

PUBLIC DISCLOSURE

April 24, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Baraboo State Bank
RSSD# 24949

101 Third Avenue
Baraboo, Wisconsin 53913

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

Baraboo State Bank is rated: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Baraboo State Bank is meeting the credit needs of its community based on an analysis of lending and community development activities. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. A majority of loans are in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. Neither Baraboo State Bank nor this Reserve Bank has received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

Baraboo State Bank's community development performance demonstrates adequate responsiveness to the needs of its assessment area through community development loans, and community development services. This performance is appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

SCOPE OF EXAMINATION

Baraboo State Bank's CRA performance was evaluated using the Intermediate Small Institution Examination Procedures issued by the Federal Financial Institutions Examination Council (FFIEC). Performance was evaluated in the context of information about the institution and its assessment areas, including the bank's asset size, financial condition, competition, and the economic and demographic characteristics.

The evaluation included a full review of the bank's Non-Metropolitan Statistical Area (Non-MSA) Wisconsin assessment area based on several factors including deposit market share, branch concentration, and volume of lending. The Madison, Wisconsin MSA #31540 received a limited review due to the bank's limited retail network in this assessment area. This limited review assessment area was evaluated for consistency with the bank's performance in its full review assessment area, although it did not affect the overall CRA rating.

Loan products reviewed include Home Mortgage Disclosure Act (HMDA) reportable loans and a sample of small business loans. These products are considered the bank's primary business lines based on volume of loan originations by number and dollar amount. Both products received equal weight in the evaluation. The analysis included HMDA-reportable loans originated from January 1, 2021 – December 31, 2022. However, the rating was driven by 2021 HMDA-reportable loan data.

2022 data was only used for comparison purposes. 2022 figures can be found in Appendix B. Finally, the bank's level of community development activity was also evaluated.

Performance within the designated assessment areas was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 13-quarter average loan-to-deposit ratio ending December 31, 2022 was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2021 – December 31, 2022 and a sample of small business loans originated from January 1, 2022 – December 31, 2022 were reviewed to determine the percentage of loans originated within the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated within the assessment area from January 1, 2021 – December 31, 2022 and a sample of small business loans originated within the assessment area from January 1, 2022 – December 31, 2022 were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank's HMDA-reportable loans originated within the assessment area from January 1, 2021 – December 31, 2022 and a sample of small business loans originated within the assessment area from January 1, 2022 – December 31, 2022 were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank's record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.
- ***Community Development Activities*** – The bank's responsiveness to community development needs through community development loans, qualified investments and donations, and community development services from January 14, 2020 – April 24, 2023 were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, two community representatives focusing on economic development and affordable housing were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area.

DESCRIPTION OF INSTITUTION

Baraboo State Bank is a subsidiary of Baraboo Bancorporation, a one-bank holding company headquartered in Baraboo, Wisconsin. The bank maintains its main office in Baraboo, Wisconsin along with six branch locations (five full-service and one limited-service) and eleven automated teller machines (ATM) in Baraboo, Portage, Reedsburg, and Wisconsin Dells, Wisconsin.

According to the Uniform Bank Performance Report (UBPR), the bank reported total assets of \$517.9 million as of December 31, 2022. Baraboo State Bank is primarily a commercial and residential real estate lender, as such loans comprised 83.9 percent and 10.1 percent of the loan portfolio, respectively. The bank offers standard, non-complex, mortgage, consumer, commercial, and agricultural credit products to meet the financial needs of consumers, businesses, and other entities in the assessment area. Additionally, Baraboo State Bank offers loans guaranteed by the U.S. Small Business Administration and U.S. Department of Agriculture. Deposit products are basic and non-complex and include e-Checking, Interest Checking, Business Checking, Money Market, Classic Club, Certificates of Deposits, and Health Savings Accounts.

Details of the allocation of the bank's loan portfolio are provided in the following table.

Composition of Loan Portfolio as of December 31, 2022 (000's)		
Type	\$	%
Residential Real Estate	26,037	10.1
Commercial	215,756	83.9
Agriculture	602	0.2
Consumer	10,758	4.2
Other	4,001	1.6
Total	257,154	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated **satisfactory** under the CRA at its previous evaluation conducted on January 13, 2020.

DESCRIPTION OF ASSESSMENT AREA

Baraboo State Bank operates in two assessment areas in the South-Central region of Wisconsin. The designated assessment areas include Non-MSA Wisconsin and Madison, Wisconsin MSA #31540 (Madison MSA). The Non-MSA Wisconsin assessment area includes Sauk County in its entirety, and portions of Adams and Juneau Counties. The Madison MSA assessment area includes the western portion of Columbia County. The combined assessment area includes 38 census tracts, of which the majority are located in Sauk (24 census tracts) and Columbia (9 census tracts) Counties. The assessment area includes seven moderate-income, 25 middle-income, and six upper-income census tracts. There are no low-income census tracts in the bank’s assessment area. Further, there are no distressed or underserved nonmetropolitan middle-income census tracts within the assessment area.

The actual geographic configuration of the assessment area has not changed since the previous evaluation of January 13, 2020; however, the 2020 decennial census and 2016-2020 American Community Survey (ACS) have resulted in an increase from the previous count of eight census tracts to nine in the Madison, WI MSA assessment area and an increase from 18 to 29 census tracts in the Non-MSA Wisconsin assessment area. The following table details census tract designation changes due to the decennial census and ACS.

Census Tract Designation Changes			
Tract Income Designation	2015 Designations (#)	2020 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	5	7	+2
Middle	20	25	+5
Upper	1	6	+5
Total	26	38	+12

Source: U. S. Census Bureau: Decennial Census: 2020 American Community Survey Data: 2015

The Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report dated June 30, 2022, ranks Baraboo State Bank fourth of 22 FDIC-insured institutions in Sauk, Adams, Juneau, and Columbia Counties. The bank held \$455.3 million in deposits, representing 9.4 percent of the total deposit market share in the four counties. Based on the deposit market share, the largest competitor in the assessment area is Bank of Wisconsin Dells, representing 16.4 percent of the total deposit market share. The assessment area is highly competitive, and the bank’s conservative commercial lending approach has limited opportunities in the assessment area.

Additional assessment area demographic information is provided in the following table.

2021 Combined Assessment Area AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,185	19.4
Moderate	5	19.2	6,120	19.2	695	11.4	6,248	19.6
Middle	20	76.9	25,020	78.6	1,696	6.8	7,805	24.5
Upper	1	3.8	677	2.1	34	5.0	11,579	36.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	26	100.0	31,817	100.0	2,425	7.6	31,817	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	11,871	6,067	17.4	51.1	4,159	35.0	1,645	13.9
Middle	46,232	27,991	80.4	60.5	8,841	19.1	9,400	20.3
Upper	1,201	759	2.2	63.2	379	31.6	63	5.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	59,304	34,817	100.0	58.7	13,379	22.6	11,108	18.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1,183	23.3	1,039	22.9	127	28.1	17	17.0
Middle	3,708	72.9	3,322	73.3	305	67.5	81	81.0
Upper	193	3.8	171	3.8	20	4.4	2	2.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5,084	100.0	4,532	100.0	452	100.0	100	100.0
Percentage of Total Businesses:				89.1	8.9	2.0		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	30	7.2	29	7.1	1	16.7	0	0.0
Middle	379	91.5	374	91.7	5	83.3	0	0.0
Upper	5	1.2	5	1.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	414	100.0	408	100.0	6	100.0	0	0.0
Percentage of Total Farms:				98.6	1.4	0.0		

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Baraboo State Bank’s performance relative to the lending test is **Satisfactory**. Overall, the bank is meeting the credit needs of its assessment areas based on an analysis of the bank’s lending activities. The loan-to- deposit (LTD) ratio is reasonable given the bank’s size, financial condition, and assessment area credit needs. A majority of the loans are in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. In addition, loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes.

Loan-to-Deposit Ratio

Baraboo State Bank had a reasonable (considering seasonal variations) LTD given the bank's size, financial condition, the credit needs of its assessment areas. The LTD ratio averaged 66.0 percent over the 13-quarter period ending December 31, 2022. The following table compares the bank’s LTD ratio to its local competitors. Similarly situated competitors were selected based on their asset size, branching locations, and market share within the bank's assessment area. The LTD ratio has steadily declined since the previous examination when the bank had an 18-quarter average of 73.3 percent. Bank management stated this is due to increased lending competition in the area. The institution’s conservative commercial lending practices have limited opportunities in the area, with businesses borrowing from credit unions with larger appetites for risk.

Comparative Loan-to-Deposit Ratios as of December 31, 2022	
Comparative Data	13 Quarter Average (%)
Baraboo State Bank	66.0
Peer Avg – Local	71.7
Competitors	
Bank of Mauston	62.9
Bank of Prairie Du Sac	65.5
Community First Bank	73.7
Farmers & Merchants Union Bank	81.0
Royal Bank	75.3

Assessment Area Concentration

Baraboo State Bank made a majority of its loans in the bank’s assessment area, indicating that the bank is serving the credit needs of its community. The bank originated 78.2 percent of total loans by number and 56.4 percent by dollar inside the assessment area during the evaluation period. HMDA-reportable lending had a slightly higher rate of lending inside the assessment at 79.7 percent by number and 57.6 percent by dollar, compared to 64.3 percent of small business loans by

number and 48.2 percent by dollar. Overall, lending inside of the assessment area indicates appropriate responsiveness to assessment area credit needs.

The following table summarizes Baraboo State Bank’s lending inside and outside of its assessment areas for HMDA-reportable loans from January 1, 2021 to December 31, 2022 and small business loans from January 1, 2022 to December 31, 2022.

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	7	100.0	\$457	100.0	0	0.0	\$0	0.0
Home Purchase - Conventional	111	72.1	\$22,602	71.2	43	27.9	\$9,158	28.8
Multi-Family Housing	2	25.0	\$6,299	17.6	6	75.0	\$29,414	82.4
Refinancing	190	86.4	\$30,369	84.9	30	13.6	\$5,403	15.1
Total HMDA related	310	79.7	\$59,727	57.6	79	20.3	\$43,975	42.4
Small Business	27	64.3	\$7,287	48.2	15	35.7	\$7,833	51.8
Total Small Bus. related	27	64.3	\$7,287	48.2	15	35.7	\$7,833	51.8
TOTAL LOANS	337	78.2	\$67,014	56.4	94	21.8	\$51,808	43.6

Geographic and Borrower Distribution

The geographic distribution of HMDA-reportable and small business loans reflects reasonable dispersion throughout the assessment areas. In addition, the distribution of lending reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes.

Additional information with respect to the bank’s geographic and borrower distribution is found within the full review assessment area section for Non-MSA Wisconsin.

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank’s performance relative to the community development test is Satisfactory.

Lending, Investment, and Services Activities

Baraboo State Bank demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans and services. During the evaluation period, the bank originated 11 community development loans totaling approximately \$16.4 million

towards economic development, affordable housing, community services, and revitalization/stabilization within its assessment area. This represents a significant increase from the previous examination where the bank submitted five qualified community development loans for approximately \$2.8 million.

During the evaluation period, the bank made 16 qualified investments totaling approximately \$3.9 million. While these investments were not made within the assessment area, they were made in cooperation with minority- or women-owned financial institutions and low-income credit unions, and therefore are favorably considered in the evaluation of the bank's community development activity. Additionally, the bank made 39 qualified donations totaling \$40,182 within its assessment area. The majority of qualified donations by number were made to organizations that provide community services targeted to low- and moderate-income individuals, and the majority of qualified donations by dollar were made toward economic development organizations. The bank also made a small amount of qualified donations by number and dollar amount to organizations with the purpose of revitalizing or stabilizing moderate-income geographies and areas within the assessment area.

During the evaluation period, bank staff provided 767 hours of community development services. Of the total number of service hours, 476.5 were dedicated to organizations with a community service focus, 219 service hours were dedicated to organizations with an economic development focus, and 71.5 service hours were to organizations dedicated to the revitalization or stabilization of moderate-income census tracts. Additional information with respect to the bank's community development activity is found within the full review assessment area section for Non-MSA Wisconsin.

Baraboo State Bank participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) in response to the COVID-19 pandemic. The bank originated a total of three PPP loans totaling \$147,019 during the evaluation period. As PPP loans were in direct response to the COVID-19 pandemic and specifically designed to benefit small businesses and retain jobs, these loans are considered very responsive and flexible and thus serve a community development purpose.

Qualified Community Development Activities January 14, 2020 to April 24, 2023								
Assessment Area	Loans		Investments		Donations		Services	
	#	\$	#	\$	#	\$	#	Hours
Full Review								
Non-MSA WI	7	15,926,000	0	0	27	36,849	9	680.5
Limited Review								
Madison MSA	4	435,019	0	0	12	3,333	3	86.5
Other								
Nationwide	0	0	16	3,920,000	0	0	0	0
Total	11	16,361,019	16	3,920,000	39	40,182	12	767

NON-MSA WISCONSIN– FULL REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON-MSA WISCONSIN¹

The bank’s Non-MSA Wisconsin assessment area consists of 29 census tracts comprised of Sauk County in its entirety, two of eight census tracts in Adams County, and three of eight census tracts in Juneau County. The census tract composition includes two moderate-income, 21 middle-income, and six upper-income census tracts. There are no low- income or distressed or underserved middle-income geographies as designated by the FFIEC within the bank’s assessment area.

Within the assessment area, the bank operates a main office, one limited-service branch, and four full-service branches each with ATMs, including two ATMs at the West Baraboo branch. All ATMs at branches are full-service, with the exception of the ATM located at the limited-service branch, which is cash-only. The bank also has three standalone cash-only ATMs, for a total of 10 ATMs in the assessment area. All offices are located in middle-income census tracts.

Since the previous examination, the bank relocated their Southwest Baraboo branch location without an ATM to their already existing West Baraboo branch, which is located within a middle-income census tract. The Southwest Baraboo branch, which was also located within a middle-income census tract, was less than two miles from the West Baraboo Branch. Additionally, the bank closed a cash-only ATM (Village Market, Baraboo, WI) located within a middle-income tract.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

¹ Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	2	2	0
Middle	15	21	+6
Upper	1	6	+5
Unknown	0	0	0
Total	18	29	+11
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

According to the June 30, 2022 FDIC Deposit Market Share Report, Baraboo State Bank ranked fourth out of 18 FDIC-insured financial institutions operating in Sauk, Adams, and Juneau Counties. The bank held \$403.0 million in deposits, representing 11.2 percent of the total deposit market share in the three counties. Institutions outranking Baraboo State Bank based on the deposit market share are Bank of Wisconsin Dells (19.3 percent), Bank of Prairie du Sac (13.7 percent), and BMO Harris Bank National Association (13.7 percent).

In 2021, Baraboo State Bank ranked third among 221 HMDA-reporters, originating 213 HMDA-reportable loans in the assessment area. In comparison, the first ranked institution, Summit Credit Union originated 822 HMDA loans, and second ranked Fairway Independent Mortgage originated 284 HMDA loans. While the bank’s conservative commercial lending practice has limited their opportunities in the assessment area, the bank maintains a larger appetite for residential real estate risk and remains competitive on fixed-rate mortgage products.

Additional assessment area demographic information is provided in the following table.

2021 WI Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,830	18.2
Moderate	2	11.1	2,644	12.6	355	13.4	3,917	18.6
Middle	15	83.3	17,715	84.2	1,458	8.2	4,892	23.3
Upper	1	5.6	677	3.2	34	5.0	8,397	39.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	18	100.0	21,036	100.0	1,847	8.8	21,036	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	5,123	2,695	11.7	52.6	1,828	35.7	600	11.7
Middle	34,110	19,495	84.9	57.2	7,046	20.7	7,569	22.2
Upper	1,201	759	3.3	63.2	379	31.6	63	5.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	40,434	22,949	100.0	56.8	9,253	22.9	8,232	20.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	449	13.1	376	12.4	64	19.6	9	13.0
Middle	2,786	81.3	2,486	82.0	242	74.2	58	84.1
Upper	193	5.6	171	5.6	20	6.1	2	2.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,428	100.0	3,033	100.0	326	100.0	69	100.0
Percentage of Total Businesses:				88.5		9.5		2.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	14	4.3	13	4.1	1	20.0	0	0.0
Middle	306	94.2	302	94.4	4	80.0	0	0.0
Upper	5	1.5	5	1.6	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	325	100.0	320	100.0	5	100.0	0	0.0
Percentage of Total Farms:				98.5		1.5		0.0
<i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Population Characteristics

According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 84,941. The assessment area increased in population by 3.3 percent between 2015 and 2020, while the state of Wisconsin grew by slightly less at 2.6 percent. The population of Adams and Juneau Counties remained stable within increases of only 1.0 percent and 0.8 percent, respectively, while Sauk County saw a larger increase of 4.4 percent.

According to community representatives, the cost of living in larger metropolitan areas, specifically in neighboring Dane County, is driving people to more rural counties like Sauk, Adams, and Juneau. Because of Sauk County’s proximity to Madison and Milwaukee, Wisconsin, it has experienced the highest rate of growth in the assessment area, as people continue to work in these metropolitan areas but have migrated to Sauk County due to its low cost of living. Adams and Juneau are also seeing growth due to this trend; however, at the same time they are seeing an exodus of young people looking for higher education and employment opportunities, thus leading to a stable population in these counties between 2015 and 2020. One community representative noted that due to the COVID-19 pandemic driving up the price of construction materials, market rate single-family home construction in the area has slowed. This has led to a shortage in housing for skilled professionals, which limits the migration of those individuals from the Madison, Wisconsin area.

The following table presents the population trends for Adams, Juneau, and Sauk counties, as well as the state of Wisconsin from 2015 to 2020.

Population Change			
Area	2015 Population	2020 Population	Percent Change
Assessment Area	82,221	84,941	3.3%
Adams County, WI	20,451	20,654	1.0%
Juneau County, WI	26,494	26,718	0.8%
Sauk County, WI	62,992	65,763	4.4%
State of Wisconsin	5,742,117	5,893,718	2.6%

*Source: 2011-2015 U.S. Census Bureau American Community Survey
2020 U.S. Census Bureau Decennial Census*

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 21,900 families, of which 17.3 percent are designated as low-income, 17.6 percent are moderate-income, 24.3 percent are middle-income, and 40.8 percent are upper-income. Additionally, 6.2 percent of families residing within the assessment area live below the poverty line, comparable to the state of Wisconsin’s poverty rate of 6.8 percent. According to the 2016-2020 ACS, the median family income (MFI) for

the assessment area is \$73,451. The MFI in Adams and Juneau Counties are \$61,847 and \$64,504, respectively. The MFI in Sauk County is notably higher at \$76,662, which is more closely aligned with the state of Wisconsin at \$80,844. All counties within the assessment area experienced similar MFI increases.

Community representatives noted that the MFI is higher in Sauk County as a sizable portion of residents commute into neighboring Dane County where wages are higher. Additionally, Sauk County has more diverse employment opportunities, with jobs for college-educated professionals, which Adams and Juneau are lacking. The county also has several large manufacturers that pay more than the small manufacturing companies and agricultural operations that are the main employment opportunities in Adams and Juneau counties. One representative noted that the COVID-19 pandemic had a positive impact on entry wage point in the assessment area due to labor shortages; however, that was negated by the negative impact it had on housing prices and cost of living. Another community representative noted that, while the pandemic had a pronounced effect on tourism and thus tourism-related employment in 2020, the industry bounced back by 2021 and was operating at pre-pandemic levels.

The following table presents MFI for families living in the counties that comprise the assessment area and the state of Wisconsin.

Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Assessment Area	\$61,672	\$73,451	8.5%
Adams County, WI	\$56,687	\$61,847	9.1%
Juneau County, WI	\$59,429	\$64,504	8.5%
Sauk County, WI	\$70,658	\$76,662	8.5%
State of Wisconsin	\$74,365	\$80,844	8.7%
<i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

Housing Characteristics

There are a total of 41,048 housing units within the assessment area. The majority of housing units are owner-occupied at 60.1 percent, whereas rental units comprise 23.5 percent of total units. Within the assessment area, 16.4 percent of housing units are vacant, which is greater than the number of vacant units within the state of Wisconsin at 12.2 percent.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix C – Glossary. A higher ratio generally suggests

more affordable housing opportunities. Based on 2016-2020 ACS data, the affordability ratio for the assessment area was 0.35, which is similar to the state of Wisconsin at 0.33. As such, the affordability ratios suggest that housing affordability within the assessment area is very similar to the state as a whole. Of the geographies within the bank's assessment area, Juneau County is the most affordable (0.41), followed by Adams County (0.35), and Sauk County as the least affordable (0.34).

The following table represents recent housing cost burden the counties that comprise the assessment area, as well as the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As evidenced by the following table, low-income individuals are generally impacted at a higher rate than moderate-income individuals as both renters and owners. Of the three counties that comprise the assessment area, Sauk County has the highest proportion of renters that meet the cost burden criteria at 39.1 percent; however, it has the lowest percentage of owners that meet the criteria at 20.0 percent. In Adams County, 33.3 percent of renters and 25.0 percent of owners meet the cost burden criteria. The percentage of renters and owners that meet the cost burden criteria in Juneau County is lower at 30.8 percent and 21.8 percent, respectively. The proportion of renters that meet the cost burden criteria in the state of Wisconsin is 39.6 percent, which is consistent with the percentage of renters in Sauk County that meet the cost burden criteria. The proportion of owners that meet the cost burden criteria in the state of Wisconsin is 18.1 percent, which is lower than all the counties that make up the assessment area.

Community representatives stated that Sauk County, which comprises a majority of the bank's assessment area, has experienced more demand for housing in recent years, which has caused both rental and purchase prices to rise. This is primarily the result of migration from Dane County due to their high cost of living. There is a housing shortage in the area, specifically for affordable housing. One representative stated that financial institutions can help this effort by proactively seeking opportunities to extend credit to housing developers. Because of an increase in housing prices in Sauk County, many residents that work in Sauk County are being priced out of living in the area and are thus living in Adams and Juneau Counties, where housing prices are lower.

Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Adams County, WI	58.0%	15.5%	33.3%	59.7%	30.2%	25.0%
Juneau County, WI	66.4%	15.4%	30.8%	59.5%	28.5%	21.8%
Sauk County, WI	78.7%	27.9%	39.1%	71.1%	34.8%	20.0%
State of Wisconsin	74.1%	21.4%	39.6%	64.0%	29.4%	18.1%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i>						

Employment Conditions

In 2021, the unemployment rate in Adams County, Juneau County, and Sauk County were 6.2 percent, 4.3 percent, and 4.0 percent, respectively. Juneau and Sauk Counties' unemployment rates are slightly above the state of Wisconsin at 3.8 percent, while Adams County has had consistently higher unemployment rates when compared to the other counties that make up the assessment area and the state since 2017. A community representative stated that Adams and Juneau Counties have higher unemployment rates than Sauk County due to their rural location, which leads to a lack of employment opportunities. One representative mentioned that, because the cost of living in Adams County is low, people can survive without full-time employment. Additionally, agriculture is a large sector in Adams County; some residents are not fully-employed but perform duties on family-owned farms.

The following table presents the unemployment trends for the counties that comprise the assessment area and the state of Wisconsin from 2017 to 2021.

2022 Unemployment Rates					
Area	2017	2018	2019	2020	2021
Adams County, WI	5.0%	4.7%	4.8%	9.6%	6.2%
Juneau County, WI	3.3%	3.0%	3.2%	7.2%	4.3%
Sauk County, WI	2.9%	2.5%	2.8%	7.5%	4.0%
State of Wisconsin	3.3%	3.0%	3.2%	6.3%	3.8%
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

Industry Characteristics

According to location quotients developed by the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base and is most heavily impacted by the industries of

accommodation and food services, manufacturing, retail trade, and healthcare. One community representative noted that, while the COVID-19 pandemic slowed tourism in the area for the year 2020, the industry bounced back to pre-pandemic levels the following year. Neither representative identified any major business closures or changes in industry characteristics.

Community Representatives

Two community representatives were contacted during the evaluation to provide information regarding local demographics and economic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area, as well as providing information about how the COVID-19 pandemic affected the area economy. The representatives stated there are some emerging challenges within the area in which local financial institutions can participate in addressing. There is a substantial demand for housing in the area, including both market rate and affordable housing, driven by the recent population growth in Sauk County. The lack of housing options in the area has limited the ability to attract a labor force, specifically college-educated professionals. The struggle to attract college-educated professionals is most pronounced in the healthcare industry, where this is a shortage of providers in the area. Overall, community representatives stated that local financial institutions are active within the community and willing to help address and meet the credit needs of the communities in which they serve, although there are opportunities to better meet housing needs. Specifically, banks could implement down-payment assistance programs for low- and moderate-income borrowers, providing low-interest mortgages for professionals in sectors that need employees, and finance affordable and market rate housing projects.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA WISCONSIN

LENDING TEST

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly moderate-income census tracts. Overall, Baraboo State Bank's geographic distribution of HMDA-reportable and small business loans reflects reasonable dispersion throughout the assessment area.

The actual geographic configuration of the assessment area has not changed since the previous evaluation dated January 13, 2020; however, the 2020 decennial census and the 2016-2020 ACS have resulted in an increase from 18 to 29 census tracts in this assessment area.

The bank's assessment area currently consists of two moderate-income, 21 middle-income, and six upper-income census tracts. There are no low-income tracts within the assessment area. In 2022, the bank originated loans in both of the moderate-income census tracts. In 2021, prior to the census tract change caused by the most recent decennial census and ACS, the bank's assessment area

consisted of two moderate-income, 15 middle-income, and one upper-income census tracts. In 2021, the bank originated loans in both of its moderate-income census tracts. Based upon this analysis, there are no conspicuous geographic lending gaps.

Due to minimal loan volume in 2021 and 2022, home improvement and multifamily loans were not evaluated.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects reasonable dispersion throughout the assessment area.

In 2021, Baraboo State Bank originated 31 loans, or 15.1 percent of total HMDA-reportable loans in moderate-income census tracts, which is slightly above the aggregate and the percentage of owner occupied units located in moderate-income census tracts at 11.3 percent and the 11.7 percent, respectively. The majority (84.9 percent) of Baraboo State Bank's total HMDA-reportable loans were originated in middle-income census tracts, which is consistent with the aggregate (83.9 percent) and above the percentage of owner occupied units (84.9 percent). The bank did not originate any HMDA-reportable loans in upper-income census tracts, which is slightly below the 4.8 percent of HMDA-reportable loans originated by the aggregate and the 3.3 percent of owner occupied units located in upper-income census tracts. The bank's overall performance in 2022 was worse than 2021 figures, specifically within moderate-income tracts, where the bank originated 5.2 percent of HMDA-reportable loans, which was comparable to the percentage of owner-occupied units located in moderate-income tracts at 5.8 percent.

Home Purchase Loans

In 2021, home purchase loans represented 31.2 percent of the bank's total HMDA-reportable loans in the Non-MSA Wisconsin assessment area. Baraboo State Bank originated 15.6 percent of its home purchase loans in moderate-income census tracts. The bank's performance is slightly above the aggregate at 12.1 percent and the 11.7 percent of owner occupied units located in moderate-income census tracts. The majority of the bank's home purchase loans were originated in middle-income census tracts at 84.4 percent, comparable to the aggregate at 84.0 percent and the 84.9 percent of owner-occupied units located in middle-income census tracts. The bank did not originate any home purchase loans in upper-income census tracts, which is slightly below the 3.9 percent of home purchase loans originated by the aggregate and the 3.3 percent of owner occupied units located in upper-income census tracts. The bank's overall performance in 2022 is comparable to 2021 figures.

Refinance Loans

In 2021, refinance loans represented 67.8 percent of the bank's total HMDA-reportable loans in the

Non-MSA Wisconsin assessment area. The bank originated 15.1 percent of its refinance loans in moderate-income census tracts, which is slightly above the aggregate at 10.7 percent and the 11.7 percent of owner occupied units located in moderate-income census tracts. The majority of the bank's refinance loans were in middle-income census tracts at 84.9 percent, comparable to the aggregate at 84.1 percent and the 84.9 percent of owner-occupied units located in middle-income census tracts. Lastly, the bank did not originate any refinance loans in upper-income census tracts, which is below both the 5.2 percent of refinance loans originated by aggregate and the 3.3 percent of owner occupied units located in upper-income census tracts. The bank's overall performance in 2022 was worse than 2021 figures, specifically within moderate-income tracts, where the bank originated no refinance loans; below the percentage of owner-occupied units located in moderate-income tracts at 5.8 percent.

The following table summarizes the bank's geographic distribution of 2021 HMDA-reportable lending in the assessment area. Please refer to Appendix B for geographic distribution data for HMDA reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: WI Non MSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	10	15.6	12.1	1,744	13.6	10.2	11.7
Middle	54	84.4	84.0	11,119	86.4	85.4	84.9
Upper	0	0.0	3.9	0	0.0	4.5	3.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	64	100.0	100.0	12,863	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	21	15.1	10.7	4,012	17.9	8.5	11.7
Middle	118	84.9	84.1	18,389	82.1	86.5	84.9
Upper	0	0.0	5.2	0	0.0	5.0	3.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	139	100.0	100.0	22,401	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	4.7	0	0.0	3.8	11.7
Middle	2	100.0	88.6	180	100.0	90.6	84.9
Upper	0	0.0	6.7	0	0.0	5.6	3.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	180	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	17.2	0	0.0	10.0	23.1
Middle	0	0.0	79.3	0	0.0	80.4	73.9
Upper	0	0.0	3.4	0	0.0	9.7	2.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	31	15.1	11.3	5,756	16.2	9.3	11.7
Middle	174	84.9	83.9	29,688	83.8	85.7	84.9
Upper	0	0.0	4.8	0	0.0	4.9	3.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	205	100.0	100.0	35,444	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. In 2022, Baraboo State Bank did not originate any small business loans in moderate-income census tracts; the percentage of total businesses located in moderate-income census tracts is 7.4 percent. A significant majority (94.4 percent) of the bank’s small business loans were originated in middle-income tracts, which is significantly above the percentage of total businesses located in those geographies at 74.0 percent. The bank originated 5.6 percent of its small business loans in upper-income census tracts, below the percentage of total businesses located in those geographies at 18.6 percent.

The following table presents the bank’s geographic distribution of small business loans in 2022.

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: WI Non MSA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	7.4
Middle	17	94.4	5,594	97.7	74.0
Upper	1	5.6	132	2.3	18.6
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	18	100.0	5,727	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Overall, Baraboo State Bank’s loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

Due to minimal loan volume in 2021 and 2022, home improvement and multifamily loans were not evaluated.

HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans reflects reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers.

In 2021, Baraboo State Bank originated 6.3 percent of its total HMDA-reportable loans to low-income borrowers, which is comparable to the aggregate at 4.5 percent, but below the percentage of low-income families in the assessment area at 18.2 percent. The bank originated 15.1 percent of its HMDA-reportable loans to moderate-income borrowers, which is also comparable to the aggregate at 16.8 percent and slightly below the 18.6 percent of moderate-income families within the assessment area. The bank originated 26.8 percent of its HMDA-reportable loans to middle-income borrowers, slightly above both the aggregate and the percentage of middle-income families within the assessment area at 23.6 percent and 23.3 percent, respectively. The bank originated 44.9 percent of its HMDA-reportable loans to upper-income borrowers, slightly above the aggregate at 42.5 percent and above the percentage of upper-income families within the assessment area at 39.9 percent. In addition, the bank originated 6.8 percent of its HMDA-reportable loans to borrowers of unknown-income, below the aggregate at 12.5 percent. The bank's 2022 performance in low-income tracts was comparable to 2021 figures. However, the bank's 2022 lending to moderate-income borrowers exceeded 2021 figures, with 21.4 percent of HMDA-reportable loans to moderate-income borrowers, above the percentage of moderate-income families in the assessment area at 17.6 percent.

Home Purchase Loans

In 2021, Baraboo State Bank originated 6.3 percent of its home purchase loans to low-income borrowers, which is comparable to the aggregate at 4.8 percent but below the percentage of low-income families within the assessment area at 18.2 percent. The bank originated 20.3 percent of its home purchase loans to moderate-income borrowers, which is comparable to the aggregate at 20.1 percent and the percentage of moderate-income families within the assessment area at 18.6 percent. The bank originated 20.3 percent of its home purchase loans to middle-income borrowers, slightly below both the aggregate and the percentage of middle-income families within the assessment area at 24.5 percent and 23.3 percent, respectively. The bank originated 48.4 percent of its home purchase loans to upper-income borrowers, above both aggregate and the percentage of upper-income families within the assessment area at 39.2 percent and 39.9 percent, respectively. In addition, the bank originated 4.7 percent of its home purchase loans to borrowers of unknown-income, below the aggregate at 11.4 percent. The bank's performance in 2022 was comparable to 2021 figures.

Refinance Loans

In 2021, Baraboo State Bank originated 6.5 percent of its refinance loans to low-income borrowers, which is slightly above the aggregate at 4.2 percent and below the percentage of low-income

families within the assessment area at 18.2 percent. The bank originated 12.9 percent of its refinance loans to moderate-income borrowers, which is slightly below both aggregate at 15.6 percent and the 18.6 percent of moderate-income families within the assessment area. The bank originated 30.2 percent of its refinance loans to middle-income borrowers, above both the aggregate and the percentage of middle-income families within the assessment area at 23.3 percent. The bank originated 42.4 percent of its refinance loans to upper-income borrowers, comparable to both aggregate and the percentage of upper-income families within the assessment area at 42.2 percent and 39.9 percent, respectively. In addition, the bank originated 7.9 percent of its refinance loans to borrowers of unknown income, below the aggregate at 14.8 percent. The bank's 2022 lending to low-income tracts was comparable to 2021 figures. However, the bank's 2022 performance to moderate-income borrowers exceeds 2021 figures, with 25.9 percent of refinance loans to moderate-income borrowers, above the percentage of moderate-income families in the assessment area at 17.6 percent.

The following table summarizes the bank's borrower distribution of 2021 HMDA-reportable lending in the assessment area. Please refer to Appendix B for borrower distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: WI Non MSA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	4	6.3	4.8	523	4.1	2.4	18.2
Moderate	13	20.3	20.1	1,780	13.8	14.1	18.6
Middle	13	20.3	24.5	2,458	19.1	22.3	23.3
Upper	31	48.4	39.2	7,615	59.2	49.8	39.9
Unknown	3	4.7	11.4	487	3.8	11.4	0.0
Total	64	100.0	100.0	12,863	100.0	100.0	100.0
Refinance Loans							
Low	9	6.5	4.2	549	2.5	2.1	18.2
Moderate	18	12.9	15.6	2,260	10.1	10.9	18.6
Middle	42	30.2	23.3	5,863	26.2	21.0	23.3
Upper	59	42.4	42.2	12,226	54.6	49.3	39.9
Unknown	11	7.9	14.8	1,503	6.7	16.7	0.0
Total	139	100.0	100.0	22,401	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	7.4	0	0.0	7.5	18.2
Moderate	0	0.0	8.1	0	0.0	5.3	18.6
Middle	0	0.0	21.5	0	0.0	22.8	23.3
Upper	2	100.0	62.4	180	100.0	64.0	39.9
Unknown	0	0.0	0.7	0	0.0	0.3	0.0
Total	2	100.0	100.0	180	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	13	6.3	4.5	1,072	3.0	2.3	18.2
Moderate	31	15.1	16.8	4,040	11.4	12.1	18.6
Middle	55	26.8	23.6	8,321	23.5	21.6	23.3
Upper	92	44.9	42.5	20,021	56.5	49.8	39.9
Unknown	14	6.8	12.5	1,990	5.6	14.2	0.0
Total	205	100.0	100.0	35,444	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. In 2022, Baraboo State Bank originated a total of 18 small business loans, of which 100.0 percent were to businesses with gross revenues equal to or less than \$1 million. This is above the gross revenue composition of small businesses in the assessment area at 88.2 percent. Of those loans, 11.1 percent were in amounts of \$100,000 or less, which are considered the most

beneficial to small businesses.

The following table presents the bank’s borrower distribution of small business loans in 2022.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: WI Non MSA					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	18	100.0	5,727	100.0	88.2
Over \$1 Million	0	0.0	0	0.0	9.5
Revenue Unknown	0	0.0	0	0.0	2.3
Total	18	100.0	5,727	100.0	100.0
By Loan Size					
\$100,000 or Less	2	11.1	200	3.5	
\$100,001 - \$250,000	8	44.4	1,286	22.5	
\$250,001 - \$1 Million	8	44.4	4,241	74.1	
Total	18	100.0	5,727	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	2	11.1	200	3.5	
\$100,001 - \$250,000	8	44.4	1,286	22.5	
\$250,001 - \$1 Million	8	44.4	4,241	74.1	
Total	18	100.0	5,727	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

Baraboo State Bank’s community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, donations, and community development services, considering the bank’s capacity and the need and the availability of such opportunities for community development in the bank’s assessment area.

Lending

During the evaluation period, the bank originated seven community development loans totaling approximately \$15.9 million. During the previous evaluation, the bank originated four qualified community development loans totaling \$887,000. While accounting for a small percentage of their qualified community development loans, it should be noted that Baraboo State Bank extended financing to an organization providing affordable multi-family housing within the assessment

area. Community representatives stated affordable housing lending was greatly needed; as such, this activity is particularly responsive.

Investments

During this evaluation and the previous evaluation, the bank made no investments and had no outstanding investments from the prior period evaluation within this assessment area. During this evaluation period, the bank made 27 qualified donations totaling approximately \$37,000 to community organizations in the assessment area. Donations were made to both community service and economic development organizations. During the previous evaluation, the bank made 31 qualified donations totaling approximately \$59,000. The decrease in donations during this evaluation period is attributed to the length of the evaluation period at 39 months, as opposed to the last examination’s 55-month evaluation period.

Services

During the evaluation period bank staff provided 680.5 qualified community development service hours at 9 organizations. At the previous evaluation, bank staff provided 3,958 qualified community development service hours at 17 organizations. The significant decrease in service hours for this evaluation period is attributed to a shorter review period. Additionally, the COVID-19 pandemic limited service opportunities. The bank’s qualified community services hours were primarily served at organizations focusing on providing community services to low- and moderate-income individuals, as well as economic development organizations.

Qualified Community Development Activities by Purpose January 14, 2020 to April 24, 2023										
Non-MSA Wisconsin	AH		CS		ED		R/S		Total #	Total \$/Hours
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours		
Lending	1	728,000	1	6,000,000	5	9,198,000	0	0	7	15,926,000
Investments	0	0	0	0	0	0	0	0	0	0
Donations	0	0	24	8,789	3	28,060	0	0	27	36,849
Services	0	0	7	461.5	2	219	0	0	9	680.5

MADISON, WISCONSIN MSA #31540– LIMITED REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MADISON, WISCONSIN MSA #31540²

Baraboo State Bank’s assessment area is comprised of portions of Columbia County, which is a part of the four-county Madison, Wisconsin MSA #31540. The assessment area is comprised of nine census tracts, including five moderate-income and four middle-income census tracts.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	3	5	+2
Middle	5	4	-1
Upper	0	0	0
Unknown	0	0	0
Total	8	9	+1
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

Baraboo State Bank operates one full-service branch location with a full-service ATM in the assessment area. The branch is located in a moderate-income census tract within Portage, Wisconsin. There have been no branch or ATM closures within the assessment area since the previous evaluation.

According to the June 30, 2022, FDIC Deposit Market Share Report, Baraboo State Bank ranked eighth among nine FDIC-insured financial institutions operating in the assessment area. The bank held \$52.3 million in deposits, representing 4.1 percent of the total deposit market share in Columbia County. The financial institutions comprising the largest percentage of the deposit

² Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

market share in Columbia County are Farmers and Merchants Union Bank (27.8 percent), Associated Bank, National Association (24.3 percent), and Hometown Bank (10.2 percent).

In 2021, Baraboo State Bank ranked 10th among 55 HMDA-reporters, originating 36 HMDA-reportable loans. In comparison, the first ranked institution, Summit Credit Union originated 822 HMDA loans, and second ranked University of Wisconsin Credit originated 184 HMDA loans.

Additional assessment area demographic information is provided in the following table.

2021 Madison, WI MSA 31540 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,355	21.8
Moderate	3	37.5	3,476	32.2	340	9.8	2,331	21.6
Middle	5	62.5	7,305	67.8	238	3.3	2,913	27.0
Upper	0	0.0	0	0.0	0	0.0	3,182	29.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	8	100.0	10,781	100.0	578	5.4	10,781	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	6,748	3,372	28.4	50.0	2,331	34.5	1,045	15.5
Middle	12,122	8,496	71.6	70.1	1,795	14.8	1,831	15.1
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	18,870	11,868	100.0	62.9	4,126	21.9	2,876	15.2
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	734	44.3	663	44.2	63	50.0	8	25.8
Middle	922	55.7	836	55.8	63	50.0	23	74.2
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,656	100.0	1,499	100.0	126	100.0	31	100.0
Percentage of Total Businesses:				90.5		7.6		1.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	16	18.0	16	18.2	0	0.0	0	0.0
Middle	73	82.0	72	81.8	1	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	89	100.0	88	100.0	1	100.0	0	0.0
Percentage of Total Farms:				98.9		1.1		0.0
<i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MADISON, WISCONSIN
MSA #31540**

LENDING TEST

The institution's lending in the area is consistent with the institution's lending performance overall.

Geographic Distribution of Loans

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Madison, WI MSA 31540							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	9	69.2	36.9	1,788	66.3	28.2	28.4
Middle	4	30.8	63.1	909	33.7	71.8	71.6
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	13	100.0	100.0	2,697	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	14	66.7	23.5	2,454	66.7	18.6	28.4
Middle	7	33.3	76.5	1,224	33.3	81.4	71.6
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	21	100.0	100.0	3,678	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	100.0	25.0	205	100.0	18.1	28.4
Middle	0	0.0	75.0	0	0.0	81.9	71.6
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	205	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	60.0	0	0.0	55.1	71.6
Middle	0	0.0	40.0	0	0.0	44.9	28.4
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	25	69.4	26.8	4,447	67.6	22.1	28.4
Middle	11	30.6	73.2	2,133	32.4	77.9	71.6
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	36	100.0	100.0	6,580	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Madison, WI MSA 31540					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	8	88.9	1,497	95.9	52.9
Middle	1	11.1	64	4.1	47.1
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	9	100.0	1,561	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Madison, WI MSA 31540							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	
Home Purchase Loans							
Low	1	7.7	17.4	185	6.9	10.9	21.8
Moderate	1	7.7	30.5	190	7.0	25.1	21.6
Middle	1	7.7	18.5	126	4.7	20.4	27.0
Upper	6	46.2	23.0	1,247	46.2	32.9	29.5
Unknown	4	30.8	10.5	949	35.2	10.6	0.0
Total	13	100.0	100.0	2,697	100.0	100.0	100.0
Refinance Loans							
Low	1	4.8	13.5	65	1.8	8.9	21.8
Moderate	5	23.8	25.9	731	19.9	21.2	21.6
Middle	9	42.9	26.9	1,661	45.2	27.2	27.0
Upper	6	28.6	22.9	1,221	33.2	29.6	29.5
Unknown	0	0.0	10.7	0	0.0	13.1	0.0
Total	21	100.0	100.0	3,678	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	5.6	0	0.0	5.8	21.8
Moderate	1	50.0	22.9	140	68.3	16.8	21.6
Middle	0	0.0	34.0	0	0.0	29.0	27.0
Upper	0	0.0	36.8	0	0.0	48.1	29.5
Unknown	1	50.0	0.7	65	31.7	0.2	0.0
Total	2	100.0	100.0	205	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	2	5.6	13.5	250	3.8	9.4	21.8
Moderate	7	19.4	26.6	1,061	16.1	22.5	21.6
Middle	10	27.8	26.4	1,787	27.2	25.1	27.0
Upper	12	33.3	24.1	2,468	37.5	31.1	29.5
Unknown	5	13.9	9.3	1,014	15.4	11.9	0.0
Total	36	100.0	100.0	6,580	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Madison, WI MSA 31540					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	9	100.0	1,561	100.0	90.6
Over \$1 Million	0	0.0	0	0.0	7.5
Revenue Unknown	0	0.0	0	0.0	1.9
Total	9	100.0	1,561	100.0	100.0
By Loan Size					
\$100,000 or Less	6	66.7	429	27.5	
\$100,001 - \$250,000	1	11.1	124	7.9	
\$250,001 - \$1 Million	2	22.2	1,008	64.6	
Total	9	100.0	1,561	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	6	66.7	429	27.5	
\$100,001 - \$250,000	1	11.1	124	7.9	
\$250,001 - \$1 Million	2	22.2	1,008	64.6	
Total	9	100.0	1,561	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

The institution’s community development performance in the area is consistent with the institution’s community development performance overall.

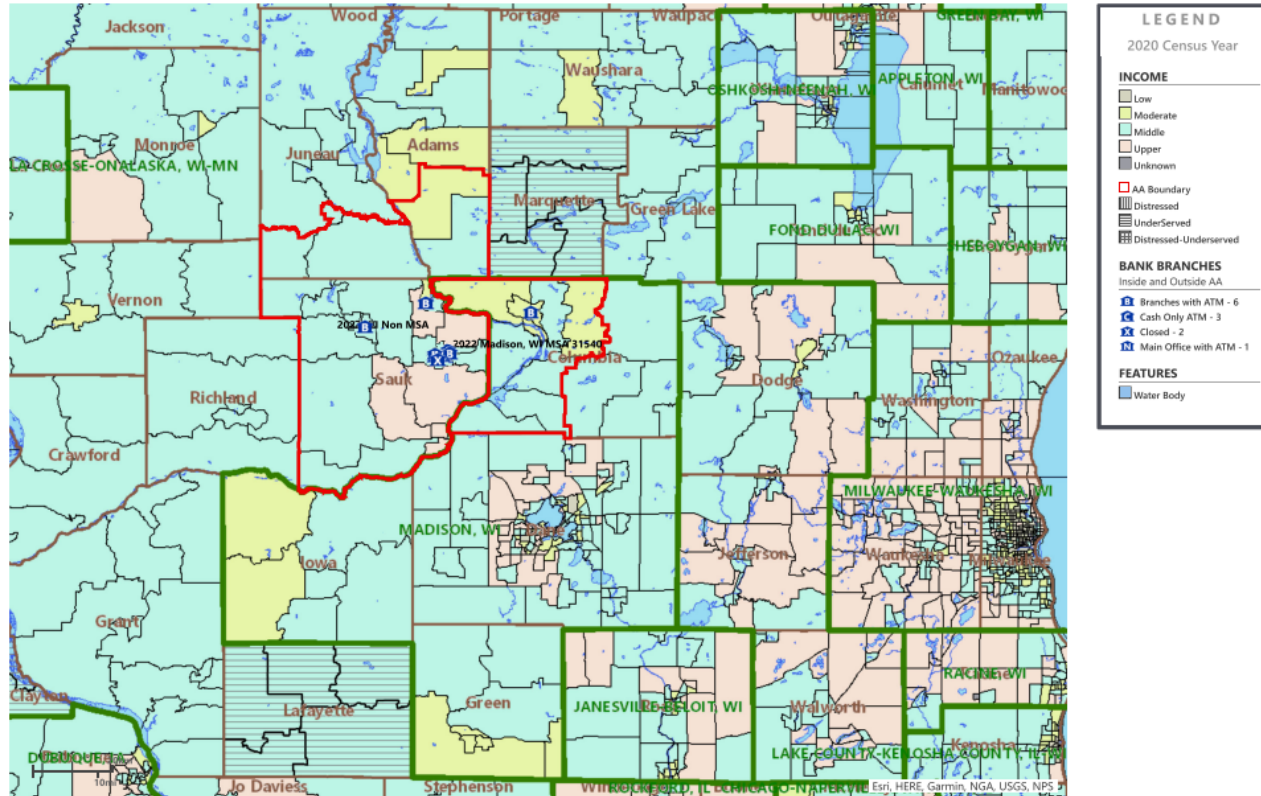
Qualified Community Development Activities by Purpose January 14, 2020 to April 24, 2023										
Madison, Wisconsin MSA	AH		CS		ED		R/S		Total #	Total \$/Hours
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours		
Lending	0	0	0	0	1	288,000	3	147,019	4	435,019
Investments	0	0	0	0	0	0	0	0	0	0
Donations	0	0	7	2,033	3	1,000	2	300	12	3,333
Services	0	0	1	15	0	0	2	71.5	3	86.5

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Areas

Baraboo State Bank 24949
 Combined Assessment Area



APPENDIX B – 2022 Demographic and Lending Data

2022 Combined Assessment Area AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,155	18.6
Moderate	7	18.4	6,465	19.5	410	6.3	6,500	19.6
Middle	25	65.8	22,362	67.5	1,198	5.4	8,231	24.9
Upper	6	15.8	4,279	12.9	202	4.7	12,220	36.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	38	100.0	33,106	100.0	1,810	5.5	33,106	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	12,610	7,329	19.6	58.1	3,452	27.4	1,829	14.5
Middle	40,511	25,347	67.6	62.6	9,130	22.5	6,034	14.9
Upper	7,324	4,803	12.8	65.6	1,624	22.2	897	12.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	60,445	37,479	100.0	62.0	14,206	23.5	8,760	14.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1,156	22.3	1,039	22.5	100	21.8	17	15.3
Middle	3,385	65.2	3,018	65.3	284	61.9	83	74.8
Upper	650	12.5	564	12.2	75	16.3	11	9.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5,191	100.0	4,621	100.0	459	100.0	111	100.0
Percentage of Total Businesses:				89.0		8.8		2.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	43	10.2	42	10.1	1	16.7	0	0.0
Middle	320	76.0	316	76.1	4	66.7	0	0.0
Upper	58	13.8	57	13.7	1	16.7	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	421	100.0	415	100.0	6	100.0	0	0.0
Percentage of Total Farms:				98.6		1.4		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

2022 WI Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,781	17.3
Moderate	2	6.9	1,103	5.0	68	6.2	3,855	17.6
Middle	21	72.4	16,518	75.4	1,078	6.5	5,320	24.3
Upper	6	20.7	4,279	19.5	202	4.7	8,944	40.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	29	100.0	21,900	100.0	1,348	6.2	21,900	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	2,971	1,423	5.8	47.9	467	15.7	1,081	36.4
Middle	30,753	18,430	74.7	59.9	7,560	24.6	4,763	15.5
Upper	7,324	4,803	19.5	65.6	1,624	22.2	897	12.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	41,048	24,656	100.0	60.1	9,651	23.5	6,741	16.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	258	7.4	225	7.3	29	8.7	4	5.1
Middle	2,585	74.0	2,293	74.4	228	68.7	64	81.0
Upper	650	18.6	564	18.3	75	22.6	11	13.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,493	100.0	3,082	100.0	332	100.0	79	100.0
Percentage of Total Businesses:				88.2		9.5		2.3
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	12	3.7	11	3.4	1	20.0	0	0.0
Middle	258	78.7	255	78.9	3	60.0	0	0.0
Upper	58	17.7	57	17.6	1	20.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	328	100.0	323	100.0	5	100.0	0	0.0
Percentage of Total Farms:				98.5		1.5		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: WI Non MSA					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.0
Moderate	3	11.1	331	5.7	5.8
Middle	22	81.5	4,594	79.5	74.7
Upper	2	7.4	851	14.7	19.5
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	27	100.0	5,776	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	5.8
Middle	24	88.9	3,118	83.7	74.7
Upper	3	11.1	608	16.3	19.5
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	27	100.0	3,726	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	5.8
Middle	2	100.0	47	100.0	74.7
Upper	0	0.0	0	0.0	19.5
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	2	100.0	47	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	6.9
Middle	2	100.0	6,299	100.0	77.5
Upper	0	0.0	0	0.0	15.6
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	2	100.0	6,299	100.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	0	0.0	0	0.0	0.0
Moderate	3	5.2	331	2.1	5.8
Middle	50	86.2	14,058	88.7	74.7
Upper	5	8.6	1,459	9.2	19.5
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	58	100.0	15,848	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: WI Non MSA					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	1	3.7	75	1.3	17.3
Moderate	5	18.5	662	11.5	17.6
Middle	6	22.2	965	16.7	24.3
Upper	10	37.0	3,411	59.1	40.8
Unknown	5	18.5	663	11.5	0.0
Total	27	100.0	5,776	100.0	100.0
Refinance Loans					
Low	3	11.1	240	6.4	17.3
Moderate	7	25.9	673	18.1	17.6
Middle	4	14.8	432	11.6	24.3
Upper	10	37.0	1,835	49.2	40.8
Unknown	3	11.1	546	14.7	0.0
Total	27	100.0	3,726	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	17.3
Moderate	0	0.0	0	0.0	17.6
Middle	0	0.0	0	0.0	24.3
Upper	1	50.0	17	36.2	40.8
Unknown	1	50.0	30	63.8	0.0
Total	2	100.0	47	100.0	100.0
Total Home Mortgage Loans					
Low	4	7.1	315	3.3	17.3
Moderate	12	21.4	1,335	14.0	17.6
Middle	10	17.9	1,397	14.6	24.3
Upper	21	37.5	5,263	55.1	40.8
Unknown	9	16.1	1,239	13.0	0.0
Total	56	100.0	9,549	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

2022 Madison, WI MSA 31540 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,374	21.2
Moderate	5	55.6	5,362	47.8	342	6.4	2,645	23.6
Middle	4	44.4	5,844	52.2	120	2.1	2,911	26.0
Upper	0	0.0	0	0.0	0	0.0	3,276	29.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	11,206	100.0	462	4.1	11,206	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	9,639	5,906	46.1	61.3	2,985	31.0	748	7.8
Middle	9,758	6,917	53.9	70.9	1,570	16.1	1,271	13.0
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	19,397	12,823	100.0	66.1	4,555	23.5	2,019	10.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	898	52.9	814	52.9	71	55.9	13	40.6
Middle	800	47.1	725	47.1	56	44.1	19	59.4
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,698	100.0	1,539	100.0	127	100.0	32	100.0
Percentage of Total Businesses:				90.6		7.5		1.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	31	33.3	31	33.7	0	0.0	0	0.0
Middle	62	66.7	61	66.3	1	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	93	100.0	92	100.0	1	100.0	0	0.0
Percentage of Total Farms:				98.9		1.1		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Madison, WI MSA 31540					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.0
Moderate	7	100.0	1,266	100.0	46.1
Middle	0	0.0	0	0.0	53.9
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	7	100.0	1,266	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.0
Moderate	2	66.7	384	68.1	46.1
Middle	1	33.3	180	31.9	53.9
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	3	100.0	564	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.0
Moderate	1	100.0	25	100.0	46.1
Middle	0	0.0	0	0.0	53.9
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	1	100.0	25	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	73.4
Middle	0	0.0	0	0.0	26.6
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	0	0.0	0	0.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	0	0.0	0	0.0	0.0
Moderate	10	90.9	1,675	90.3	46.1
Middle	1	9.1	180	9.7	53.9
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	11	100.0	1,855	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Madison, WI MSA 31540					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	1	14.3	140	11.1	21.2
Moderate	1	14.3	90	7.1	23.6
Middle	4	57.1	909	71.8	26.0
Upper	0	0.0	0	0.0	29.2
Unknown	1	14.3	127	10.0	0.0
Total	7	100.0	1,266	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	21.2
Moderate	1	33.3	180	31.9	23.6
Middle	1	33.3	336	59.6	26.0
Upper	1	33.3	48	8.5	29.2
Unknown	0	0.0	0	0.0	0.0
Total	3	100.0	564	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	21.2
Moderate	1	100.0	25	100.0	23.6
Middle	0	0.0	0	0.0	26.0
Upper	0	0.0	0	0.0	29.2
Unknown	0	0.0	0	0.0	0.0
Total	1	100.0	25	100.0	100.0
Total Home Mortgage Loans					
Low	1	9.1	140	7.5	21.2
Moderate	3	27.3	295	15.9	23.6
Middle	5	45.5	1,245	67.1	26.0
Upper	1	9.1	48	2.6	29.2
Unknown	1	9.1	127	6.8	0.0
Total	11	100.0	1,855	100.0	100.0
<p>Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available. Multifamily loans are not included in the borrower distribution analysis.</p>					

APPENDIX C – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Lending Test: - HMDA-Reportable Loans: January 1, 2021 – December 31, 2022 - Small Business Loans: January 1, 2022 – December 31, 2022 Community Development Test: January 14, 2020 – April 24, 2023		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Baraboo State Bank			HMDA-Reportable Loans Small Business Loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Non-MSA Wisconsin	Full Review	N/A	N/A
Madison, WI MSA #31540	Limited Scope	N/A	N/A

APPENDIX D – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.³

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41.

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

³ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide nonmetropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

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, which 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).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 percent and less than 80 percent in the case of a census tract;

- 3) Middle-income – an 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 percent and less than 120 percent in the case of a census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment, and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan production office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (MSA) or a metropolitan division (MD) as

defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand 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.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).