	1,299	25	1,324	1,151	53.02%	2026
2027	1,151	8	1,151	8	1,159	0	100.00%	2027
	2,450	33	2,450	33	2,483			

Village of Prairie du Sac, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer and Water Revenues
(As of 05/20/2026)

	Water System and Sewer System Revenue Bonds (SDWFL) Series 2012		Water System and Sewer System Revenue Bonds Series 2023B		Water System and Sewer System Revenue Bonds (SDWFL) 1) Series 2024							
Dated Amount	04/25/2012 \$1,554,317		05/17/2023 \$2,220,000		09/25/2024 \$3,722,963							
Maturity	05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	5,214	0	40,939	0	42,162	0	88,315	88,315	6,009,502	.00%	2026
2027	90,723	9,430	105,000	79,253	161,202	82,418	356,924	171,100	528,025	5,652,578	5.94%	2027
2028	92,719	7,413	110,000	74,703	165,014	78,560	367,733	160,675	528,408	5,284,845	12.06%	2028
2029	94,758	5,350	110,000	70,853	168,917	74,611	373,675	150,814	524,489	4,911,170	18.28%	2029
2030	96,843	3,243	120,000	66,828	172,912	70,569	389,755	140,639	530,394	4,521,415	24.76%	2030
2031	98,974	1,089	90,000	62,928	177,001	66,431	365,975	130,448	496,422	4,155,440	30.85%	2031
2032			95,000	59,228	181,187	62,196	276,187	121,423	397,610	3,879,253	35.45%	2032
2033			95,000	54,953	185,472	57,860	280,472	112,813	393,285	3,598,781	40.12%	2033
2034			100,000	50,078	189,859	53,422	289,859	103,499	393,358	3,308,923	44.94%	2034
2035			105,000	45,478	194,349	48,879	299,349	94,356	393,705	3,009,574	49.92%	2035
2036			110,000	41,178	198,945	44,228	308,945	85,405	394,350	2,700,629	55.06%	2036
2037			115,000	36,678	203,650	39,467	318,650	76,145	394,795	2,381,979	60.36%	2037
2038			120,000	31,858	208,466	34,594	328,466	66,451	394,918	2,053,512	65.83%	2038
2039			125,000	26,713	213,397	29,605	338,397	56,318	394,715	1,715,116	71.46%	2039
2040			135,000	21,253	218,443	24,499	353,443	45,751	399,195	1,361,672	77.34%	2040
2041			140,000	15,478	223,610	19,272	363,610	34,749	398,359	998,062	83.39%	2041
2042			145,000	9,456	228,898	13,921	373,898	23,377	397,275	624,164	89.61%	2042
2043			150,000	3,188	234,311	8,443	384,311	11,631	395,942	239,853	96.01%	2043
2044					239,853	2,836	239,853	2,836	242,689	0	100.00%	2044
	474,016	31,739	1,970,000	791,035	3,565,486	853,973	6,009,502	1,676,747	7,686,249			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4885-03, the amount of disbursements as of April 8, 2026 is \$2,121,452.10. This schedule assumes anticipated full draws of the loan.

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In Village	Total G.O. Debt³	Village's Proportionate Share
Sauk County	\$12,943,056,100	5.4084%	\$41,645,000	\$2,252,328
Sauk Prairie School District	3,706,971,009	18.8837%	61,191,000	11,555,125
Madison Area Technical College District	159,919,721,111	0.4377%	168,740,000	<u>738,575</u>
Village's Share of Total Overlapping Debt				<u><u>\$14,546,028</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$700,014,200	Debt/ Per Capita 4,442⁴
Total General Obligation Debt*	\$22,404,489	3.20%	\$5,043.78
Village's Share of Total Overlapping Debt	<u>14,546,028</u>	<u>2.08%</u>	<u>3,274.66</u>
Total*	\$36,950,517	5.28%	\$8,318.44

*Preliminary, subject to change.

¹ Overlapping debt is as of the dated date of the Notes. 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, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

⁴ Estimated 2025 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
2021/22	\$3,164,464	100%	\$6.37
2022/23	3,454,291	100%	5.83
2023/24	3,576,557	100%	5.47
2024/25	3,887,007	100%	5.86
2025/26	4,029,500	In Process of Collection	5.82

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.

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. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

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	Total
2021/22	\$10.30	\$3.70	\$6.37	\$20.37
2022/23	9.23	3.63	5.83	18.69
2023/24	8.36	3.29	5.47	17.12
2024/25	8.04	3.07	5.86	16.97
2025/26	7.56	2.89	5.82	16.27

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; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). 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 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%.

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

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.

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. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of State programs exist which provide revenue to the Village. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Village that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Village beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2025, the Village received approximately \$266,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$261,000 received in 2024. The Village is expected to receive approximately \$287,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1885 and is governed by a Village President and six other Village Board members. The Village President votes on all matters. 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 eight 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, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$89,668, \$105,443 and \$115,574, respectively.

Governmental Accounting Standards Board Statement No. 68 ("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, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion. Accordingly, the Village will continue to report a liability for its proportionate share of the net pension liability in its audited financial statements for the year ended December 31, 2025.

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 2024, the Village reported a liability of \$114,760 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 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 0.0077186% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension 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 net pension liability 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.¹

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. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, 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 currently 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. Membership of the plan consisted of 19 active eligible plan members and one retiree receiving benefits as of December 31, 2023, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years and 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 Foster & Foster Consulting Actuaries Inc. (the "Actuary") in December 2024 with an actuarial valuation date of December 31, 2023. The Actuary completed a table updates report in September 2025 with a measurement date of December 31, 2024.

¹ On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

For Fiscal Year 2024, there were no benefit payments for the plan. 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, 2024, the plan's total OPEB liability was \$144,051 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$144,051.

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.

The Village also participates in 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 2024, the Village's portion of contributions to the LRLIF totaled \$1,178. For Fiscal Year 2024, the Village reported a liability of \$249,918 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2023 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.054322% of the aggregate LRLIF net OPEB liability as of December 31, 2023.

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 Notes or otherwise questioning the validity of the Notes.

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 Notes 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 Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes 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 Notes.

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 Notes would not occur.

FUNDS ON HAND (as of February 28, 2026)

Fund	Total Cash and Investments
State Pool Balances	\$3,512,364
Cash on Hand- Bank of Prairie du Sac	2,581,733
Electric	572,664
Sewer	204,030
Water	2,043,439
Storm	<u>71,118</u>
 Total Funds on Hand	 <u><u>\$8,985,348</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:

	2023 Audited	2024 Audited	2025 Unaudited
Water			
Total Operating Revenues	\$1,190,803	\$1,056,458	\$1,194,773
Less: Operating Expenses	<u>(750,743)</u>	<u>(744,693)</u>	<u>(524,254)</u>
Operating Income	\$440,060	\$311,765	\$670,519
Plus: Depreciation	237,969	250,119	229,321
Interest Income	<u>23,922</u>	<u>58,054</u>	<u>66,210</u>
Revenues Available for Debt Service	<u><u>\$701,951</u></u>	<u><u>\$619,938</u></u>	<u><u>\$966,050</u></u>
Sewer			
Total Operating Revenues	\$584,099	\$509,492	\$494,635
Less: Operating Expenses	<u>(431,534)</u>	<u>(470,994)</u>	<u>(423,681)</u>
Operating Income	\$152,565	\$38,498	\$70,954
Plus: Depreciation	68,195	72,164	68,000
Interest Income	<u>36,100</u>	<u>44,137</u>	<u>38,047</u>
Revenues Available for Debt Service	<u><u>\$256,860</u></u>	<u><u>\$154,799</u></u>	<u><u>\$177,001</u></u>
Electric			
Total Operating Revenues	\$5,585,811	\$5,356,379	\$5,606,992
Less: Operating Expenses	<u>(5,635,408)</u>	<u>(5,488,404)</u>	<u>(5,133,112)</u>
Operating Income	(\$49,597)	(\$132,025)	\$473,880
Plus: Depreciation	359,439	381,298	324,000
Interest Income	<u>43,001</u>	<u>36,031</u>	<u>11,828</u>
Revenues Available for Debt Service	<u><u>\$352,843</u></u>	<u><u>\$285,304</u></u>	<u><u>\$809,708</u></u>

SUMMARY GENERAL FUND INFORMATION

The 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 statements are available upon request. Appendix A includes the 2024 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2022 Audited	2023 Audited	2024 Audited	2025 Unaudited
Revenues				
Taxes & special assessments	\$2,115,393	\$2,379,932	\$2,322,647	\$2,374,449
Intergovernmental	843,875	856,294	1,146,064	1,127,854
Licenses and permits	187,445	167,827	189,377	251,457
Public charges for services	512,265	506,396	549,516	599,636
Interest income	53,233	128,337	182,966	112,643
Miscellaneous income	113,997	542,796	544,346	155,835
Total Revenues	\$3,826,208	\$4,581,582	\$4,934,916	\$4,621,874
Expenditures				
Current:				
General government	\$374,008	\$415,868	\$467,434	\$468,094
Public safety	1,352,319	1,363,467	1,446,312	1,546,584
Public works	1,214,251	1,246,157	1,297,763	1,358,332
Culture and recreation	713,142	789,681	849,500	877,938
Conservation and development	19,585	11,228	7,178	4,854
Capital outlay	46,284	67,710	113,529	61,710
Total Expenditures	\$3,719,589	\$3,894,111	\$4,181,716	\$4,317,512
Excess of revenues over (under) expenditures	\$106,619	\$687,471	\$753,200	\$304,362
Other Financing Sources (Uses)				
Transfers in	\$0	\$0	\$184,995	\$0
Transfers (out)	(309,951)	(452,864)	0	0
Total Other Financing Sources (Uses)	(309,951)	(452,864)	184,995	0
Net changes in Fund Balances	(\$203,332)	\$234,607	\$938,195	\$304,362
General Fund Balance January 1	\$2,501,247	\$2,323,582	\$2,558,189	\$3,496,384
Prior Period Adjustment	25,667	0	0	0
General Fund Balance December 31	\$2,323,582	\$2,558,189	\$3,496,384	\$3,800,746
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	\$153,066	\$155,690	\$162,254	\$176,378
Restricted	0	450,000	562,300	611,248
Committed	5,570	5,570	5,570	5,570
Assigned	251,842	0	298,802	324,812
Unassigned	1,913,104	1,946,929	2,467,458	2,682,738
Total	\$2,323,582	\$2,558,189	\$3,496,384	\$3,800,746

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Taxes & special assessments	\$2,386,725
Intergovernmental	1,205,866
Licenses and permits	190,880
Public charges for services	549,312
Interest income	217,569
Miscellaneous income	87,401
Total Revenues	\$4,637,753
Expenditures	
Current:	
General government	\$486,387
Public safety	1,716,022
Public works	1,432,481
Culture and recreation	907,944
Conservation and development	21,920
Capital outlay	73,000
Total Expenditures	\$4,637,754
Excess of revenues over (under) expenditures	(\$1)
Net changes in Fund Balances	(\$1)

¹ The 2026 budget was adopted on November 25, 2025.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 4,420 and a current estimated population of 4,442 comprises an area of 2.05 square miles and is located approximately 20 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	600
School District of Sauk Prairie	Elementary and secondary education	441
Milwaukee Valve	Manufacturing	300
Mueller Sports Medicine, Inc.	Distributor of sports medicine products	150
Culver's Franchising Systems, Inc.	Corporate headquarters for Culver's Restaurants	129
Frey Construction & Home Improvement LLC	General contractors, home remodeling	53
Hansen's Market IGA ²	Grocery store	50
Schwartz Insurance	Insurance sales	45
Bank of Prairie du Sac	Financial institution	45
Wollersheim Winery & Distillery	Company headquarters & wine & spirits	40

Source: The Village, Data Axle Reference Solutions, Sauk Prairie EDC, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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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.

² Previously listed as Sauk Prairie Market (Sentry).

BUILDING PERMITS

	2022	2023	2024	2025	2026 ¹
<u>New Single Family Homes</u>					
No. of building permits	6	4	16	6	1
Valuation	\$2,531,400	\$1,786,980	\$3,448,711	\$2,827,400	\$475,000
<u>New Multiple Family Homes</u>					
No. of building permits	0	0	0	5	0
Valuation	\$0	\$0	\$0	\$11,315,050	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	5	0	3	2	0
Valuation	\$11,100,859	\$0	\$7,956,900	\$5,640,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	129	115	81	130	17
Valuation	\$16,419,218	\$7,031,994	\$27,631,958	\$45,016,676	\$5,876,600

Source: The Village.

¹ As of March 24, 2026.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	3,972
2020 U.S. Census Population	4,420
Percent of Change 2010 - 2020	11.28%
2025 Estimated Population	4,442

Income and Age Statistics

	The Village	Sauk County	State of Wisconsin	United States
2024 per capita income	\$46,887	\$41,246	\$43,373	\$44,673
2024 median household income	\$101,049	\$79,541	\$77,485	\$80,734
2024 median family income	\$112,354	\$98,301	\$100,141	\$99,999
2024 median gross rent	\$1,370	\$1,018	\$1,087	\$1,413
2024 median value owner occupied units	\$321,300	\$258,600	\$266,500	\$332,700
2024 median age	38.4 yrs.	41.6 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
Village % of 2024 per capita income	108.10%	104.96%
Village % of 2024 median family income	112.20%	112.36%

Housing Statistics

	<u>The Village</u>		
	2020	2024	Percent of Change
All Housing Units	1,885	1,921	1.91%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2024 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
2021	33,495		4.0%	3.8%
2022	33,758		2.7%	2.8%
2023	34,813		2.5%	2.8%
2024	35,392 ¹		2.6% ¹	3.0%
2025, December ¹	34,604		2.8%	3.0%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

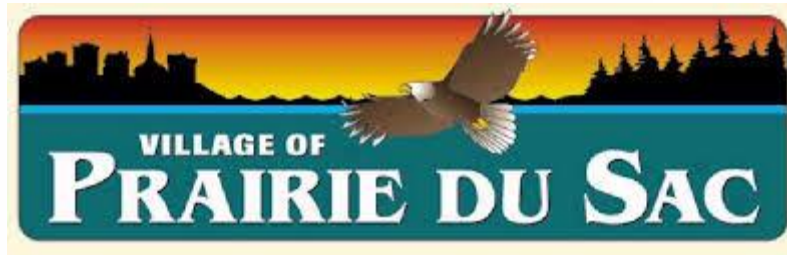
Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested 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 Notes, 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.



JOHNSON BLOCK

CPAs



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

Year Ended December 31, 2024

VILLAGE OF PRAIRIE DU SAC, WISCONSIN

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VILLAGE OF PRAIRIE DU SAC, WISCONSIN

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Prairie du Sac, Wisconsin, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village of Prairie du Sac, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the Local Retiree Life Insurance Fund schedules, the schedule of changes in the Village's total health insurance OPEB liability and related ratios, and Wisconsin Retirement System schedules on pages 59 - 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Required Supplementary Information (Continued)

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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Prairie du Sac, Wisconsin’s basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
August 5, 2025

BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
December 31, 2024**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,401,666	\$ 2,452,883	\$ 5,854,549
Restricted cash and cash equivalents	1,778,311	2,194,545	3,972,856
Investments	958,485	-	958,485
Receivables, net	2,695,740	836,477	3,532,217
Lease receivable	188,241	113,104	301,345
Internal balances	749,725	(749,725)	-
Inventories	-	224,585	224,585
Prepaid expenses	42,640	-	42,640
Investment in Sauk Prairie Sewer Commission	-	1,098,770	1,098,770
Capital assets:			
Land and construction work in progress	4,453,119	1,490,215	5,943,334
Capital assets, net of depreciation	24,154,046	15,401,394	39,555,440
Net capital assets	28,607,165	16,891,609	45,498,774
Total Assets	38,421,973	23,062,248	61,484,221
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	467,958	560,623	1,028,581
Deferred life insurance OPEB outflows	55,597	41,782	97,379
Deferred health insurance OPEB outflows	36,302	-	36,302
Total Deferred Outflows of Resources	559,857	602,405	1,162,262
Total Assets and Deferred Outflows of Resources	\$ 38,981,830	\$ 23,664,653	\$ 62,646,483
LIABILITIES			
Accounts payable and accrued expenses	\$ 288,381	\$ 393,139	\$ 681,520
Due to other governmental agencies	25,968	-	25,968
Accrued interest	214,245	64,326	278,571
Net pension liability	52,211	62,549	114,760
Net life insurance OPEB liability	142,687	107,231	249,918
Total health insurance OPEB liability	131,016	-	131,016
Long-term liabilities:			
Due within one year	1,273,931	658,596	1,932,527
Due in more than one year	18,449,203	6,443,083	24,892,286
Total Liabilities	20,577,642	7,728,924	28,306,566
DEFERRED INFLOWS OF RESOURCES	4,720,490	496,221	5,216,711
NET POSITION			
Net investment in capital assets	9,052,726	9,934,111	18,986,837
Restricted for:			
Tax incremental financing districts	92,513	-	92,513
Fire department	492,403	-	492,403
Childcare center	389,300	-	389,300
Capital projects	1,456,857	-	1,456,857
Equipment replacement	-	915,072	915,072
Debt service	51,168	1,215,147	1,266,315
Unrestricted	2,148,731	3,375,178	5,523,909
Total Net Position	13,683,698	15,439,508	29,123,206
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 38,981,830	\$ 23,664,653	\$ 62,646,483

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, 2024**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
General Government	\$ 698,635	\$ 107,469	\$ -	\$ (414,380)		\$ (414,380)
Public Safety	1,755,064	38,405	-	(1,673,358)		(1,673,358)
Public Works	2,254,841	478,901	142,382	(1,097,455)		(1,097,455)
Culture and Recreation	1,151,680	239,841	-	(904,089)		(904,089)
Conservation and Development	106,054	-	-	(103,054)		(103,054)
Interest on Long-Term Debt	569,065	-	-	(569,065)		(569,065)
Total governmental activities	<u>6,535,339</u>	<u>864,616</u>	<u>142,382</u>	<u>(4,761,401)</u>		<u>(4,761,401)</u>
Business-type Activities:						
Water	930,547	-	-	-	\$ 125,911	125,911
Sewer	505,607	-	-	-	3,885	3,885
Electric	5,494,928	-	-	-	(138,549)	(138,549)
Storm Water	165,561	-	-	-	(38,073)	(38,073)
Total business-type activities	<u>7,096,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,826)</u>	<u>(46,826)</u>
Total	\$ 13,631,982	\$ 864,616	\$ 142,382	(4,761,401)	(46,826)	(4,808,227)
General revenues:						
Property taxes:						
Property taxes, levied for general purposes				2,150,127	-	2,150,127
Property taxes, levied for debt service				1,611,811	-	1,611,811
Other taxes				28,067	-	28,067
Grants and contributions not restricted to specific programs				311,939	-	311,939
Unrestricted investment earnings				182,966	153,106	336,072
Miscellaneous				555,189	928	556,117
Gain (Loss) on disposal of asset				(27,043)	-	(27,043)
Transfers				268,694	(268,694)	-
Total general revenues, special item and transfers				<u>5,081,750</u>	<u>(114,660)</u>	<u>4,967,090</u>
Change in net position				320,349	(161,486)	158,863
Net position - beginning of year				13,363,349	15,600,994	28,964,343
Net position - end of year				<u>\$ 13,683,698</u>	<u>\$ 15,439,508</u>	<u>\$ 29,123,206</u>

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

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024**

	Major			Debt Service Fund	Non-Major	Total Governmental Funds
	General Fund	TID Fund	Capital Projects Fund		Transit Fund	
ASSETS						
Cash and Cash Equivalents	\$ 2,678,019	\$ -	\$ -	\$ 723,647	\$ -	\$ 3,401,666
Investments	958,485	-	-	-	-	958,485
Receivables:						
Taxes	1,247,992	81,574	-	1,076,226	-	2,405,792
Special Assessments	179,779	-	-	-	-	179,779
Accounts	35,772	-	-	-	-	35,772
Loans	46,813	-	-	-	-	46,813
Leases	188,241	-	-	-	-	188,241
Other	27,584	-	-	-	-	27,584
Due from Other Funds	678,538	-	-	-	-	678,538
Prepaid Expenses	42,640	-	-	-	-	42,640
Restricted Cash	-	393,504	1,330,620	51,168	3,019	1,778,311
Advances Receivable	72,801	-	268,700	-	-	341,501
Total Assets	<u>\$ 6,156,664</u>	<u>\$ 475,078</u>	<u>\$ 1,599,320</u>	<u>\$ 1,851,041</u>	<u>\$ 3,019</u>	<u>\$ 10,085,122</u>
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 134,585	\$ -	\$ 142,463	\$ -	\$ 11,333	\$ 288,381
Due to Other Funds	-	1,614	-	-	-	1,614
Due to Other Governments	968	-	-	-	25,000	25,968
Advances Payable	-	268,700	-	-	-	268,700
Total Liabilities	<u>135,553</u>	<u>270,314</u>	<u>142,463</u>	<u>-</u>	<u>36,333</u>	<u>584,663</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>2,524,727</u>	<u>136,424</u>	<u>-</u>	<u>1,799,873</u>	<u>-</u>	<u>4,461,024</u>
FUND BALANCES (DEFICIT)						
Nonspendable	162,254	-	-	-	-	162,254
Restricted	562,300	92,513	1,456,857	51,168	-	2,162,838
Committed	5,570	-	-	-	-	5,570
Assigned	298,802	-	-	-	-	298,802
Unassigned (Deficit)	2,467,458	(24,173)	-	-	(33,314)	2,409,971
Total Fund Balances (Deficit)	<u>3,496,384</u>	<u>68,340</u>	<u>1,456,857</u>	<u>51,168</u>	<u>(33,314)</u>	<u>5,039,435</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 6,156,664</u>	<u>\$ 475,078</u>	<u>\$ 1,599,320</u>	<u>\$ 1,851,041</u>	<u>\$ 3,019</u>	<u>\$ 10,085,122</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, 2024**

Total fund balances, governmental funds		\$ 5,039,435
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		77,298
The OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.		
		(273,703)
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		559,857
Deferred inflows of resources		(384,218)
Deferred inflows of resources reported in the fund financial statements, but recognized as earned on the Statement of Net Position		
		47,454
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	46,718,051	
Governmental accumulated depreciation	<u>(18,110,886)</u>	28,607,165
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.		
Net pension liability	(52,211)	
General obligation debt	(18,944,791)	
Unamortized debt premium, net	(609,648)	
Compensated absences	(168,695)	
Accrued interest	<u>(214,245)</u>	<u>(19,989,590)</u>
Net Position of Governmental Activities in the Statement of Net Position		<u>\$ 13,683,698</u>

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

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024**

	<u>Major</u>			<u>Non-Major</u>	<u>Total Governmental Funds</u>	
	<u>General Fund</u>	<u>TID Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>		<u>Transit Fund</u>
REVENUES						
Property Taxes	\$ 1,964,746	\$ 185,381	\$ -	\$ 1,611,811	\$ -	\$ 3,761,938
Other Taxes	291,067	-	-	-	-	291,067
Special Assessment Revenue	66,834	-	-	-	-	66,834
Intergovernmental	1,146,064	-	-	-	107,469	1,253,533
License and Permits	189,377	-	-	-	-	189,377
Public Charges for Services	549,516	-	-	-	-	549,516
Interest Income	182,966	-	-	-	-	182,966
Miscellaneous Income	544,346	-	-	-	38,888	583,234
Total Revenues	<u>4,934,916</u>	<u>185,381</u>	<u>-</u>	<u>1,611,811</u>	<u>146,357</u>	<u>6,878,465</u>
EXPENDITURES						
Current:						
General Government	467,434	-	-	-	143,810	611,244
Public Safety	1,446,312	-	-	-	-	1,446,312
Public Works	1,297,763	-	-	-	-	1,297,763
Culture and Recreation	849,500	-	-	-	-	849,500
Conservation and Development	7,178	90,121	-	-	-	97,299
Capital Outlay	113,529	-	2,976,829	-	-	3,090,358
Debt Service:						
Principal Repayment	-	-	-	1,271,368	-	1,271,368
Interest and Fiscal Charges	-	-	88,562	479,232	-	567,794
Total Expenditures	<u>4,181,716</u>	<u>90,121</u>	<u>3,065,391</u>	<u>1,750,600</u>	<u>143,810</u>	<u>9,231,638</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>753,200</u>	<u>95,260</u>	<u>(3,065,391)</u>	<u>(138,789)</u>	<u>2,547</u>	<u>(2,353,173)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	-	-	3,960,000	-	-	3,960,000
Proceeds from Refunding Notes	-	-	-	1,260,000	-	1,260,000
Premium on Long-Term Debt	-	-	-	149,918	-	149,918
Payment on Refunded Debt	-	-	-	(1,300,000)	-	(1,300,000)
Transfers In	184,995	-	-	33,278	-	218,273
Transfers Out	-	-	(218,273)	-	-	(218,273)
Total Other Financing Sources (Uses)	<u>184,995</u>	<u>-</u>	<u>3,741,727</u>	<u>143,196</u>	<u>-</u>	<u>4,069,918</u>
Net Change in Fund Balances	938,195	95,260	676,336	4,407	2,547	1,716,745
Fund Balances (Deficit) - Beginning of Year	2,558,189	(26,920)	780,521	46,761	(35,861)	3,322,690
Fund Balances (Deficit) - End of Year	<u>\$ 3,496,384</u>	<u>\$ 68,340</u>	<u>\$ 1,456,857</u>	<u>\$ 51,168</u>	<u>\$ (33,314)</u>	<u>\$ 5,039,435</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, 2024

Net change in fund balances - total governmental funds:		\$ 1,716,745
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Property taxes on assets of the municipally owned utilities are reported as they are received in the governmental fund statements. However, for governmental activities, those revenues are recorded as they are earned.		
Property taxes from municipally owned utilities received during the year	\$ (263,000)	
Property taxes from municipally owned utilities earned during the year	<u>268,694</u>	
Amount by which property taxes earned are greater (less) than that which was received:		5,694
In governmental funds, special assessments and grant revenues are reported as revenue when measurable and available. In the Statement of Activities, revenue is reported when earned.		
		(1,430)
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
Capital outlay reported in governmental fund statements	3,090,358	
Capital outlay not included in capital asset additions	(147,820)	
Depreciation expense reported in the Statement of Activities	<u>(1,448,491)</u>	1,494,047
The Village disposed of capital assets which resulted in a reduction in capital assets and recapture of prior depreciation expense. This is reported on the Statement of Net Position as a loss and has no effect on the Governmental Funds Balance Sheet.		
The value of capital assets disposed during the year was	(352,093)	
The amount of depreciation recapture for the year was	<u>325,050</u>	
The difference in the value of assets net of recaptured depreciation creates a gain (loss) of:		(27,043)
Compensated absences 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:		(15,548)
Debt incurred in governmental funds are reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position, and does not affect the Statement of Activities.		
The amount of debt incurred in the current year is:		(5,220,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
The amount of long-term debt principal payments in the current year is:		2,571,368
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	567,794	
The amount of interest accrued during the current period	<u>(620,838)</u>	(53,044)
In governmental funds, discounts/premiums on outstanding long-term debt are reported as an expenditure/revenue when paid/received. In the Statement of Activities, discounts/premiums are amortized and recognized over the life of the issue.		
The amount of debt premium received in the current year is:		(149,918)
The amount of debt premium recognized during the current period is:		53,539
The amount of debt discounts recognized during the current period is:		(1,767)
Pension and OPEB expenses (revenues) reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expenses (revenues) in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as the difference between the net pension asset/liability and net OPEB liability from the prior year to the current year, with some adjustments.		
		<u>(52,294)</u>
Change in net position of governmental activities		<u>\$ 320,349</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, 2024**

	<u>Major</u>			<u>Non-Major Storm</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 945,631	\$ 135,793	\$ 1,027,028	\$ 344,431	\$ 2,452,883
Receivables					
Accounts (net of allowance)	818,861	-	-	-	818,861
Lease	-	41,356	-	-	41,356
Other	9,355	6,925	1,107	229	17,616
Due from Other Funds	34,819	-	-	35,088	69,907
Inventories	219,156	3,853	1,576	-	224,585
Total Current Assets	<u>2,027,822</u>	<u>187,927</u>	<u>1,029,711</u>	<u>379,748</u>	<u>3,625,208</u>
Restricted Assets:					
Restricted Cash and Cash Equivalents	379,285	1,756,643	58,617	-	2,194,545
Total Restricted Assets	<u>379,285</u>	<u>1,756,643</u>	<u>58,617</u>	<u>-</u>	<u>2,194,545</u>
Capital Assets:					
Land	1,178	5,426	-	-	6,604
Construction Work in Progress	-	1,483,611	-	-	1,483,611
Capital Assets	10,789,347	11,203,123	2,980,889	2,081,183	27,054,542
Less Accumulated Depreciation	(7,169,114)	(2,886,478)	(848,601)	(748,955)	(11,653,148)
Net Capital Assets	<u>3,621,411</u>	<u>9,805,682</u>	<u>2,132,288</u>	<u>1,332,228</u>	<u>16,891,609</u>
Noncurrent Assets:					
Lease Receivable	-	71,748	-	-	71,748
Investment in Sauk Prairie Sewer Commission	-	-	1,098,770	-	1,098,770
Total Noncurrent Assets	<u>-</u>	<u>71,748</u>	<u>1,098,770</u>	<u>-</u>	<u>1,170,518</u>
Total Assets	<u>6,028,518</u>	<u>11,822,000</u>	<u>4,319,386</u>	<u>1,711,976</u>	<u>23,881,880</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Outflows	357,072	142,800	37,266	23,485	560,623
Deferred Life Insurance OPEB Outflows	20,143	21,639	-	-	41,782
Total Deferred Outflows of Resources	<u>377,215</u>	<u>164,439</u>	<u>37,266</u>	<u>23,485</u>	<u>602,405</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 6,405,733</u>	<u>\$ 11,986,439</u>	<u>\$ 4,356,652</u>	<u>\$ 1,735,461</u>	<u>\$ 24,484,285</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, 2024**

	Major			Non-Major Storm	Total
	Electric Utility	Water Utility	Sewer Utility	Water Utility	
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 310,313	\$ 21,101	\$ 17,572	\$ -	\$ 348,986
Accrued Liabilities	44,153	-	-	-	44,153
Accrued Interest Payable	245	52,082	11,999	-	64,326
Due to Other Funds	-	616,990	129,841	-	746,831
Current Portion of Long-Term Liabilities	147,497	437,504	72,415	1,180	658,596
Total Current Liabilities	502,208	1,127,677	231,827	1,180	1,862,892
Non-Current Liabilities:					
Long-Term Liabilities	56,460	5,474,370	910,217	2,036	6,443,083
Net Pension Liability	39,839	15,932	4,158	2,620	62,549
Advances Payable	-	72,801	-	-	72,801
Net Life Insurance OPEB Liability	51,699	55,532	-	-	107,231
Total Non-Current Liabilities	147,998	5,618,635	914,375	4,656	6,685,664
Total Liabilities	650,206	6,746,312	1,146,202	5,836	8,548,556
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Inflows	212,902	85,144	22,220	14,004	334,270
Deferred Life Insurance OPEB Inflows	26,340	28,292	-	-	54,632
Deferred Lease Inflows	-	107,319	-	-	107,319
Total Deferred Inflows of Resources	239,242	220,755	22,220	14,004	496,221
NET POSITION					
Net Investment in Capital Assets	3,504,059	3,925,591	1,172,233	1,332,228	9,934,111
Restricted for:					
Equipment Replacement	50,000	849,120	15,952	-	915,072
Debt Service	329,040	855,441	30,666	-	1,215,147
Unrestricted (Deficit)	1,633,186	(610,780)	1,969,379	383,393	3,375,178
Total Net Position	5,516,285	5,019,372	3,188,230	1,715,621	15,439,508
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 6,405,733	\$ 11,986,439	\$ 4,356,652	\$ 1,735,461	\$ 24,484,285

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, 2024**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>	
OPERATING REVENUES					
Charges for Services	\$ 5,319,331	\$ 1,001,880	\$ 508,934	\$ 127,389	\$ 6,957,534
Other Operating Revenues	37,048	54,578	558	99	92,283
Total Operating Revenues	<u>5,356,379</u>	<u>1,056,458</u>	<u>509,492</u>	<u>127,488</u>	<u>7,049,817</u>
OPERATING EXPENSES					
Operation and Maintenance	5,054,674	479,594	394,674	129,366	6,058,308
Depreciation	381,298	250,119	72,164	36,195	739,776
Taxes	52,432	14,980	4,156	-	71,568
Total Operating Expenses	<u>5,488,404</u>	<u>744,693</u>	<u>470,994</u>	<u>165,561</u>	<u>6,869,652</u>
Operating Income (Loss)	<u>(132,025)</u>	<u>311,765</u>	<u>38,498</u>	<u>(38,073)</u>	<u>180,165</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and Investment Revenue	36,031	58,054	44,137	14,884	153,106
Miscellaneous Non-Operating Revenue	928	-	-	-	928
Interest Expense and Fiscal Charges	(5,491)	(185,854)	(34,613)	-	(225,958)
Amortization Expense	(1,033)	-	-	-	(1,033)
Total Non-Operating Revenues (Expenses)	<u>30,435</u>	<u>(127,800)</u>	<u>9,524</u>	<u>14,884</u>	<u>(72,957)</u>
Income (Loss) Before Transfers	(101,590)	183,965	48,022	(23,189)	107,208
Transfers Out - Tax Equivalent	<u>(133,575)</u>	<u>(135,119)</u>	<u>-</u>	<u>-</u>	<u>(268,694)</u>
Change in Net Position	(235,165)	48,846	48,022	(23,189)	(161,486)
Total Net Position - Beginning of Year	5,751,450	4,970,526	3,140,208	1,738,810	15,600,994
Total Net Position - End of Year	<u>\$ 5,516,285</u>	<u>\$ 5,019,372</u>	<u>\$ 3,188,230</u>	<u>\$ 1,715,621</u>	<u>\$ 15,439,508</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, 2024**

	Major			Non-Major	Total
	Electric Utility	Water Utility	Sewer Utility	Storm Water Utility	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 5,371,189	\$ 1,094,694	\$ 509,458	\$ 127,440	\$ 7,102,781
Cash received from (paid to) other funds for services	(341,796)	301,809	36,800	3,276	89
Payments to suppliers	(4,496,675)	(287,630)	(307,507)	(76,759)	(5,168,571)
Payments to employees	(575,429)	(262,723)	(82,382)	(53,898)	(974,432)
Payments to other governments	(52,432)	(19,088)	(48)	-	(71,568)
Net cash provided (used) by operating activities	(95,143)	827,062	156,321	59	888,299
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of plant assets	(357,952)	(1,902,086)	(300,359)	-	(2,560,397)
Salvage, net of cost of removal	(2,240)	-	-	-	(2,240)
Long-term debt proceeds	-	1,468,031	330,000	-	1,798,031
Principal payments on long-term debt	(119,821)	(350,625)	(92,116)	-	(562,562)
Interest paid	(5,723)	(183,744)	(22,824)	-	(212,291)
Net cash provided (used) by capital and related financing activities	(485,736)	(968,424)	(85,299)	-	(1,539,459)
Cash Flows from Noncapital Financing Activities:					
Cash paid for property tax equivalent	(131,500)	(131,500)	-	-	(263,000)
Net cash provided (used) by noncapital financing activities	(131,500)	(131,500)	-	-	(263,000)
Cash Flows from Investing Activities:					
Miscellaneous non-operating income	928	-	-	-	928
Interest income	36,031	58,054	44,137	14,884	153,106
Net cash provided (used) by investing activities	36,959	58,054	44,137	14,884	154,034
Net increase (decrease) in cash and equivalents	(675,420)	(214,808)	115,159	14,943	(760,126)
<u>Cash and Equivalents, Beginning of year</u>	2,000,336	2,107,244	970,486	329,488	5,407,554
<u>Cash and Equivalents, End of year</u>	\$ 1,324,916	\$ 1,892,436	\$ 1,085,645	\$ 344,431	\$ 4,647,428
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents - Statement of Net Position	\$ 945,631	\$ 135,793	\$ 1,027,028	\$ 344,431	\$ 2,452,883
Restricted cash and cash equivalents - Statement of Net Position	379,285	1,756,643	58,617	-	2,194,545
Cash and cash equivalents - end of year	\$ 1,324,916	\$ 1,892,436	\$ 1,085,645	\$ 344,431	\$ 4,647,428

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, 2024**

	<u>Major</u>			<u>Non-Major</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	\$ (132,025)	\$ 311,765	\$ 38,498	\$ (38,073)	\$ 180,165
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Joint meter allocation	-	18,591	(18,591)	-	-
Depreciation	381,298	250,119	72,164	36,195	739,776
Noncash portion of lease accounting	-	(1,862)	-	-	(1,862)
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows:					
Customer accounts receivable	15,513	-	-	-	15,513
Other receivables	(703)	172	(34)	(48)	(613)
Due to/from other funds	(341,796)	279,110	59,499	3,276	89
Inventories	14,460	101	-	-	14,561
Pension related deferrals and liabilities	(15,924)	(6,718)	(485)	(1,614)	(24,741)
OPEB related deferrals and liabilities	(10,698)	(20,175)	-	-	(30,873)
Accounts payable	(14,806)	-	2,884	-	(11,922)
Accrued liabilities	9,538	(4,041)	2,386	323	8,206
Net cash provided (used) by operating activities	<u>\$ (95,143)</u>	<u>\$ 827,062</u>	<u>\$ 156,321</u>	<u>\$ 59</u>	<u>\$ 888,299</u>
Noncash capital and related financing activities:					
Plant financed through accounts payable	\$ -	\$ 21,101	\$ -	\$ -	\$ 21,101
Total non-cash activity	<u>\$ -</u>	<u>\$ 21,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,101</u>

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

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

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
December 31, 2024**

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 2,965,356
Receivables:	
Taxes Receivable	4,410,448
Total Assets	\$ 7,375,804
 LIABILITIES	
Due to Other Governments	\$ 7,375,804
Total Liabilities	7,375,804
 NET POSITION	
Total Net Position	-
Total Liabilities and Net Position	\$ 7,375,804

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

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

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

For the Year Ended December 31, 2024

	<u>Custodial Fund</u>
ADDITIONS	
Property Tax Collections for Other Governments	\$ 4,813,639
Total Additions	<u>4,813,639</u>
DEDUCTIONS	
Payments of Taxes to Other Governments	<u>4,813,639</u>
Total Deductions	<u>4,813,639</u>
Net Increase (Decrease) in Fiduciary Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	<u><u>\$ -</u></u>

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

NOTES TO FINANCIAL STATEMENTS

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

B. BASIS OF FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Financial Statements (Continued)

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

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

Governmental Funds

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

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

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

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

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

The Village reports the following major governmental funds:

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

The Village reports the following non-major governmental fund:

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

Proprietary Funds

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

The Village reports the following business-type activities:

Major Enterprise Funds

Electric Utility – Accounts for providing electric service.

Water Utility – Accounts for providing water service.

Sewer Utility – Accounts for providing sewer service.

Non-major Enterprise Fund

Storm Water Utility – Accounts for providing storm water services.

Fiduciary Funds (Not included in Government-Wide Statements)

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

The Village reports the following fiduciary fund:

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING

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

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

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

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

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

Property tax calendar – 2024 tax roll:

Lien date and levy date	January 1, 2025
Tax bills mailed	December 2024
Payment in full or first installment due	January 31, 2025
Second installment due	July 31, 2025

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

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

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

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. MEASUREMENT FOCUS

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

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

E. CASH AND INVESTMENTS

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

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

Restricted Assets

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

F. INVENTORIES AND PREPAID ITEMS

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. CAPITAL ASSETS

Government-Wide Statements

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

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing Governmental Accounting Standards Board Statement (GASB) Statement No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged, but not required. The Village has elected to retroactively report all major general infrastructure assets.

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

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

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

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

Fund Financial Statements

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

H. LEASES AS A LESSOR

The Village's lease receivables are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded as the initiation of the lease in an amount equal to the initial recording of the lease receivable and is amortized on a straight-line basis over the term of the lease.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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.

J. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The Electric Utility has an allowance for uncollectible accounts of \$3,936 in 2024.

K. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Benefits considered more likely than not to be used or settled at termination are recognized in the financial statements.

Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the Statement of Net Position. A liability is also recorded for accumulating rights to receive sick pay benefits for the portion more likely than not to be used by employees. Additionally, a liability is recognized for that portion of sick leave benefits that it is estimated will more likely than not be paid by cash and non-cash means upon termination. The Village accrues salary-related payments associated with payments of compensated absences.

L. LONG-TERM OBLIGATIONS

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable and accrued compensated absences.

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

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. CLAIMS AND JUDGMENTS

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

N. 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.

O. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OPEB 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 following:

- Net OPEB Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs, and
- OPEB Expense (Revenue)

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 member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. PENSIONS

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. PENSIONS (Continued)

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

Q. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

The net position of the Village is significantly impacted by the combined effect of deferred outflows and inflows of resources from the pension and OPEB plans.

R. EQUITY CLASSIFICATIONS

Government-Wide Statements

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

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

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. EQUITY CLASSIFICATIONS (Continued)

Fund Statements

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

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

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

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

S. BASIS FOR EXISTING RATES – PROPRIETARY FUNDS

Electric Utility

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

Water Utility

Current water rates were approved by the PSCW on February 14, 2022 and placed into effect by the Water Utility on February 15, 2022.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. BASIS FOR EXISTING RATES – PROPRIETARY FUNDS (Continued)

Sewer Utility

Current sewer rates were approved by the Village Board and placed into effect by the Sewer Utility on January 15, 2023. Subsequent to year-end, the Village approved rate increases of 4.5%, which became effective on April 1, 2025.

Storm Water Utility

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

T. CHANGE IN ACCOUNTING PRINCIPLES

Effective January 1, 2024, the Village adopted GASB Statement No. 100, Accounting Changes and Error Corrections (GASB 100). GASB 100 was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Village did not have any accounting changes or error corrections requiring disclosure in the financial statements.

Effective January 1, 2024, the Village adopted GASB Statement No. 101 Compensated Absences (GASB 101). GASB 101 was issued to provide guidance on the accounting and financial reporting for compensated absences. The adoption of GASB 101 had no effect on the beginning balance of net position on the statement of activities.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BOND COVENANT DISCLOSURE

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

Compliance with Funding Requirements

The utilities are in compliance with combined bond funding requirements.

Number of Customers

The utilities served the following number of customers at December 31, 2024:

	Electric	Water
Residential	1,904	1,863
Commercial	302	156
Industrial	1	8
Public authority	-	26
Multifamily	-	28
Public street lighting	2	-
Totals	2,209	2,081

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

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

A. BOND COVENANT DISCLOSURE (Continued)

Insurance Coverage

The utilities are in compliance with combined insurance requirements.

Debt Coverage

2024 required and actual coverage factors are as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Change in net position	\$ (235,165)	\$ 48,846	\$ 48,022
Plus:			
Interest and fiscal charges	5,491	185,854	34,613
Depreciation	381,298	250,119	72,164
Amortization	1,033	-	-
Tax equivalent	133,575	135,119	-
Income available for debt service	<u>\$ 286,232</u>	<u>\$ 619,938</u>	<u>\$ 154,799</u>
Annual debt service	\$ 117,128	\$ 612,338	\$ 98,366
Calculated coverage ratio	2.44	1.01	1.57
Required coverage ratio	1.25	1.10-1.25	1.25

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual non-major funds that have deficit balances at year end. As of December 31, 2024, the following fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Transit Fund	\$ 33,314

Fund balance will be recovered through collection of future revenues.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

The carrying amount of the Village's cash and investments totaled \$13,751,246 on December 31, 2024 and is summarized below:

	Carrying Value	Bank Balance
Petty cash and cash on hand	\$ 220	\$ 220
Deposits with financial institutions	9,295,573	9,336,027
Money market investment	958,485	958,485
Deposits with external investment pools	3,496,968	3,496,968
	\$ 13,751,246	\$ 13,791,700

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:

Cash and cash equivalents	\$ 5,854,549
Restricted cash and cash equivalents	3,972,856
Investments	958,485
Fiduciary fund:	
Custodial Fund	2,965,356
	\$ 13,751,246

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, 2024, \$8,739,875 of the Village's deposits with financial institutions totaling \$9,336,027 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	\$ 7,416,376
Uninsured and collateralized with securities	1,323,499
Total	\$ 8,739,875

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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 \$1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. This coverage has not been considered in computing the above amounts.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. As of December 31, 2024, the LGIP had an average maturity of 9 days and a fair value of \$3,496,968.

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

The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses.

This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2024, 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, 2024.

Investment allocation in the LGIP as of December 31, 2024 was: 97% in U.S. Government Securities and 3% in Commercial Paper, Certificates of Deposit, and Time Deposits. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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

B. RECEIVABLES

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

	General Fund	Tax Incremental Financing Districts Funds	Fiduciary Fund	Total
Total receivables	\$ 2,237,566	\$ 81,574	\$ 4,975,289	\$ 7,294,429
Amounts not expected to be collected within one year	\$ 408,935	\$ -	\$ -	\$ 408,935

Special assessments, economic development loan, and the long-term portion of lease 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 \$4,461,024 at December 31, 2024, consist of the following:

	General Fund	Tax Incremental Financing Districts	Total
2024 tax apportionment	\$ 3,887,007	\$ 136,424	\$ 4,023,431
Deferred special assessments	179,779	-	179,779
Property tax equivalent	77,298	-	77,298
Lease	180,016	-	180,016
Other deferred inflows	500	-	500
Total	\$ 4,324,600	\$ 136,424	\$ 4,461,024

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. DEFERRED INFLOWS OF RESOURCES (Continued)

Deferred inflows of resources reported on the statement of net position at December 31, 2024 consist of:

	Governmental Activities	Business-Type Activities	Total
2024 tax apportionment	\$ 4,023,431	\$ -	\$ 4,023,431
Deferred special assessments	132,325	-	132,325
Other deferred inflows	500	-	500
Health insurance OPEB	32,504	-	32,504
Lease	180,016	107,319	287,335
Pension	279,019	334,270	613,289
Life insurance OPEB	72,695	54,632	127,327
Total	\$ 4,720,490	\$ 496,221	\$ 5,216,711

D. RESTRICTED CASH

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, 2024, enterprise fund restricted cash and equivalents consisted of the following:

	Electric	Water	Sewer	Total
Bond principal and interest	\$ 108,688	\$ -	\$ -	\$ 108,688
Bond reserve accounts	220,597	345,168	42,665	608,430
Depreciation and equipment	50,000	55,000	15,952	120,952
Equipment replacement fund	-	794,120	-	794,120
Unspent bond proceeds	-	562,355	-	562,355
Total restricted cash and cash equivalents	\$ 379,285	\$ 1,756,643	\$ 58,617	\$ 2,194,545

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. LEASES

The Village has entered into two lease arrangements where the Village leases space on its water tower for telecommunication equipment and another where the Village leases a building to a tenant. In the Statement of Activities, lease revenue for the year ended December 31, 2024 was as follows:

	For the Year Ended December 31, 2024		
	Governmental Activities	Business-type Activities	Total
Lease-related Revenue			
Lease Revenue			
Building	\$ 10,001	\$ -	\$ 10,001
Water Tower	-	39,926	39,926
Total Lease Revenue	10,001	39,926	49,927
Interest Revenue	7,634	4,325	11,959
Total	\$ 17,635	\$ 44,251	\$ 61,886

Aggregate cash flows for the revenue to be generated by the lease receivable at December 31, 2024 are as follows:

Year Ended December 31,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 5,898	\$ 7,422	\$ 41,356	\$ 4,320	\$ 47,254	\$ 11,742
2026	6,138	7,182	44,850	2,640	50,988	9,822
2027	6,388	6,932	573	818	6,961	7,750
2028	6,648	6,672	632	801	7,280	7,473
2029	6,919	6,401	694	781	7,613	7,182
2030-2034	45,152	27,309	4,521	3,549	49,673	30,858
2035-2039	65,230	16,022	6,616	2,740	71,846	18,762
2040-2044	45,868	2,883	9,266	1,580	55,134	4,463
2045-2046	-	-	4,596	212	4,596	212
Total	\$ 188,241	\$ 80,823	\$ 113,104	\$ 17,441	\$ 301,345	\$ 98,264

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

Governmental Activities

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Capital assets not being depreciated:				
Land	\$ 3,361,577	\$ -	\$ -	\$ 3,361,577
Construction work in progress	960,084	1,091,542	960,084	1,091,542
Total capital assets not being depreciated	4,321,661	1,091,542	960,084	4,453,119
Capital assets being depreciated:				
Buildings and building improvements	16,190,492	1,330,439	-	17,520,931
Furniture and equipment	526,193	50,539	-	576,732
Vehicles	3,147,792	-	-	3,147,792
Infrastructure	19,941,468	1,430,102	352,093	21,019,477
Total capital assets being depreciated	39,805,945	2,811,080	352,093	42,264,932
Less: Accumulated depreciation:				
Buildings and building improvements	(3,397,273)	(517,885)	-	(3,915,158)
Furniture and equipment	(313,187)	(34,760)	-	(347,947)
Vehicles	(1,830,332)	(191,116)	-	(2,021,448)
Infrastructure	(11,446,653)	(704,730)	(325,050)	(11,826,333)
Total accumulated depreciation	(16,987,445)	(1,448,491)	(325,050)	(18,110,886)
Net capital assets - governmental activities	<u>\$ 27,140,161</u>	<u>\$ 2,454,131</u>	<u>\$ 987,127</u>	<u>\$ 28,607,165</u>

Depreciation expense was charged to functions as follows:

Governmental activities

General government	\$ 35,385
Public safety	247,042
Public works	871,087
Culture and recreation	286,224
Conservation and development	8,753
Total governmental activities depreciation expense	<u>\$ 1,448,491</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

Proprietary Funds

	Balance 1/1/2024	Additions	Retirements	Balance 12/31/2024
Electric Utility:				
Transmission and distribution plant	\$ 9,638,019	\$ 344,752	\$ (24,340)	\$ 9,958,431
General plant	818,894	13,200	-	832,094
Total electric plant	<u>\$ 10,456,913</u>	<u>\$ 357,952</u>	<u>\$ (24,340)</u>	<u>\$ 10,790,525</u>
Water Utility:				
Construction work in progress	\$ 308,618	\$ 1,174,993	\$ -	\$ 1,483,611
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	8,020,130	748,194	(41,180)	8,727,144
General plant	86,188	-	-	86,188
Total water plant	<u>\$ 10,810,153</u>	<u>\$ 1,923,187</u>	<u>\$ (41,180)</u>	<u>\$ 12,692,160</u>
Sewer Utility:				
Collecting system plant	\$ 2,613,510	\$ 300,359	\$ (45,054)	\$ 2,868,815
General plant	112,074	-	-	112,074
Total sewer plant	<u>\$ 2,725,584</u>	<u>\$ 300,359</u>	<u>\$ (45,054)</u>	<u>\$ 2,980,889</u>
Storm Water Utility:				
Mains	\$ 1,777,706	\$ -	\$ -	\$ 1,777,706
Ponds	182,058	-	-	182,058
General equipment	81,824	-	-	81,824
Vehicles	39,595	-	-	39,595
Total storm water fund	<u>\$ 2,081,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,081,183</u>

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

Fund	Balance 1/1/2024	2024 Depreciation Expense	2024 Meter Reading Allocation	2024	Balance 12/31/2024
				Retirements and Removals (Net of Salvage)	
Electric	\$ 6,814,396	\$ 381,298	\$ -	\$ (26,580)	\$ 7,169,114
Water	2,658,948	250,119	18,591	(41,180)	2,886,478
Sewer	840,082	72,164	(18,591)	(45,054)	848,601
Storm Water	712,760	36,195	-	-	748,955
	<u>\$ 11,026,186</u>	<u>\$ 739,776</u>	<u>\$ -</u>	<u>\$ (112,814)</u>	<u>\$ 11,653,148</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

G. INTERFUND RECEIVABLES / PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables:

	Due From Other Funds	Due To Other Funds	Purpose
General Fund	\$ 678,538	\$ -	Operating expenses
TID	-	1,614	Operating expenses
Enterprise Funds:			
Electric	34,819	-	Operating expenses
Water	-	616,990	Operating expenses
Sewer	-	129,841	Operating expenses
Storm Water	35,088	-	Operating expenses
Totals	<u>\$ 748,445</u>	<u>\$ 748,445</u>	

The following is a schedule of interfund advances:

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

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

Transfer from:	Transfer to:	Purpose:	Amount
Business-type Activities	Governmental Activities	Tax equivalent	\$ 268,694
			<u>\$ 268,694</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2024 was as follows:

	1/1/2024 Balance	Increases	Decreases	12/31/2024 Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes from direct borrowings and placements	\$ 50,370	\$ -	\$ 14,120	\$ 36,250	\$ 14,387
Bonds and notes payable:					
General obligation debt	16,245,789	5,220,000	2,557,248	18,908,541	1,223,669
Add/Subtract Amounts For:					
Premiums/Discount on debt	511,502	149,918	51,772	609,648	-
Total	<u>16,807,661</u>	<u>5,369,918</u>	<u>2,623,140</u>	<u>19,554,439</u>	<u>1,238,056</u>
Other liabilities:					
Compensated absences	153,147	15,548	-	168,695	35,875
Total other liabilities	<u>153,147</u>	<u>15,548</u>	<u>-</u>	<u>168,695</u>	<u>35,875</u>
Total governmental activities - long-term liabilities	<u>\$ 16,960,808</u>	<u>\$ 5,385,466</u>	<u>\$ 2,623,140</u>	<u>\$ 19,723,134</u>	<u>\$ 1,273,931</u>
Business-Type Activities					
Bonds and notes from direct borrowings and placements	\$ 761,806	\$ 723,031	\$ 99,810	\$ 1,385,027	\$ 96,047
Bonds and notes payable:					
General obligation debt	2,444,212	1,075,000	307,752	3,211,460	306,331
Revenue bonds	2,430,000	-	155,000	2,275,000	200,000
Add/Subtract Amounts For:					
Premiums/Discount on debt	57,369	33,130	4,488	86,011	-
Total	<u>5,693,387</u>	<u>1,831,161</u>	<u>567,050</u>	<u>6,957,498</u>	<u>602,378</u>
Other liabilities:					
Compensated absences	133,440	10,741	-	144,181	56,218
Total other liabilities	<u>133,440</u>	<u>10,741</u>	<u>-</u>	<u>144,181</u>	<u>56,218</u>
Total business-type activities - long-term liabilities	<u>\$ 5,826,827</u>	<u>\$ 1,841,902</u>	<u>\$ 567,050</u>	<u>\$ 7,101,679</u>	<u>\$ 658,596</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2024 was \$33,579,700. Total general obligation debt outstanding at year end was \$22,156,251.

Governmental activities long-term debt at December 31, 2024 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2024
Governmental Activities					
General Obligation Debt					
Corporate purpose bonds	5/19/2015	4/1/2030	1.00% - 3.00%	\$ 1,760,000	\$ 675,000
Promissory notes	3/17/2016	3/17/2026	1.50% - 2.50%	1,400,000	260,000
Promissory notes	3/23/2017	3/1/2027	1.50% - 2.75%	925,451	243,541
Promissory notes	3/20/2018	3/1/2033	1.80% - 3.40%	1,265,000	650,000
Promissory notes	8/22/2018	8/22/2028	0.00%	39,263	15,051
Corporate purpose bonds	2/27/2019	2/1/2029	3.00% - 4.00%	910,000	505,000
Corporate purpose bonds	3/19/2020	3/1/2040	2.00% - 4.00%	3,195,000	2,990,000
Promissory notes	2/12/2021	2/12/2026	2.60%	51,000	21,199
Corporate purpose bonds	3/3/2021	3/1/2041	1.00% - 3.00%	5,670,000	4,985,000
Corporate purpose bonds	3/10/2022	3/1/2036	2.00% - 2.35%	3,145,000	2,600,000
Corporate purpose bonds	5/17/2023	3/1/2043	4.00%	2,140,000	2,080,000
Promissory notes	6/20/2024	3/1/2044	4.00% - 5.00%	4,995,000	3,920,000
Total governmental activities - general obligation debt					<u><u>\$ 18,944,791</u></u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

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

Years	Governmental Activities					
	Bonds and Notes from Direct Borrowings and Placements		General Obligation Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 14,387	\$ 560	\$ 1,223,669	\$ 553,711	\$ 1,238,056	\$ 554,271
2026	14,664	283	1,224,935	482,796	1,239,599	483,079
2027	3,926	-	1,204,935	445,289	1,208,861	445,289
2028	3,273	-	1,175,000	406,913	1,178,273	406,913
2029	-	-	1,165,000	369,945	1,165,000	369,945
2030-2034	-	-	5,835,000	1,354,871	5,835,000	1,354,871
2035-2039	-	-	4,825,000	672,795	4,825,000	672,795
2040-2044	-	-	2,255,002	165,370	2,255,002	165,370
Totals	<u>\$ 36,250</u>	<u>\$ 843</u>	<u>\$ 18,908,541</u>	<u>\$ 4,451,690</u>	<u>\$ 18,944,791</u>	<u>\$ 4,452,533</u>

Business-type activities long-term debt at December 31, 2024 consists of the following individual issues:

	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 12/31/2024
Business-Type Activities					
Electric revenue bonds	5/17/2012	12/1/2025	1.00% - 2.80%	\$ 1,225,000	\$ 105,000
Safe drinking water loan	4/25/2012	5/1/2031	2.20%	1,554,314	649,645
Corporate purpose bonds	5/19/2015	4/1/2030	1.00% - 3.00%	290,000	25,000
Member energy efficiency and renewable energy loan	7/22/2015	8/1/2025	0.00%	123,505	7,204
Corporate purpose notes	3/17/2016	3/17/2026	1.50% - 2.50%	175,000	30,000
Corporate purpose bonds	3/23/2017	3/1/2027	1.50% - 2.75%	310,000	81,460
Corporate purpose bonds	3/20/2018	3/1/2033	1.80% - 3.40%	420,000	150,000
Corporate purpose bonds	2/27/2019	2/1/2029	3.00% - 4.00%	295,000	130,000
Corporate purpose bonds	3/19/2020	3/1/2035	2.00% - 4.00%	445,000	335,000
Corporate purpose bonds	3/3/2021	3/1/2041	1.00% - 3.00%	745,000	660,000
Corporate purpose bonds	3/10/2022	3/1/2036	2.00% - 2.35%	860,000	725,000
Promissory note	7/6/2022	7/28/2027	2.00%	9,452	5,147
Revenue bonds	5/17/2023	5/1/2043	3.50% - 5.00%	2,220,000	2,170,000
Promissory notes	6/20/2024	3/1/2044	4.00% - 5.00%	4,995,000	1,075,000
Safe drinking water loan	9/25/2024	5/1/2044	2.37%	3,722,963	723,031
Total business-type activities - long-term debt					<u>\$ 6,871,487</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

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

Years	Business-Type Activities							
	Bonds and Notes from Direct Borrowings and Placements		General Obligation Debt		Mortgage Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2025	\$ 96,047	\$ 32,146	\$ 306,331	\$ 100,865	\$ 200,000	\$ 92,443	\$ 602,378
2026	121,337	28,143	270,065	82,674	105,000	84,503	496,402	195,320
2027	123,209	25,437	260,064	74,537	105,000	79,253	488,273	179,227
2028	124,766	22,670	225,000	67,083	110,000	74,703	459,766	164,456
2029	127,563	19,840	195,000	60,813	110,000	70,853	432,563	151,506
2030-2034	371,853	64,629	910,000	226,483	500,000	294,013	1,781,853	585,125
2035-2039	197,861	38,215	595,000	119,358	575,000	181,903	1,367,861	339,476
2040-2044	222,391	12,844	450,000	38,784	570,000	49,374	1,242,391	101,002
Totals	<u>\$ 1,385,027</u>	<u>\$ 243,924</u>	<u>\$ 3,211,460</u>	<u>\$ 770,597</u>	<u>\$ 2,275,000</u>	<u>\$ 927,045</u>	<u>\$ 6,871,487</u>	<u>\$ 1,941,567</u>

Estimated payments of compensated absences are not included in the debt service requirement schedules. See Note 1.K. for disclosure of the Village's policy.

Current Refunding

On June 20, 2024, the Village issued \$4,995,000 of general obligation promissory notes with interest rates of 4.00%-5.00%. A portion of these notes were to currently refund \$1,300,000 of notes issued in 2023 and drawn upon in 2024 with an interest rate of 4.50%. The purpose of the refunding was not for interest rate savings but rather to transfer the temporary loan to permanent financing.

I. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2024 include the following:

Nonspendable

Major Fund:

Prepaid expenses	\$ 42,640
Loans receivable	46,813
Advances to other funds	72,801
Total nonspendable fund balance	<u>162,254</u>

Restricted

Major Funds:

Childcare center	389,300
Fire department	492,403
Tax incremental financing districts	92,513
Capital projects	1,137,454
Debt service	51,168
Total restricted fund balance	<u>2,162,838</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. GOVERNMENTAL FUND BALANCES (Continued)

Committed

Major Fund:

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

Assigned

Major Fund:

General Fund Capital Applied Surplus	298,802
Total assigned fund balance	298,802

Unassigned

Major Funds:

General Fund	2,467,458
Tax Incremental Financing Districts (deficit)	(24,173)

Non-Major Fund:

Transit Fund (deficit)	(33,314)
Total unassigned fund balance	2,409,971
Total governmental fund balance	\$ 5,039,435

J. OTHER POSTEMPLOYMENT BENEFITS

Multiple-Employer Life Insurance Plan

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

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

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Contribution rates as of December 31, 2024 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance Member Contribution Rates*		
For the year ended December 31, 2023		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$1,107 in contributions from the employer.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At December 31, 2023, the Village reported a liability of \$249,918 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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, 2023, the Village's proportion was 0.054322%, which was an increase of 0.001209% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized OPEB expense of \$21,061.

At December 31, 2024, 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	\$ -	\$ (22,120)
Net differences between projected and actual earnings on plan investments	3,376	-
Changes in actuarial assumptions	78,176	(98,411)
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,649	(6,795)
Employer contributions subsequent to the measurement date	1,178	-
Totals	\$ 97,379	\$ (127,326)

\$1,178 reported as deferred outflows of resources related to OPEB resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2025.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2025	\$ 316
2026	3,716
2027	(7,286)
2028	(17,007)
2029	(14,493)
Thereafter	3,629
Total	\$ (31,125)

Actuarial assumptions. The total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield: *	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
*Based on the Bond Buyers GO 20-Bond Municipal index.	

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40%	2.32%
US Mortgages	Bloomberg US MBS	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate. A single discount rate of 3.32% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32%, 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 (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
Village's proportionate share of the net OPEB liability (asset)	\$ 335,798	\$ 249,918	\$ 184,362

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. 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, 2023, 19 active employees were eligible for the benefit terms and one retiree.

Total OPEB Liability. The Village's total OPEB liability of \$131,016 was measured at December 31, 2023, and was determined by an actuarial valuation as of December 31, 2023.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2023 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	4.00 percent
Healthcare cost trend rates	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of the week of the measurement date.

Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

The actuarial assumptions used in the December 31, 2023 valuation were based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 113,455
Changes for the year:	
Service cost	8,270
Interest	4,998
Differences between expected and actual experience	(3,549)
Changes in assumptions or other inputs	7,842
Net Changes	17,561
Balance at 12/31/2023	\$ 131,016

There were no changes of benefit terms.

The changes of assumptions were the WRS decrement assumptions, assumed discount rate, assumed health care trend and assumed annual sick leave accrual between years.

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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

		1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	12/31/2023	\$ 142,083	\$ 131,016	\$ 120,582

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following represents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (actual first year increase, then 6.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (actual first year increase, then 8.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

		1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	12/31/2023	<u>\$ 119,766</u>	<u>\$ 131,016</u>	<u>\$ 144,244</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB. For the year ended December 31, 2024, the Village recognized OPEB expense of \$13,450.

At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (14,293)
Changes of assumptions or other input	36,302	(18,211)
Totals	<u>\$ 36,302</u>	<u>\$ (32,504)</u>

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

	Net Outflows (Inflows) of Resources
Year ended December 31:	
2025	\$ 182
2026	182
2027	182
2028	182
2029	173
Thereafter	2,897
Total	<u>\$ 3,798</u>

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

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

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$105,443, in contributions from the employer.

Contribution rates as of December 31, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2023, the Village reported a liability of \$114,760 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village's proportion was 0.0077186%, which was an increase of 0.00013482% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized pension expense of \$79,059.

At December 31, 2024, 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	\$ 462,713	\$ (612,867)
Net differences between projected and actual earnings on pension plan investments	399,922	-
Changes in assumptions	50,020	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	352	(423)
Employer contributions subsequent to the measurement date	115,574	-
Total	\$ 1,028,581	\$ (613,290)

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

\$115,574 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2025	\$ 61,372
2026	64,385
2027	250,957
2028	(76,997)
Total	\$ 299,717

Actuarial Assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
	January 1, 2018 - December 31, 2020
Experience Study:	Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

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

Asset Allocation Targets and Expected Returns¹
As of December 31, 2023

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Global Equities	40	7.3	4.5
Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage ³	(12)	3.7	1.0
Total Core Fund	<u>100</u>	7.4	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	<u>100</u>	7.3	4.5

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

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. PENSION PLAN (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Village’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Village’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's proportionate share of the net pension liability (asset)	\$ 1,109,216	\$ 114,760	\$ (581,102)

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

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

L. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS

Summary Description

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

L. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS (Continued)

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

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

TID No. 5	Cumulative To Date
Revenues:	
Taxes	\$ 288,944
Intergovernmental	-
Total revenue	288,944
Expenditures:	
Project costs	313,117
Fund balance (deficit), December 31	\$ (24,173)
TID No. 6	
Revenues:	
Taxes	\$ 387,841
Intergovernmental	-
Total revenue	387,841
Expenditures:	
Project costs	295,328
Fund balance (deficit), December 31	\$ 92,513

The current valuations of TID No. 5 and No. 6 are as follows:

	TID No. 5	TID No. 6
Current value	\$ 3,447,900	\$ 14,720,600
Base	142,200	9,988,600
Increment	\$ 3,305,700	\$ 4,732,000

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

L. STATUS OF TAX INCREMENTAL FINANCING DISTRICTS (Continued)

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

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

NOTE 4. OTHER INFORMATION

A. JOINT VENTURES

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

The Villages of Prairie du Sac and Sauk City jointly formed the Sauk Prairie Police Commission to provide law enforcement services to each of the Villages. Under the agreement, costs are jointly shared and are apportioned annually based upon several criteria. The Village paid \$1,148,800 to the Sauk Prairie Police Commission in 2024 for its share of expenditures. The investment in the Sauk Prairie Police Commission has not been reflected in the statement of net position.

Separate financial statements are issued for Sauk-Prairie Joint Sewerage Commission and Sauk Prairie Police Commission. However, the Sauk-Prairie Joint Sewerage Commission audited financial statements were not yet available.

SAUK PRAIRIE TRANSIT FUND

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

B. COMMITMENTS AND CONTINGENCIES

Electric Utility Power Purchase Agreement

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 4. OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

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

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

Lawsuits

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

Grants

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

State Funding

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

Contract Commitments

In February 2020, the Village purchased 67 acres of land for \$1.875 million for the development of a community park and sports complex. Total project costs are estimated at \$12 million and are anticipated to be covered by fundraising by Friends of Sauk Prairie Parks and Recreation. In 2023, project costs totaling \$3,813,903 were considered complete and contributed to the Village, which were reported as capital contributions and capital assets on the Village's financial statements. In 2024, no additional phases of the project were completed.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 4. OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

In November 2022, the Village approved the purchase of a new fire truck with a total cost of \$1,773,379. As of December 31, 2024, the Village incurred costs of \$1,031,466, which are reported as construction work in progress on the financial statements.

In April 2024, the Village approved a contract for Well #5 facility construction in the amount of \$2,180,488. As of December 31, 2024, the Village incurred costs of \$1,442,760 for the entire Well #5 project (engineering and design, well drilling, and facility construction), which are reported as construction work in progress on the financial statements.

C. RISK MANAGEMENT

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

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

The GASB has adopted GASB Statement No. 102, Certain Risk Disclosures, effective for periods beginning after June 15, 2024, GASB Statement No. 103, Financial Reporting Model Improvements, effective for periods beginning after June 15, 2025, and GASB Statement No. 104, Disclosure of Certain Capital Assets, effective for periods beginning after June 15, 2025. When these standards become effective, application may restate portions of these financial statements.

E. TAX ABATEMENTS

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

The Village of Prairie du Sac, through TID No. 5, has entered into tax abatement agreements with developers in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the project plans. The agreements require the Village to make annual repayments of property taxes collected within the TID to the developer based upon the terms of the agreement.

For the year ended December 31, 2024, the Village abated property taxes totaling \$66,423 related to the TID No. 5 developer agreements.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 4. OTHER INFORMATION

F. SUBSEQUENT EVENTS

Subsequent to year-end but prior to issuance of this report, the Village issued \$1,680,000 of general obligation notes to finance annual street improvements. Approved contracted street improvement constructions costs totaled \$1,295,486.

Subsequent to year-end but prior to issuance of this report, the Village approved the purchase of two vehicles totaling \$164,625, and a general engineering contract of \$100,000.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

GENERAL FUND

For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 1,964,746	\$ 1,964,746	\$ 1,964,746	\$ -
Other Taxes	312,000	312,000	291,067	(20,933)
Special Assessment Revenue	-	-	66,834	66,834
Intergovernmental	1,052,481	1,052,481	1,146,064	93,583
License and Permits	159,780	159,780	189,377	29,597
Public Charges for Services	506,120	506,120	549,516	43,396
Interest Income	50,000	50,000	182,966	132,966
Miscellaneous Income	100,648	100,648	544,346	443,698
Total Revenues	<u>4,145,775</u>	<u>4,145,775</u>	<u>4,934,916</u>	<u>789,141</u>
EXPENDITURES				
Current:				
General Government	433,664	433,664	467,434	(33,770)
Public Safety	1,488,489	1,488,489	1,446,312	42,177
Public Works	1,382,200	1,382,200	1,297,763	84,437
Culture and Recreation	835,864	835,864	849,500	(13,636)
Conservation and Development	16,420	16,420	7,178	9,242
Capital Outlay	61,000	61,000	113,529	(52,529)
Total Expenditures	<u>4,217,637</u>	<u>4,217,637</u>	<u>4,181,716</u>	<u>35,921</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(71,862)</u>	<u>(71,862)</u>	<u>753,200</u>	<u>825,062</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	184,995	184,995
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>184,995</u>	<u>184,995</u>
Net Change in Fund Balance	(71,862)	(71,862)	938,195	1,010,057
Fund Balance - Beginning of Year	2,558,189	2,558,189	2,558,189	-
Fund Balance - End of Year	<u>\$ 2,486,327</u>	<u>\$ 2,486,327</u>	<u>\$ 3,496,384</u>	<u>\$ 1,010,057</u>

See notes to required supplementary information.

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

**LOCAL RETIREE LIFE INSURANCE SCHEDULES
December 31, 2024**

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

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2023	0.05432200%	\$ 249,918	\$ 1,366,000	18.30%	33.90%
2022	0.05311300%	202,351	1,272,000	15.91%	38.81%
2021	0.05315800%	314,183	1,261,000	24.92%	29.57%
2020	0.05591200%	307,556	1,202,000	25.59%	31.36%
2019	0.05120700%	218,049	1,170,000	18.64%	37.58%
2018	0.04881900%	125,969	1,042,000	12.09%	48.69%
2017	0.04707900%	141,641	1,979,807	7.15%	44.81%

**SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2024	\$ 1,178	\$ (1,178)	\$ -	\$ 1,654,664	0.07%
2023	1,107	(1,107)	-	1,366,000	0.08%
2022	1,074	(1,074)	-	1,272,000	0.08%
2021	1,088	(1,088)	-	1,261,000	0.09%
2020	1,020	(1,020)	-	1,202,000	0.08%
2019	1,017	(1,017)	-	1,170,000	0.09%
2018	1,860	(1,860)	-	1,042,000	0.18%

See notes to required supplementary information.

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

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

December 31, 2024

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 8,270	\$ 11,233	\$ 6,617	\$ 5,974	\$ 5,710	\$ 6,173	\$ 6,173
Interest	4,998	2,530	1,974	2,101	3,041	2,533	2,270
Differences between expected and actual experience	(3,549)	(974)	(2,600)	-	(16,554)	-	-
Changes in assumptions or other inputs	7,842	(20,234)	30,485	2,918	8,999	(2,963)	-
Benefit payments	-	-	-	-	(1,861)	(1,861)	-
Net change in total OPEB	17,561	(7,445)	36,476	10,993	(665)	3,882	8,443
Total OPEB Liability - Beginning	113,455	120,900	84,424	73,431	74,096	70,214	61,771
Total OPEB Liability - Ending	<u>\$ 131,016</u>	<u>\$ 113,455</u>	<u>\$ 120,900</u>	<u>\$ 84,424</u>	<u>\$ 73,431</u>	<u>\$ 74,096</u>	<u>\$ 70,214</u>
Covered Employee Payroll	\$ 1,468,459	\$ 1,238,102	\$ 1,238,102	\$ 875,590	\$ 875,590	\$ 986,546	\$ 986,546

**Total OPEB Liability as a Percentage of
Covered-Employee Payroll**

8.92%	9.16%	9.76%	9.64%	8.39%	7.51%	7.12%
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See notes to required supplementary information.

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

**WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2024**

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

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2023	0.00771860%	\$ 114,760	\$ 1,550,643	7.40%	98.85%
2022	0.00758378%	401,766	1,379,268	29.13%	95.72%
2021	(0.00754713%)	(608,312)	1,300,744	(46.77%)	(106.02%)
2020	(0.00756829%)	(472,498)	1,269,640	(37.22%)	(105.06%)
2019	(0.00763409%)	(246,157)	1,200,032	(20.51%)	(102.96%)
2018	0.00770662%	274,177	1,169,781	23.44%	96.45%
2017	(0.00749447%)	(222,519)	1,159,749	(19.19%)	(102.93%)
2016	0.00714162%	58,864	1,114,427	5.28%	99.12%
2015	0.00685019%	111,314	987,825	11.27%	98.20%
2014	(0.00673569%)	(165,401)	948,208	(17.44%)	(102.74%)

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

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2024	\$ 115,574	\$ 115,574	\$ -	\$ 1,674,984	6.90%
2023	105,443	105,443	-	1,550,643	6.80%
2022	89,668	89,668	-	1,379,268	6.50%
2021	87,951	87,951	-	1,300,744	6.76%
2020	85,701	85,701	-	1,269,640	6.75%
2019	78,670	78,670	-	1,200,032	6.56%
2018	78,375	78,375	-	1,169,781	6.70%
2017	78,822	78,822	-	1,159,749	6.80%
2016	73,552	73,552	-	1,114,427	6.60%
2015	67,172	67,172	-	987,825	6.80%

See notes to required supplementary information.

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024**

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 2024, the Village experienced expenditures which exceeded appropriations in the following functions: General Government - \$33,770, Culture and Recreation - \$13,636, and Capital Outlay - \$52,529.

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 3 preceding years.

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

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

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

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

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024**

NOTE 3. SCHEDULE OF CHANGES IN THE VILLAGE'S 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 3 preceding years.

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

Changes of assumptions. Actuarial assumptions changed from the prior year, including the assumed discount rate and assumed health care trends.

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

NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES

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

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

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

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

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024**

NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES (Continued)

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

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.9%	1.9%	1.9%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024**

NOTE 4. WISCONSIN RETIREMENT SYSTEM SCHEDULES (Continued)

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

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality

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

OTHER SUPPLEMENTARY INFORMATION

**VILLAGE OF PRAIRIE DU SAC
PRAIRIE DU SAC, WISCONSIN
COMBINING BALANCE SHEET
TAX INCREMENTAL FINANCING DISTRICTS
December 31, 2024**

	Tax Incremental Financing District No. 5	Tax Incremental Financing District No. 6	Total Tax Incremental Financing Districts
ASSETS			
Receivables:			
Taxes	\$ 33,549	\$ 48,025	\$ 81,574
Restricted Cash	-	393,504	393,504
Total Assets	<u>\$ 33,549</u>	<u>\$ 441,529</u>	<u>\$ 475,078</u>
LIABILITIES			
Due to Other Funds	\$ 1,614	\$ -	\$ 1,614
Advances Payable	-	268,700	268,700
Total Liabilities	<u>1,614</u>	<u>268,700</u>	<u>270,314</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year Tax Levy	56,108	80,316	136,424
Total Deferred Inflows of Resources	<u>56,108</u>	<u>80,316</u>	<u>136,424</u>
FUND BALANCES			
Restricted	-	92,513	92,513
Unassigned (Deficit)	(24,173)	-	(24,173)
Total Fund Balances (Deficit)	<u>(24,173)</u>	<u>92,513</u>	<u>68,340</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 33,549</u>	<u>\$ 441,529</u>	<u>\$ 475,078</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - TAX INCREMENTAL FINANCING DISTRICTS
For the Year Ended December 31, 2024**

	Tax Incremental Financing District No. 5	Tax Incremental Financing District No. 6	Total Tax Incremental Financing Districts
REVENUES			
Property Taxes	\$ 69,029	\$ 116,352	\$ 185,381
Total Revenues	<u>69,029</u>	<u>116,352</u>	<u>185,381</u>
 EXPENDITURES			
Current:			
Conservation and Development	83,522	6,599	90,121
Total Expenditures	<u>83,522</u>	<u>6,599</u>	<u>90,121</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,493)	109,753	95,260
 Fund Balances (Deficit) - Beginning of Year	<u>(9,680)</u>	<u>(17,240)</u>	<u>(26,920)</u>
Fund Balances (Deficit) - End of Year	<u>\$ (24,173)</u>	<u>\$ 92,513</u>	<u>\$ 68,340</u>

FORM OF LEGAL OPINION

(See following pages)

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

May 20, 2026

Re: Village of Prairie du Sac, Wisconsin ("Issuer")
\$1,730,000 General Obligation Promissory Notes, Series 2026A,
dated May 20, 2026 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. 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 Notes 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>
2027	\$ 75,000	___%
2028	145,000	___
2029	150,000	___
2030	155,000	___
2031	160,000	___
2032	100,000	___
2033	105,000	___
2034	105,000	___
2035	105,000	___
2036	105,000	___
2037	105,000	___
2038	105,000	___
2039	105,000	___
2040	105,000	___
2041	105,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2027.

The Notes maturing on March 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2034 or on any date thereafter. Said Notes 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 Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes.
3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes.

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

The rights of the owners of the Notes 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 \$1,730,000 General Obligation Promissory Notes, Series 2026A, dated May 20, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 28, 2026 (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 April 28, 2026 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.

"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 ending December 31, 2025, 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 20th day of May, 2026.

(SEAL)

Andrew Strathman
President

Niki Conway
Village Clerk

NOTICE OF SALE

**\$1,730,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
VILLAGE OF PRAIRIE DU SAC, WISCONSIN**

Bids for the purchase of \$1,730,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the Village of Prairie du Sac, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, 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 April 28, 2026, 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 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including paying the cost of 2026 capital improvement projects, including street and stormwater improvement projects. The Notes 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 Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated May 20, 2026, will be issued as fully registered Notes 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>
2027	\$75,000	2032	\$100,000	2037	\$105,000
2028	145,000	2033	105,000	2038	105,000
2029	150,000	2034	105,000	2039	105,000
2030	155,000	2035	105,000	2040	105,000
2031	160,000	2036	105,000	2041	105,000

ADJUSTMENT OPTION

The Village reserves the right to increase or decrease the principal amount of the Notes 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 Notes 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, 2027, to the registered owners of the Notes 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. All Notes 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 Notes 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 Notes, 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 Notes. So long as Cede & Co. is the registered owner of the Notes, 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 Notes.

PAYING AGENT

The Village has selected Bond Trust Services Corporation, Minneapolis, 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 Notes maturing on or after March 1, 2035 shall be subject to optional redemption prior to maturity on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Village. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

DELIVERY

On or about May 20, 2026, the Notes 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 Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes 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 Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 Notes. 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 the Official Statement or other offering material relating to the Notes 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 the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$1,708,375, nor more than \$1,868,400, plus accrued interest on the principal sum of \$1,730,000 from date of original issue of the Notes 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 IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

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 \$34,600 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 Notes 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 Notes 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 Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes 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 Notes 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 Notes 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 Notes 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 Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Notes 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 Notes shall be designated 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 Underwriter (Syndicate Manager) 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 Notes. 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes) will apply to the initial sale of the Notes (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 Notes to the bidder who submits a firm offer to purchase the Notes 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 Notes, 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 Notes 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 Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (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 Notes (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 Notes 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 Notes, that the underwriters will neither offer nor sell unsold Notes 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 Notes 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(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 Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes 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 Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes 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 Notes 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 Notes 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 Notes to the public),
- (iii) a purchaser of any of the Notes 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 Notes are awarded by the Village to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Official Statement relating to the Notes prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Village Board

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

BID FORM

The Village Board
Village of Prairie du Sac, Wisconsin (the "Village")

April 28, 2026

RE: \$1,730,000* General Obligation Promissory Notes, Series 2026A (the "Notes")
DATED: May 20, 2026

For all or none of the above Notes, 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 \$1,708,375, nor more than \$1,868,400) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2027	_____ % due	2032	_____ % due	2037
_____ % due	2028	_____ % due	2033	_____ % due	2038
_____ % due	2029	_____ % due	2034	_____ % due	2039
_____ % due	2030	_____ % due	2035	_____ % due	2040
_____ % due	2031	_____ % due	2036	_____ % due	2041

The Village reserves the right to increase or decrease the principal amount of the Notes 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.

All Notes 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 \$34,600 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 Notes 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 Notes 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 Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 20, 2026.

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 Official Statement for the Notes.

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 Underwriter (Syndicate Manager), we agree to provide the Village with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes 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 either the: ___ 10% test, or the ___ hold-the-offering-price rule to determine the issue price of the Notes.

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 May 20, 2026 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 April 28, 2026.

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