

BANK OF  
PRAIRIE DU SAC  
MEMBER FDIC

**Community  
Reinvestment Act  
Public File**

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**Community Reinvestment Act Public File**

# Section 1

## **Community Reinvestment Act (CRA) Notice**



## **Community Reinvestment Act Public File**

### **Community Reinvestment Act Notice**

### **BANK OF PRAIRIE DU SAC**

Under the federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today on our website [www.bankpds.com](http://www.bankpds.com) under “Resources” / “What Sets Us Apart”.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, FDIC, 300 South Riverside Plaza, Suite 1700 Chicago, IL 60606. You may send written comments about our performance in helping to meet community credit needs to Steven Ploetz, President & C.E.O., Bank of Prairie du Sac, 555 Park Avenue, Prairie du Sac, Wisconsin 53578, and the FDIC Regional Director (address listed above). You may also submit comments electronically through the FDIC’s website at [www.fdic.gov/regulations/cra](http://www.fdic.gov/regulations/cra). Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of PdS Bancorp, Inc., a bank holding company. You may request from the Assistant Vice President Applications, Federal Reserve Bank of Chicago, 230 S. LaSalle St. Chicago, IL 60604, an announcement of applications covered by the CRA filed by bank holding companies.



**Community Reinvestment Act Public File**

# Section 2

**Public Comments**



## **Community Reinvestment Act Public File**

Written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the bank's performance in helping to meet community credit needs.

**No public comments have been received for the current and preceding two years.**



**Community Reinvestment Act Public File**

# Section 3

## **FDIC Performance Evaluation**

# **PUBLIC DISCLOSURE**

July 25, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Bank of Prairie du Sac  
Certificate Number: 14660

555 Park Avenue  
Prairie du Sac, Wisconsin 53578

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.



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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs in the assessment area.
- The bank originated a majority of its home mortgage, small business, and small farm loans within the assessment area.
- The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, examiners did not evaluate this criterion.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

**The Community Development Test is rated Satisfactory.**

- The institution demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments and donations, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

## DESCRIPTION OF INSTITUTION

Bank of Prairie du Sac is a full-service community bank that operates in portions of Columbia, Dane, and Sauk Counties in south-central Wisconsin. The main office is located in Prairie du Sac, with its one branch located in Sauk City. The bank is a member of the one-bank holding company, PDS Bancorp, Inc., which is also located in Prairie du Sac. The bank has a subsidiary that offers investment products, Sauk Prairie Investments, Inc, which is also located in Prairie du Sac. No merger or acquisition activities have occurred since the previous evaluation. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation, dated July 8, 2019, based on the Interagency Intermediate Small Institution Examination Procedures.

Bank of Prairie du Sac offers traditional consumer and commercial deposit and credit products. The bank's primary business strategy continues to focus on commercial, 1-4 family residential, and agricultural lending. The institution offers loan products which includes home mortgage, consumer, commercial, and agricultural loans. In 2020 and 2021, to aid small businesses impacted by the

COVID-19 pandemic, the bank participated in the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP), which was part of the Coronavirus Aid, Relief, and Economic Security Act. These loans assisted businesses negatively impacted by the pandemic to retain workforces. Further, Bank of Prairie du Sac offered deferrals and forbearance programs in response to the COVID-19 pandemic.

The institution provides a variety of deposit services, including savings, checking, money market deposit accounts, individual retirement, health savings accounts, and certificates of deposit. Alternative banking services include internet and mobile banking, electronic bill pay, mobile check deposit, and online deposit account opening. The bank also maintains two proprietary automated teller machines (ATMs) located at the bank's office locations. Additional access to ATMs is available through the Access Network, a service that allows bank customers surcharge-free access to designated ATMs throughout Wisconsin and Minnesota.

Bank of Prairie du Sac's assets total \$585.4 million as of March 31, 2022. As of the same financial date, the bank had total loans of \$316.8 million, securities totaling \$226.0 million, and deposits totaling \$503.9 million. Assets increased \$145.8 million from the March 31, 2019 financial date at the previous evaluation. This increase primarily resulted from an \$88.6 million increase in total securities, primarily in municipal bonds, and a \$33.9 million increase in total loans. Management stated that the investments in securities was due to an increase in liquidity. In addition, management stated that loan growth was due to SBA PPP lending, the hiring of a new commercial lender, pursuing new relationships in agricultural lending, and retaining home mortgage loans within the bank's portfolio, instead of selling on the secondary market. Deposits increased by \$135.4 million from the previous evaluation. Management stated that the deposit growth was largely due to economic impact payments.

The table below shows the distribution for each loan category by dollar volume.

| <b>Loan Portfolio Distribution as of 3/31/2022</b>   |                 |              |
|--|-----------------|--------------|
| <b>Loan Category</b>   | <b>\$(000s)</b> | <b>%</b>     |
| Construction, Land Development, and Other Land Loans   | 25,073          | 7.9          |
| Secured by Farmland  | 33,401          | 10.6         |
| Secured by 1-4 Family Residential Properties   | 52,066          | 16.4         |
| Secured by Multifamily (5 or more) Residential Properties                                    | 16,812          | 5.3          |
| Secured by Nonfarm Nonresidential Properties   | 121,034         | 38.2         |
| <b>Total Real Estate Loans</b>   | <b>248,386</b>  | <b>78.4</b>  |
| Commercial and Industrial Loans  | 57,229          | 18.1         |
| Agricultural Production and Other Loans to Farmers   | 5,578           | 1.8          |
| Consumer Loans   | 1,501           | 0.5          |
| Obligations of State and Political Subdivisions in the U.S.                                  | 4,073           | 1.3          |
| Other Loans  | 32              | 0.0          |
| Lease Financing Receivable (net of unearned income)  | 0               | 0.0          |
| Less: Unearned Income  | 0               | 0.0          |
| <b>Total Loans</b>   | <b>316,799</b>  | <b>100.0</b> |
| <i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0%</i> |                 |              |

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

## **DESCRIPTION OF ASSESSMENT AREAS**

CRA requires each financial institution to define one or more assessment areas within which examiners evaluate its performance. Bank of Prairie du Sac designated one contiguous assessment area comprised of portions of Sauk, Dane, and Columbia Counties. The census tracts in Dane and Columbia Counties are part of the Madison Metropolitan Statistical Area (MSA). The census tracts in Sauk County are in a Nonmetropolitan Area. While the bank's main office, branch, and ATMs are all located in Sauk County, management included portions of the two other counties because these counties contain a considerable portion of the bank's deposits and loans. The assessment area is contiguous to the MSA and in close proximity to the main office and branch. Further, the assessment area does not arbitrarily exclude low- and moderate-income tracts and has not changed since the last evaluation.

The following sections discuss economic and demographic information for the assessment area. Sources of the data used in this section are as follows: FFIEC, 2015 American Community Survey (ACS), 2010 U.S. Census, 2020 & 2021 Dun & Bradstreet (D&B), U.S. Bureau of Labor Statistics, and Wisconsin Department of Workforce Development.

### **Economic and Demographic Data**

The assessment area includes five census tracts in southeastern Sauk County, two census tracts in northwestern Dane County, and one census tract in southwestern Columbia County. These tracts reflect the following income designations according to the 2015 ACS data: seven middle-income tracts and

one upper-income tract. The following table illustrates select demographic characteristics of the assessment area.

| Demographic Information of the Assessment Area   |        |               |                              |                  |                 |               |
|--|--------|---------------|------------------------------|------------------|-----------------|---------------|
| Demographic Characteristics  | #      | Low<br>% of # | Moderate<br>% of #           | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts)  | 8      | 0.0           | 0.0                          | 87.5             | 12.5            | 0.0           |
| Population by Geography  | 34,943 | 0.0           | 0.0                          | 91.6             | 8.4             | 0.0           |
| Housing Units by Geography   | 15,894 | 0.0           | 0.0                          | 92.4             | 7.6             | 0.0           |
| Owner-Occupied Units by Geography  | 10,856 | 0.0           | 0.0                          | 93.0             | 7.0             | 0.0           |
| Occupied Rental Units by Geography   | 3,133  | 0.0           | 0.0                          | 87.9             | 12.1            | 0.0           |
| Vacant Units by Geography  | 1,905  | 0.0           | 0.0                          | 96.7             | 3.3             | 0.0           |
| Businesses by Geography  | 2,253  | 0.0           | 0.0                          | 88.8             | 11.2            | 0.0           |
| Farms by Geography   | 313    | 0.0           | 0.0                          | 96.5             | 3.5             | 0.0           |
| Family Distribution by Income Level  | 9,626  | 14.4          | 16.7                         | 25.8             | 43.2            | 0.0           |
| Household Distribution by Income Level   | 13,989 | 15.9          | 15.0                         | 21.6             | 47.4            | 0.0           |
| Median Family Income MSA - 31540<br>Madison, WI MSA  |        | \$81,321      | Median Housing Value         |                  |                 | \$210,555     |
| Median Family Income Non-MSAs -<br>WI  |        | \$60,742      | Median Gross Rent            |                  |                 | \$787         |
|  |        |               | Families Below Poverty Level |                  |                 | 5.1%          |
| <i>Source: 2015 ACS and 2021 D&amp;B Data</i><br><i>Due to rounding, totals may not equal 100.0%</i><br><i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> |        |               |                              |                  |                 |               |

Service industries represent the largest portion of businesses at 36.3 percent, followed by retail trade at 12.7 percent, agriculture, forestry, and fishing at 12.2 percent, and construction at 10.5 percent. In addition, 68.8 percent of area businesses have four or fewer employees, and 90.5 percent of businesses operate from a single location.

Of the 15,894 housing units in the assessment area, 68.3 percent are owner-occupied, 19.7 percent are occupied rental units, and 12.0 percent are vacant.

Examiners used the 2020 and 2021 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table shows the low-, moderate-, middle-, and upper-income categories.

| Median Family Income Ranges                         |             |                         |                        |                |
|---|-------------|-------------------------|------------------------|----------------|
| Median Family Incomes                               | Low<br><50% | Moderate<br>50% to <80% | Middle<br>80% to <120% | Upper<br>≥120% |
| <b>Madison, WI MSA Median Family Income (31540)</b> |             |                         |                        |                |
| 2020 (\$96,600)                                     | <\$48,300   | \$48,300 to <\$77,280   | \$77,280 to <\$115,920 | ≥\$115,920     |
| 2021 (\$99,000)                                     | <\$49,500   | \$49,500 to <\$79,200   | \$79,200 to <\$118,800 | ≥\$118,800     |
| <b>WI NA Median Family Income (99999)</b>           |             |                         |                        |                |
| 2020 (\$68,000)                                     | <\$34,000   | \$34,000 to <\$54,400   | \$54,400 to <\$81,600  | ≥\$81,600      |
| 2021 (\$69,600)                                     | <\$34,800   | \$34,800 to <\$55,680   | \$55,680 to <\$83,520  | ≥\$83,520      |
| <i>Source: FFIEC</i>                                |             |                         |                        |                |

Data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rates in Sauk, Dane, and Columbia Counties were generally improving throughout most of the evaluation period, but sharply increased in the second quarter of 2020. Specifically, the unemployment rates in Sauk, Dane, and Columbia Counties peaked in April 2020 at 21.0 percent, 10.6 percent, and 14.1 percent, respectively. The following table shows that unemployment rates in Dane and Columbia Counties have been consistently better than the Wisconsin statewide and the nationwide rates. Sauk County had consistently better unemployment rates than state and nationwide levels; however, unemployment rates exceeded the state levels during the COVID-19 pandemic and is now comparable.

| Unemployment Rates                        |      |      |      |          |
|---|------|------|------|----------|
| Area                                      | 2019 | 2020 | 2021 | May 2022 |
|   | %    | %    | %    | %        |
| Sauk County                               | 2.8  | 7.5  | 4.5  | 2.9      |
| Dane County                               | 2.3  | 4.8  | 2.8  | 2.2      |
| Columbia County                           | 2.9  | 6.0  | 3.4  | 2.4      |
| Statewide                                 | 3.2  | 6.3  | 3.8  | 2.9      |
| Nationwide                                | 3.7  | 8.1  | 5.4  | 3.6      |
| <i>Source: Bureau of Labor Statistics</i> |      |      |      |          |

According to the Wisconsin Department of Workforce Development, major employers in the assessment area include Sauk Prairie Healthcare, Cardinal CG Co., Cardinal IG Co., Devils Head Ski Area Leasing, Milwaukee Valve, and Wick Buildings. While services and retail comprise the majority of the workforce, the companies are generally small and do not employ a significant number of people.

### **Competition**

The assessment area is moderately competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2020, seven financial institutions operated

twelve full-service branches within the assessment area. Of these institutions, Bank of Prairie du Sac ranked first with a 43.4 percent deposit market share.

The bank is not required to collect or report home mortgage, small business, or small farm data, and it has elected not to do so. Therefore, the analysis of loans under the Lending Test does not include direct comparisons against aggregate data. The aggregate data, however, reflects the level of demand for lending. Aggregate data for 2020 shows 171 lenders reporting 2,524 home mortgage loans in the assessment area. Further, aggregate data for 2020 shows 140 lenders reported 9,452 small business loans and 21 lenders reported 362 small farm loans in Sauk, Dane, and Columbia Counties. Many institutions are not required to report lending data; therefore, competition for these loan types is greater than the aggregate data reflects.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. Information from third parties also aids in identifying available opportunities for credit, investments, and services.

During this evaluation, examiners used contact information recently obtained from a government organization in the assessment area. The contact stated that the COVID-19 pandemic impacted rural counties in the assessment area more than in metropolitan areas, such as Madison. The contact also stated that the pandemic had a greater impact on the labor force for hospitality and tourism and that there is currently a high need for employment in these areas. The contact stated that there is a high demand for affordable housing, commercial properties, and small business loans. Further, the contact noted that other limitations in the area include access to broadband internet and affordable childcare. Lastly, the contact stated that financial institutions are generally meeting credit needs; however, they could assist more through gap funding and equity funding. The contact also stated that there are opportunities for employees at banks to develop strategies for investments in economic development.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans represent a primary credit need for the assessment area. There is a particular need for covering the funding gaps that start-up and other small businesses experience due to the amount of funds local financial institutions are typically capable of lending to them. The significant percentage of businesses with gross annual revenues (GARs) of \$1 million or less and the percentage of businesses with four or fewer employees support this conclusion. Similarly, small farms surround the area, and the number of small farms within the assessment area supports the credit need.

Additionally, there is a significant community development need for affordable housing and home rehabilitation in the assessment area. The median housing values for the area and the limited availability of housing stock support this conclusion.

Finally, opportunities exist to partner with local community service groups in creative ways to help provide and fund different community development activities, including financial education and credit counseling. Additionally, opportunities exist to partner with local businesses and other entities in order to help provide community service and other activities where there may be gaps or lack of coverage for different community development activities.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated July 8, 2019, to the current evaluation date of July 25, 2022. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate the bank's CRA performance. The procedures consist of the Lending Test and the Community Development Test. Examiners performed a full-scope review of the bank's sole assessment area. The Appendix details the performance criteria for this test, while the Glossary provides for pertinent definitions. This evaluation does not include any lending activity performed by affiliates.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are home mortgage, small business, and small farm loans. This conclusion considered the bank's business strategy, Call Report data, and the number and dollar volume of loans originated during the evaluation period. Bank records and discussions with bank management indicate that the lending focus and product mix remained consistent throughout the evaluation period. The bank's record of originating home mortgage loans contributed the most weight for overall conclusions followed by small business loans, and small farm loans received the least weight. Examiners based this conclusion on the volume of lending activity.

This evaluation considered all home mortgage loans originated in the period January 1, 2020 through December 31, 2021. According to bank records, Bank of Prairie du Sac originated 521 home mortgage loans totaling \$142.2 million in 2020, and 345 home mortgage loans totaling \$76.6 million in 2021. For the Borrower Profile criterion, examiners reviewed a random sample of 63 home mortgage loans totaling \$13.6 million for 2020 and 58 home mortgage loans totaling \$11.6 million for 2021.

Examiners considered all small business loans originated in the period January 1, 2020, through December 31, 2021. According to bank records, Bank of Prairie du Sac originated 109 small business loans totaling \$22.3 million in 2020, and 225 small business loans totaling \$45.5 million in 2021. For the Borrower Profile criterion, examiners initially reviewed a random sample of 47 small business loans totaling \$10.5 million for 2020 and 55 small business loans totaling \$10.6 million for 2021. Due to borderline performance, examiners expanded the sample to all small business loans within the assessment year. Examiners reviewed 65 loans totaling \$11.7 million in 2020 and 106 loans totaling \$21.0 million in 2021.



Examiners considered all small farm loans originated in the period January 1, 2020, through December 31, 2021. According to bank records, Bank of Prairie du Sac originated 54 small farm loans totaling \$7.9 million in 2020, and 87 small farm loans totaling \$10.5 million in 2021. For the Borrower Profile criterion, examiners reviewed a random sample of 36 small farm loans totaling \$4.8 million for 2020 and 41 small farm loans totaling \$4.7 million for 2021.

This evaluation presents home mortgage, small business, and small farm information for 2020 and 2021 as bank management noted this performance is representative of the entire evaluation period. The 2015 ACS demographic data provides a standard of comparison for the home mortgage loans. D&B data for 2020 and 2021 provides a standard of comparison for the small business and small farm loans.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the prior CRA evaluation dated July 8, 2019.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Bank of Prairie du Sac demonstrated reasonable performance under the Lending Test. The bank's LTD ratio, Assessment Area Concentration, and Borrower Profile performance supports this conclusion.

#### **Loan-to-Deposit Ratio**

The LTD ratio is reasonable given the institution's size, financial condition, assessment area credit needs, and similarly situated banks' performance. Bank of Prairie du Sac's LTD ratio, calculated from Call Report data, averaged 66.2 percent over the past 11 calendar quarters from September 30, 2019, to March 31, 2022. The ratio ranged from a high of 75.9 percent as of September 30, 2019, to a low of 56.9 percent as of March 31, 2021. The ratio slightly declined during the evaluation period. Management stated the primary reason for the decline is higher deposit levels.

Bank of Prairie du Sac maintained a ratio slightly below comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. Notably, loans sold in the secondary market are not included in the LTD ratio. According to bank records, from the July 8, 2019, to December 31, 2021, the bank originated and sold 572 secondary market loans totaling \$123.2 million.

| Loan-to-Deposit Ratio Comparison |                                     |                           |
|----------------------------------|-------------------------------------|---------------------------|
| Institution                      | Total Assets as of 3/31/22 \$(000s) | Average Net LTD Ratio (%) |
| Bank of Prairie du Sac           | 585,429                             | 66.2                      |
| Royal Bank                       | 726,550                             | 76.8                      |
| Baraboo State Bank               | 523,170                             | 69.9                      |
| Farmers & Merchants Bank         | 442,143                             | 96.4                      |
| Bank of New Glarus               | 399,450                             | 84.4                      |
| Peoples Community Bank           | 360,258                             | 76.2                      |

Source: Call Reports 9/30/19 through 3/31/22

### Assessment Area Concentration

A majority of loans are within the assessment area. Specifically, the bank made the majority of home mortgage and small farm loans, by number and dollar volume, within the assessment area. Additionally, when considering both 2020 and 2021 data, the majority of small business loans, by number, are within the assessment area.

| Lending Inside and Outside of the Assessment Area |                 |             |            |             |              |                                  |             |                |             |                |
|---|-----------------|-------------|------------|-------------|--------------|----------------------------------|-------------|----------------|-------------|----------------|
| Loan Category                                     | Number of Loans |             |            |             | Total #      | Dollars Amount of Loans \$(000s) |             |                |             | Total \$(000s) |
|   | Inside          |             | Outside    |             |              | Inside                           |             | Outside        |             |                |
|   | #               | %           | #          | %           |              | \$                               | %           | \$             | %           |                |
| Home Mortgage                                     |                 |             |            |             |              |                                  |             |                |             |                |
| 2020  | 409             | 78.5        | 112        | 21.5        | 521          | 76,029                           | 53.5        | 66,157         | 46.5        | 142,186        |
| 2021  | 254             | 73.6        | 91         | 26.4        | 345          | 46,966                           | 61.3        | 29,621         | 38.7        | 76,587         |
| <b>Subtotal</b>                                   | <b>663</b>      | <b>76.6</b> | <b>203</b> | <b>23.4</b> | <b>866</b>   | <b>122,995</b>                   | <b>56.2</b> | <b>95,778</b>  | <b>43.8</b> | <b>218,773</b> |
| Small Business                                    |                 |             |            |             |              |                                  |             |                |             |                |
| 2020  | 65              | 59.6        | 44         | 40.4        | 109          | 11,730                           | 52.5        | 10,594         | 47.5        | 22,324         |
| 2021  | 106             | 47.1        | 119        | 52.9        | 225          | 20,989                           | 46.2        | 24,462         | 53.8        | 45,451         |
| <b>Subtotal</b>                                   | <b>171</b>      | <b>51.2</b> | <b>163</b> | <b>48.8</b> | <b>334</b>   | <b>32,719</b>                    | <b>48.3</b> | <b>35,056</b>  | <b>51.7</b> | <b>67,775</b>  |
| Small Farm  |                 |             |            |             |              |                                  |             |                |             |                |
| 2020  | 42              | 77.8        | 12         | 22.2        | 54           | 5,940                            | 75.1        | 1,971          | 24.9        | 7,911          |
| 2021  | 72              | 82.8        | 15         | 17.2        | 87           | 8,604                            | 82.1        | 1,877          | 17.9        | 10,481         |
| <b>Subtotal</b>                                   | <b>114</b>      | <b>80.9</b> | <b>27</b>  | <b>19.1</b> | <b>141</b>   | <b>14,544</b>                    | <b>79.1</b> | <b>3,849</b>   | <b>20.9</b> | <b>18,392</b>  |
| <b>Total</b>                                      | <b>948</b>      | <b>70.7</b> | <b>393</b> | <b>29.3</b> | <b>1,341</b> | <b>170,258</b>                   | <b>55.8</b> | <b>134,682</b> | <b>44.2</b> | <b>304,940</b> |

Source: Bank Data

### Geographic Distribution

The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, examiners did not evaluate this criterion.

## **Borrower Profile**

The distribution of borrowers reflects reasonable penetration of individuals of different income levels and among businesses and farms of different sizes. The bank's reasonable performance of home mortgage, small business, and small farm lending supports this conclusion.

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The following table shows that Bank of Prairie du Sac's percentage of loans originated to low-income borrowers trails demographics in 2020 and 2021. The percentage of loans made to moderate-income borrowers is similar to demographics in 2020 and slightly below demographics in 2021.

A low-income family in the assessment area would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$210,555. Therefore, the demand and opportunity for lending to low-income families are relatively limited. Further, 2015 ACS data shows a poverty level of 5.1 percent. Families in poverty face increased challenges, as this segment is not typically able to support a traditional mortgage loan. This assists in explaining the contrast between demographics and the bank's lending performance to low-income borrowers. Although not a direct comparator, aggregate data for 2020 shows only 4.2 percent of home mortgage loans made in the assessment area were to low-income borrowers, which is consistent with Bank of Prairie du Sac's performance.

| <b>Distribution of Home Mortgage Loans by Borrower Income Level</b>   |                      |           |              |                 |              |
|---|----------------------|-----------|--------------|-----------------|--------------|
| <b>Borrower Income Level</b>  | <b>% of Families</b> | <b>#</b>  | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| <b>Low</b>  |                      |           |              |                 |              |
| 2020  | 14.4                 | 2         | 4.0          | 308             | 2.9          |
| 2021  | 14.4                 | 2         | 4.4          | 108             | 1.4          |
| <b>Moderate</b>   |                      |           |              |                 |              |
| 2020  | 16.7                 | 9         | 18.0         | 1,149           | 10.6         |
| 2021  | 16.7                 | 6         | 13.3         | 682             | 8.9          |
| <b>Middle</b>   |                      |           |              |                 |              |
| 2020  | 25.8                 | 13        | 26.0         | 2,751           | 25.5         |
| 2021  | 25.8                 | 12        | 26.7         | 1,839           | 24.0         |
| <b>Upper</b>  |                      |           |              |                 |              |
| 2020  | 43.2                 | 26        | 52.0         | 6,598           | 61.1         |
| 2021  | 43.2                 | 24        | 53.3         | 4,884           | 63.8         |
| <b>Not Available</b>  |                      |           |              |                 |              |
| 2020  | 0.0                  | 0         | 0.0          | 0               | 0.0          |
| 2021  | 0.0                  | 1         | 2.2          | 138             | 1.8          |
| <b>Totals</b>   |                      |           |              |                 |              |
| <b>2020</b>   | <b>100.0</b>         | <b>50</b> | <b>100.0</b> | <b>10,806</b>   | <b>100.0</b> |
| <b>2021</b>   | <b>100.0</b>         | <b>45</b> | <b>100.0</b> | <b>7,651</b>    | <b>100.0</b> |
| <i>Source: 2015 ACS; Bank Data, "--" data not available.<br/>Due to rounding, totals may not equal 100.0%</i> |                      |           |              |                 |              |

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. The following table shows that Bank of Prairie du Sac's percentage of loans originated to businesses with GARs of \$1 million or less trails the demographics in 2020 and declines further in 2021.

Although the bank is not a small business data reporter, the reported data provides some idea of loan demand and performance by reporting institutions. The aggregate performance for lending to businesses with revenues of \$1 million or less was 39.7 percent for 2020. Bank of Prairie du Sac's performance was above that of aggregate reporting institutions in 2020.

Additionally, the demographic data itself represents the percentage of businesses of different sizes operating within the assessment area and does not necessarily represent those businesses that are seeking or may even qualify for bank financing. Smaller business owners often finance their business needs through credit cards, personal home equity lines of credit, or even consumer loans originated in their own name, with these types of loans not captured in this analysis.

Further, the bank’s performance is comparable to a similarly situated bank with reasonable penetration. For businesses with GARs of \$1 million or less, the similar institution’s originations equaled 65.5 percent of loans in 2019 and declined to 38.3 percent of loans in 2020. After adjusting for loans that did not have revenue information available, the bank made 54.4 percent of loans to businesses with GARs of \$1 million or less in 2020. This percentage of lending is consistent with Bank of Prairie du Sac’s performance. Additionally, management noted significant amounts of lending resources dedicated to PPP lending in 2020 and 2021, providing financial assistance to numerous smaller businesses in the assessment area. Both the similarly situated institution and Bank of Prairie du Sac originated a high volume of PPP loans to businesses with revenues of \$1 million or less that were included in the Community Development Test. Specifically, Bank of Prairie du Sac originated 422 PPP loans to businesses with GARs of \$1 million or less. Although not included in the Lending Test, this demonstrates the bank’s willingness to lend to businesses of all sizes. Considering the above factors, the bank’s distribution of small business loans reflects reasonable penetration.

| <b>Distribution of Small Business Loans by Gross Annual Revenue Category</b> |                        |            |              |                 |              |
|--|------------------------|------------|--------------|-----------------|--------------|
| <b>Gross Revenue Level</b>   | <b>% of Businesses</b> | <b>#</b>   | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| <b>&lt;=\$1,000,000</b>  |                        |            |              |                 |              |
| 2020   | 83.7                   | 45         | 69.2         | 5,190           | 44.2         |
| 2021   | 83.3                   | 54         | 50.9         | 6,373           | 30.4         |
| <b>&gt;\$1,000,000</b>   |                        |            |              |                 |              |
| 2020   | 6.8                    | 20         | 30.8         | 6,540           | 55.8         |
| 2021   | 6.9                    | 52         | 49.1         | 14,617          | 69.6         |
| <b>Revenue Not Available</b>   |                        |            |              |                 |              |
| 2020   | 9.5                    | 0          | 0.0          | 0               | 0.0          |
| 2021   | 9.8                    | 0          | 0.0          | 0               | 0.0          |
| <b>Totals</b>  |                        |            |              |                 |              |
| <b>2020</b>  | <b>100.0</b>           | <b>65</b>  | <b>100.0</b> | <b>11,730</b>   | <b>100.0</b> |
| <b>2021</b>  | <b>100.0</b>           | <b>106</b> | <b>100.0</b> | <b>20,989</b>   | <b>100.0</b> |

*Source: 2020 & 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%*

### ***Small Farm Loans***

The distribution of small farm loans reflects reasonable penetration of loans to farms with GARs of \$1 million or less. The following table shows that the bank originated 53 of the 60 small farm loans sampled in 2020 and 2021 to farms with GARs of \$1 million or less. Despite trailing demographics in 2021, performance is comparable to a similarly situated bank with reasonable performance that had 73.3 percent and 81.8 percent of loans, in 2020 and 2021 respectively, made to farms with GARs of \$1 million or less.

| <b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>  |                   |           |              |                 |              |
|---|-------------------|-----------|--------------|-----------------|--------------|
| <b>Gross Revenue Level</b>  | <b>% of Farms</b> | <b>#</b>  | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| <b>&lt;=\$1,000,000</b>   |                   |           |              |                 |              |
| 2020  | 97.4              | 26        | 100.0        | 3,123           | 100.0        |
| 2021  | 97.8              | 27        | 79.4         | 2,465           | 67.7         |
| <b>&gt;\$1,000,000</b>  |                   |           |              |                 |              |
| 2020  | 2.0               | 0         | 0.0          | 0               | 0.0          |
| 2021  | 1.6               | 7         | 20.6         | 1,178           | 32.3         |
| <b>Revenue Not Available</b>  |                   |           |              |                 |              |
| 2020  | 0.7               | 0         | 0.0          | 0               | 0.0          |
| 2021  | 0.6               | 0         | 0.0          | 0               | 0.0          |
| <b>Totals</b>   |                   |           |              |                 |              |
| <b>2020</b>   | <b>100.0</b>      | <b>26</b> | <b>100.0</b> | <b>3,123</b>    | <b>100.0</b> |
| <b>2021</b>   | <b>100.0</b>      | <b>34</b> | <b>100.0</b> | <b>3,643</b>    | <b>100.0</b> |
| <i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; "--" data not available.<br/>Due to rounding, totals may not equal 100.0%</i> |                   |           |              |                 |              |

**Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

**COMMUNITY DEVELOPMENT TEST**

Bank of Prairie du Sac’s community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area. The sections below include analysis for each area. The community development performance is generally consistent with the performance of similar banks that examiners evaluated under the Interagency Intermediate Small Institution Examination Procedures with satisfactory performance.

**Community Development Loans**

The bank originated 436 community development loans totaling \$43.9 million during the evaluation period, which includes 101 community development loans totaling \$8.8 million not in the assessment area. Examiners considered the number and dollar amount of community development loans in the broader statewide and regional area since the bank is meeting the community development needs within its assessment area. Based on the March 31, 2022 Call Report data, this level of activity represents 14.6 percent of average net loans and 8.2 percent of average total assets, which is comparable to other institutions. Four similarly situated institutions rated Satisfactory had

community development lending that ranged from 9.3 to 23.5 percent of average net loans and 6.3 to 18.9 percent of average total assets.

Of the 436 community development loans, 422 totaling \$40.9 million were SBA PPP loans, qualified under economic development. Overall, these loans demonstrate the bank’s responsiveness to a primary community development need during the current evaluation period. Removing SBA PPP loans, Bank of Prairie du Sac originated 14 Community Development loans, totaling \$3.0 million. The bank’s total dollar volume for community development loans excluding PPP loans represents 0.9 percent of average net loans and 0.5 percent of average total assets, which trails the performance of other institutions. Four similarly situated institutions rated Satisfactory, had community development lending excluding PPP loans that ranged from 3.5 to 18.9 percent of average net loans and 2.3 to 15.5 percent of average total assets.

The table below details the bank’s community development lending activity since the last examination. The bank did not originate any qualified loans in 2022 year-to-date.

| <b>Community Development Lending</b> |                           |                 |                           |                 |                             |                 |                                |                 |               |                 |
|--------------------------------------|---------------------------|-----------------|---------------------------|-----------------|-----------------------------|-----------------|--------------------------------|-----------------|---------------|-----------------|
| <b>Activity Year</b>                 | <b>Affordable Housing</b> |                 | <b>Community Services</b> |                 | <b>Economic Development</b> |                 | <b>Revitalize or Stabilize</b> |                 | <b>Totals</b> |                 |
|                                      | <b>#</b>                  | <b>\$(000s)</b> | <b>#</b>                  | <b>\$(000s)</b> | <b>#</b>                    | <b>\$(000s)</b> | <b>#</b>                       | <b>\$(000s)</b> | <b>#</b>      | <b>\$(000s)</b> |
| 2019 (Aug. – Dec.)                   | 0                         | 0               | 0                         | 0               | 2                           | 973             | 0                              | 0               | 2             | 973             |
| 2020                                 | 0                         | 0               | 0                         | 0               | 223                         | 31,121          | 0                              | 0               | 223           | 31,121          |
| 2021                                 | 0                         | 0               | 0                         | 0               | 211                         | 11,793          | 0                              | 0               | 211           | 11,793          |
| <b>Total</b>                         | <b>0</b>                  | <b>0</b>        | <b>0</b>                  | <b>0</b>        | <b>436</b>                  | <b>43,887</b>   | <b>0</b>                       | <b>0</b>        | <b>436</b>    | <b>43,887</b>   |

*Source: Bank Data*

A notable example of the bank’s community development loans includes:

- The bank made 14 loans to businesses with GARs of \$1 million or less totaling \$3.0 million in Tax Incremental Financing districts during the review period. The purpose of these districts is to provide economic development to revitalize the area. These qualifying loans helped to create or retain numerous jobs in the assessment area including many jobs for low- and moderate-income individuals.

**Qualified Investments**

Bank of Prairie du Sac made four qualified investments and forty-seven donations totaling approximately \$2.9 million. The four investments, totaling just under \$2.8 million, were not in the bank’s assessment area; however, because the bank has been responsive to the community development needs of its assessment area, examiners considered these investments. One qualified investment was new in the evaluation period, which totaled \$500,000. In addition, all of the bank’s donations were responsive to the primary community development needs. The number of qualified donations remained stable throughout the evaluation period. Since the prior evaluation, the number of qualified donations slightly decreased from 50 to 48; however, the dollar amount of donations increased from \$143,000 to \$151,000.

The dollar amount of qualified investments equates to 0.5 percent of average total assets, 3.7 percent of average equity capital, and 1.6 percent of average total securities as of March 31, 2022. When compared to four similarly situated banks rated as satisfactory, examiners determined that the bank’s performance is comparable to its peers. The investment activities of these institutions varied from 0.3 to 1.2 percent of average total assets, 2.2 to 11.1 percent of average equity capital, and 4.8 to 14.5 percent of average total securities.

The bank had no qualified investments in 2019, 2021, or year-to-date 2022. The following table illustrates the bank’s investments and donations.

| Qualified Investments        |                    |           |                    |              |                      |          |                         |          |           |              |
|------------------------------|--------------------|-----------|--------------------|--------------|----------------------|----------|-------------------------|----------|-----------|--------------|
| Activity Year                | Affordable Housing |           | Community Services |              | Economic Development |          | Revitalize or Stabilize |          | Totals    |              |
|                              | #                  | \$(000s)  | #                  | \$(000s)     | #                    | \$(000s) | #                       | \$(000s) | #         | \$(000s)     |
| Prior Period                 | 0                  | 0         | 3                  | 2,270        | 0                    | 0        | 0                       | 0        | 3         | 2,270        |
| 2020                         | 0                  | 0         | 1                  | 500          | 0                    | 0        | 0                       | 0        | 1         | 500          |
| <b>Subtotal</b>              | <b>0</b>           | <b>0</b>  | <b>4</b>           | <b>2,770</b> | <b>0</b>             | <b>0</b> | <b>0</b>                | <b>0</b> | <b>4</b>  | <b>2,770</b> |
| Qualified Grants & Donations | 9                  | 11        | 38                 | 140          | 0                    | 0        | 0                       | 0        | 47        | 151          |
| <b>Total</b>                 | <b>9</b>           | <b>11</b> | <b>42</b>          | <b>2,910</b> | <b>0</b>             | <b>0</b> | <b>0</b>                | <b>0</b> | <b>51</b> | <b>2,921</b> |

*Source: Bank Data*

Below are notable examples of the bank’s qualified investment activities:

- In 2020, the bank purchased a bond for a school district where more than 50 percent of its students qualify for free or reduced-price lunches. The district is using the funds to finance enhancements to the school to provide vital services to low- and moderate-income students.
- In 2021, the bank donated \$22,000 to the Sauk Prairie School District’s Food Pantry program, which provides free food for low- and moderate-income individuals.

**Community Development Services**

Bank of Prairie du Sac provided community development services that benefited the assessment area and were consistent with the capacity of the institution and the need and availability of such opportunities. Employees, management, and various Board members actively participate in providing services to various organizations, which specifically target low- and moderate-income individuals within the assessment area. During the evaluation period, bank employees provided 42 instances of financial expertise to 11 different community development-related organizations in the assessment area. The bank provided no services for Economic Development, Neighborhood Stabilization, or Revitalization or Stabilization purposes during the review period. Further, all activities considered were within the bank’s assessment area.

The bank’s performance is comparable to other institutions. Four similarly situated banks rated Satisfactory under the Community Development Test had qualified services, which varied between



40 and 69 instances. The table below illustrates the bank’s community development services by year and purpose.

| <b>Community Development Services</b> |                           |                           |               |
|---------------------------------------|---------------------------|---------------------------|---------------|
| <b>Activity Year</b>                  | <b>Affordable Housing</b> | <b>Community Services</b> | <b>Totals</b> |
|                                       | <b>#</b>                  | <b>#</b>                  | <b>#</b>      |
| 2019 (Aug - Dec)                      | 1                         | 8                         | 9             |
| 2020                                  | 1                         | 10                        | 11            |
| 2021                                  | 1                         | 10                        | 11            |
| YTD 2022                              | 1                         | 10                        | 11            |
| <b>Total</b>                          | <b>4</b>                  | <b>38</b>                 | <b>42</b>     |
| <i>Source: Bank Records</i>           |                           |                           |               |

Below are notable examples of the bank’s qualified community development services:

- One employee serves as the treasurer for an organization that targets LMI individuals in need of particular resources, including but not limited to food, clothing, furniture, household items, transportation, plumbing, electrical and appliance repairs, roofing repairs, and medical equipment. This individual lends their financial expertise to this organization by serving on the Board and acting as the treasurer.
- An employee serves as a Board member of a local non-profit organization. This organization provides down payment assistance for low- and moderate-income individuals purchasing a home. This individual lends their financial expertise to this organization by being a member of the loan committee.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners reviewed the bank’s compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices

## **APPENDICES**

### **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.





**Community Reinvestment Act Public File**

# Section 4

**Assessment Area Map  
and Census Tracts**



## Community Reinvestment Act Public File

### Geographic Distribution

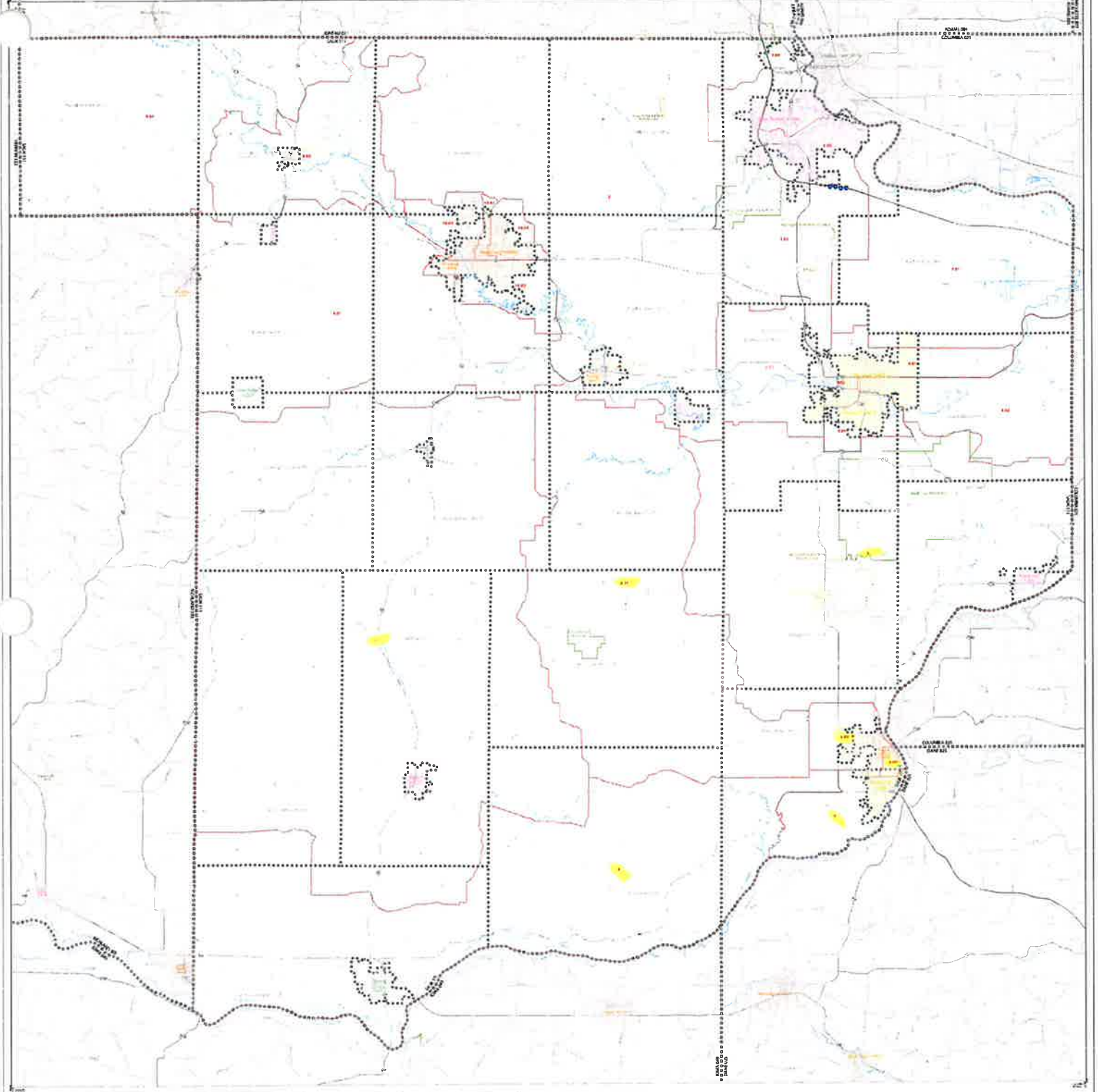
Bank of Prairie du Sac's assessment area meets the requirements of CRA and does not arbitrarily exclude low- and moderate-income geographies. The Bank's assessment area consists of 10 whole census tracts located in Sauk, Dane and Columbia counties.

| <b>COUNTY</b> | <b>CENSUS TRACT CODES</b>  |
|---------------|--|
| Sauk          | 0005.00, 0006.01, 0006.02, 0006.03,<br>0007.00, 0008.00, 0011.00 |
| Dane          | 0129.00, 0131.00   |
|               |  |
| Columbia      | 9708.00  |

We use an internet-based software system that allows us to input the customers address to obtain the correct Census Tract Code. This website is [www.ffiec.gov/Geocode](http://www.ffiec.gov/Geocode).

The maps on this site are updated as changes are made.

2020 CENSUS - CENSUS TRACT REFERENCE MAP: Sauk County, WI



| SYMBOL/DESCRIPTION        | SYMBOL       | SYMBOL/DESCRIPTION | SYMBOL | SYMBOL/DESCRIPTION | SYMBOL |
|---------------------------|--------------|--------------------|--------|--------------------|--------|
| International Boundary    | ***** CANADA | State Boundary     | -----  | County Boundary    | -----  |
| Local Government Boundary | -----        | City Boundary      | -----  | Ward Boundary      | -----  |
| Water                     | Blue         | Water              | Blue   | Water              | Blue   |
| Highway                   | -----        | Highway            | -----  | Highway            | -----  |
| Other                     | -----        | Other              | -----  | Other              | -----  |

**LEGEND**

When unshaded, this map uses the 2020 Census Tract boundaries. For shaded areas, the map uses the 2010 Census Tract boundaries.

Shaded areas are indicated by the 2010 Census Tract boundaries.

Shaded areas are indicated by the 2010 Census Tract boundaries.

Shaded areas are indicated by the 2010 Census Tract boundaries.

OFFSEASON TRUST LAND MARKS

11420 - 11420



All data boundaries and names are as of January 1, 2020. The boundaries shown on this map are for reference only and do not constitute an official boundary. The boundaries shown on this map are for reference only and do not constitute an official boundary. The boundaries shown on this map are for reference only and do not constitute an official boundary.

Official Website: www.saukcountywi.gov  
 Phone: 608/785-1234  
 Fax: 608/785-1234  
 Email: info@saukcountywi.gov

Sheet 1 of 3 PARENT sheet  
 Total Sheets: 1 (Index 0, Parent 1, Inset 0)

NAME: Sauk County (111)  
 COUNTY: Sauk County (111)  
 STATE: WI (55)









**Community Reinvestment Act Public File**

# Section 5

**List of Products and Services**



## Community Reinvestment Act Public File

### DEPOSIT PRODUCTS

#### Consumer Deposit Products

- Free Checking
- Interest Checking
- Interest Checking 50+
- Money Market
- Health Savings Accounts (HSA)
- Eagle's Savers Accounts (Kid's Club)
- Regular Savings
- Student Savings
- Certificates of Deposit (CD)
- Graduation CDs
- Individual Retirement Accounts (IRA)
- Free Kasasa® Cash
- Free Kasasa® Cash Back
- ICS®
- CDARS®

#### Business Deposit Products

- Small Business Checking
- NOW Checking
- Business Analysis Checking
- IOLTA Accounts
- IBRETA Accounts
- Business Savings
- Business Certificates of Deposit (CD)
- ICS®
- CDARS®

### LOAN PRODUCTS

#### Consumer Loans

- Auto Loans
- Personal Credit Cards
- Home Purchase Mortgages
- Mortgage Refinances
- Home Construction Loans
- Lot Loans
- Easy Access Lines of Credit
- Home Equity Loans
- Home Improvement Loans
- Personal Loans
- Student Loans

#### Business Loans

- Business term loans
- Small Business Administration (SBA) loans
- Business real estate loans
- Working capital loans
- Business lines of credit
- Letters of credit
- Business leases
- Equipment financing and leasing
- Acquisition financing
- Construction loans
- Municipal loans
- Business Credit Cards

#### Agricultural Loans

- Crop loans
- Livestock loans
- Operating loans and lines of credit
- Term loans



## Community Reinvestment Act Public File

- Real estate loans
- Equipment loans
- Building and facility loans
- Construction loans

## BANK SERVICES

- Trust services provided through Trust Point
- Safe deposit boxes
- Wire transfers (Incoming and Outgoing)
- Check collection services
- Account Reconciliation/Research
- Prepaid Cards
- Official checks (Bank money orders)
- Photocopying
- Notary services
- Stamp Medallion
- Savings bond redemption
- Alternative Investments
- Fax service
- Debit Cards, Personal & Business
- Telephone Transfers

**KASASA<sup>®</sup>**  
PROTECT™

## ELECTRONIC BANKING

- Online Banking
- Mobile Banking
- Mobile Deposit
- Person to Person money transfer
- Account to Account transfers
- Bill Payment
- Secure message center for correspondence
- Electronic Statements
- Mobile Wallet
- Text Alerts

## BUSINESS TREASURY MANAGEMENT

- Business account analysis
- Sweep Accounts
- Remote Deposit Capture
- Positive Pay
- ACH Origination service





## Community Reinvestment Act Public File

### WEALTH MANAGEMENT



Member FINRA/SIPC

Bank of Prairie du Sac Non-Deposit Investments Division

- Retirement Strategies
- Personal Investment Services
- Business Investment Services
- Education Planning
- Long-Term Care (LTC) Insurance
- Life Insurance

***\*Non-Deposit Investment Products are NOT FDIC Insured***



## **Community Reinvestment Act Public File**

*See separate disclosure sheet for transaction fees. Lending operations and safe deposit operations are conducted at the Prairie Office only. Loan appointments, loan payments, and loan referrals are processed at the Sauk Office but no loan officer is scheduled to be in the office except for specially scheduled meetings. There are no fee differentials for services or transactions between the Sauk Office and the Prairie Office.*

### **COMMUNITY EDUCATION PROGRAMS**

- Bank tours for grade school students
- Seminars
- Financial Education



**Community Reinvestment Act Public File**

# Section 6

**List of Branch Locations  
and Hours of Operation**



## Community Reinvestment Act Public File

### LOCATIONS

#### Main Office

Bank of Prairie du Sac  
Prairie du Sac Office  
555 Park Avenue  
Prairie du Sac, WI 53578

#### Branch Office

Bank of Prairie du Sac  
Sauk City Office  
865 Phillips Boulevard  
Sauk City, WI 53583

#### ATM Locations

Prairie du Sac Office (Drive-up)  
555 Park Avenue  
Prairie du Sac, WI 53578

Sauk City Office (Drive-up)  
865 Phillips Boulevard  
Sauk City, WI 53583

### GEOGRAPHIC LOCATIONS

Sauk Office & ATM are located in Census Tract #7  
(Within Sauk City village limits)

Prairie du Sac Office & ATM are located in Census Tract #6.02  
(Within Prairie du Sac village limits)



## Community Reinvestment Act Public File

### Banking Hours by Office Location

#### **Prairie du Sac Office**

555 Park Avenue  
Prairie du Sac, WI 53578

#### ***Lobby***

|                 |                         |
|-----------------|-------------------------|
| Monday – Friday | 8:30 a.m. to 4:30 p.m.  |
| Saturday        | 9:00 a.m. to 12:00 p.m. |

#### ***Drive Up***

|                 |                         |
|-----------------|-------------------------|
| Monday – Friday | 8:00 a.m. to 5:30 p.m.  |
| Saturday        | 9:00 a.m. to 12:00 p.m. |

#### **Sauk City Office**

865 Phillips Boulevard  
Sauk City, WI 53583

#### ***Lobby***

|                 |                        |
|-----------------|------------------------|
| Monday – Friday | 8:30 a.m. to 4:30 p.m. |
|-----------------|------------------------|

#### ***Drive Up***

|                 |                         |
|-----------------|-------------------------|
| Monday – Friday | 8:00 a.m. to 5:30 p.m.  |
| Saturday        | 9:00 a.m. to 12:00 p.m. |



**Community Reinvestment Act Public File**

# Section 7

**Branches Opened/ Closed/  
Location Changed**



## **Community Reinvestment Act Public File**

### **LIST OF BRANCH CHANGES**

The following changes have been made to our branch locations from 2010, through April, 2024.

- No branch openings
- No branch closings
- No location changes



**Community Reinvestment Act Public File**

# Section 8

Alternative Delivery Systems





## Community Reinvestment Act Public File

### ALTERNATIVE SERVICE DELIVERY SYSTEMS

- ATMs located in Prairie du Sac and Sauk City. *See location section for details*
- [www.bankpds.com](http://www.bankpds.com) Website access for deposit rates, financial information, information requests and financial calculators. Applications available for select mortgage loans, consumer loans, and personal deposit accounts via website. Secure contact forms and file transfer system.
- Online Banking
- Mobile access also available through our mobile app for Android and Apple
- Electronic deposit systems - ACH



**Community Reinvestment Act Public File**

# Section 9

## Loan to Deposit Ratios



## Community Reinvestment Act Public File

### LOAN TO DEPOSIT RATIOS

|                    |        |
|--------------------|--------|
| June 30, 2024      | 71.61% |
| March 31, 2024     | 70.85% |
| December 31, 2023  | 66.09% |
| September 30, 2023 | 71.18% |
| June 30, 2023      | 71.45% |
| March 31, 2023     | 74.16% |
| December 31, 2022  | 66.11% |
| September 30, 2022 | 68.21% |
| June 30, 2022      | 67.08% |
| March 31, 2022     | 59.49% |
| December 31, 2021  | 59.44% |
| September 30, 2021 | 59.29% |
| June 30, 2021      | 59.02% |
| March 31, 2021     | 59.69% |
| December 31, 2020  | 72.25% |
| September 30, 2020 | 74.13% |