

DEBT SERVICE FUND

General Debt Service Fund

MISSION

Utilize proper methods to account for the payment of interest and principal on long-term general obligation debt.

DESCRIPTION

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Included within this group of funds are the State Trust Fund loans, general obligation bonds, and general obligation notes.

On December 31, 2016, the City had \$53,112,875 of general obligation bonds and promissory notes outstanding. Of this amount, \$13,999,000, or 26 percent will be paid from business-type activity revenues. The City maintains an Aa2 rating from Moody's Investor Service on general obligation issues. Under current state statutes, the City's general obligation indebtedness may not exceed five (5%) of the equalized value of the taxable property in the City. As of December 31, 2016, the City's total amount applicable to debt margin was 38 percent of the legal limit of \$53,112,875. The net debt per capita equaled \$1,674 at year-end.

2017 BUDGET HIGHLIGHTS

The City issued a general obligation promissory note in 2017 for \$4,920,000. This note funds 2017 capital improvement projects. The City will issue a general obligation bond late in 2017. The intent is to fund utility projects for 2017 and 2018 under bank qualification limits of \$10 million.

2018 BUDGET HIGHLIGHT

There are no notable changes in the 2018 budget.

PERFORMANCE MEASUREMENT

Wisconsin State Statutes, Section 67.3, and Section III, Article XI, of the Wisconsin Constitution limit the City indebtedness to 5% of the equalized value of taxable property located within the City.

Measure	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Equalized Value	2,353,842,900	2,368,668,500	2,413,488,900	2,566,183,900	2,772,245,800
5% Limit	117,692,145	118,433,425	120,674,445	128,309,195	150,450,000
Combined Existing & New Principal	59,006,518	72,391,114	73,845,550	75,435,274	73,833,283
Available Debt Capacity	68,396,342	68,394,080	74,715,753	84,726,545	85,499,415

The City has imposed a more restrictive direct debt burden limitation of 1.75% of equalized value. Direct debt is the total amount of outstanding general obligation and lease revenue debt principal less that portion of the principal that the City expects to abate with revenues of its water, sewer, storm water and electric utilities.

Measure	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Equalized Value	2,353,842,900	2,368,668,500	2,413,488,900	2,566,183,900	2,772,245,800
1.75% Limit	41,192,251	41,451,699	42,236,056	44,908,218	48,514,302
Direct Debt	67,940,803	67,254,345	58,829,387	53,652,212	51,475,672
(Excess)/ Available Debt Capacity	(26,748,552)	(25,802,646)	(16,593,331)	(8,743,994)	(2,961,370)

Year	Issue	Final Payment Year	Amount Issued	True Interest Cost	Balance December 31, 2016	Principal / Interest Due in 2017	Principal / Interest Due in 2018
2009	General Obligation Bonds	2024	8,735,000	3.9197%	1,325,000	670,263	702,076
2009	State Trust Fund Loan	2019	600,000	4.5000%	229,141	83,356	83,356
2009	WPPI Loan	2019	99,116	0.0000%	29,734	9,912	9,911
2010	General Obligation Notes	2020	4,700,000	2.1550%	3,080,000	807,383	806,573
2012	General Obligation Notes	2022	7,085,000	1.5015%	5,620,000	1,265,190	1,262,040
2013	General Obligation Bonds	2023	8,945,000	1.3318%	6,445,000	2,213,550	1,834,375
2013	General Obligation Refunding Bonds	2018	4,135,000	0.7318%	980,000	668,050	328,250
2014	General Obligation Notes	2024	5,970,000	2.3036%	5,550,000	732,075	729,975
2014	Taxable General Obligation Notes	2027	4,315,000	3.2676%	4,315,000	277,025	324,475
2015	General Obligation Notes	2025	3,805,000	1.9018%	3,675,000	411,575	409,725
2015	*General Obligation Notes	2025	624,000	2.6250%	624,000	-	-
2016	General Obligation Bonds	2036	9,255,000	2.5426%	9,255,000	826,661	645,575
2016	General Obligation Notes	2026	11,285,000	1.5486%	11,285,000	884,916	893,775
2016	*State Trust Fund Loan	2036	700,000	3.5000%	700,000	-	-
2017	General Obligation Notes	2027	4,920,000	1.7564%	-	-	682,726
2017	State Trust Fund Loan	2027	4,931,000	3.5000%	-	-	584,896
			<u>80,104,116</u>		<u>53,112,875</u>	<u>8,849,955</u>	<u>9,297,728</u>
						2,198,840	2,803,391
						<u>6,651,115</u>	<u>6,494,336</u>

**CITY OF SUN PRAIRIE
GENERAL DEBT SERVICE FUND
2018 RECOMMENDED BUDGET**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 PROJECTED	2018 RECOMMEND
REVENUES					
Property Taxes	\$ 6,326,108	\$ 6,574,270	\$ 6,648,847	\$ 6,619,638	\$ 6,460,924
Special Assessments	3,858	-	-	-	-
Miscellaneous Rents	32,839	39,884	38,005	39,146	40,320
Miscellaneous Income	1,618	-	3,659	4,111	2,000
Interest	(5,740)	5,286	-	977	1,000
Fund Balance Applied - Premium	-	-	-	-	118,262
Total Revenues	6,358,683	6,619,440	6,690,511	6,663,872	6,622,506
EXPENDITURES					
Professional Services	363	2,040	1,975	6,525	8,239
Principal	9,755,837	6,264,771	6,015,732	6,054,996	5,958,740
Interest	908,748	784,617	670,920	604,288	655,527
Total Expenditures	10,664,948	7,051,428	6,688,627	6,659,284	6,622,506
Excess (deficiency) of revenues over expenditures	(4,306,265)	(431,988)	1,884	4,588	-
OTHER FINANCING SOURCES/USES					
Proceeds from long-term debt	-	375,000	3,735,000	-	-
Payment to escrow	-	-	(4,145,668)	-	-
Premium/Discount/Issuance Costs	-	5,640	205,331	-	-
Operating transfers in/(out)	103,518	30,065	203,844	119,794	-
Total Other Financing Sources (Uses)	103,518	410,705	(1,493)	119,794	-
Excess (Deficit) of Sources vs. Uses of Funds					
	\$ (4,202,747)	\$ (21,283)	\$ 391	\$ 124,382	\$ -
FUND BALANCE					
Beginning of Year	4,234,362	31,615	10,332	10,723	10,723
End of Year	\$ 31,615	\$ 10,332	\$ 10,723	\$ 135,105	\$ 10,723
	2014	2015	2016	2017	2018
Operating Levy	12,741,648	13,007,745	13,546,268	14,310,884	15,683,884
Debt Service Levy	6,326,108	6,574,270	6,648,847	6,619,638	6,460,924
Total Levy	19,067,756	19,582,015	20,195,115	20,930,522	22,144,808
Debt Service Levy as Percent of Total Tax Levy	33.2%	33.6%	32.9%	31.6%	29.2%

**CITY OF SUN PRAIRIE
DEBT SERVICE REQUIREMENTS
2018 RECOMMENDED BUDGET**

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
City						
2009 GO Bonds	\$ 475,000	\$ 475,000	\$ 78,700	\$ 9,352	\$ 484,352	\$ -
2009 State Trust Fund Loan	156,097	76,331	-	7,024	83,355	79,766
2009 WPPI Loan	19,822	9,911	-	-	9,911	9,911
2010 GO Notes	2,335,000	760,000	-	46,573	806,573	1,575,000
2012A GO Notes	4,430,000	1,200,000	-	62,040	1,262,040	3,230,000
2013 A GO Bonds	3,115,000	1,545,000	-	42,988	1,587,988	1,570,000
2013 B GO Refunding Bonds	325,000	325,000	-	3,250	328,250	-
2014B GO Notes	3,200,000	425,000	-	76,525	501,525	2,775,000
2015A GO Notes	2,140,000	250,000	-	48,862	298,862	1,890,000
2016B GO Notes	7,555,000	375,000	-	204,725	579,725	7,180,000
2017A GO Notes	3,940,000	430,000	-	118,262	548,262	3,510,000
2017 State Trust Fund Loan (Est.)	1,021,556	87,497	-	35,926	123,423	934,059
CITY TOTALS	\$ 28,712,475	\$ 5,958,739	\$ 78,700	\$ 655,526	\$ 6,614,265	\$ 22,753,736

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
Tax Increment Finance Dist 6						
Interfund Loan WWTP Plant Exp	\$ 415,000	\$ 130,000	\$ -	\$ 8,470	\$ 138,470	\$ 285,000
TIF DISRICT 6 TOTALS	\$ 415,000	\$ 130,000	\$ -	\$ 8,470	\$ 138,470	\$ 285,000

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
Tax Increment Finance Dist 8						
2009 GO Bonds	-	-	15,749	1,872	1,872	-
2013 A GO Bonds	85,000	85,000	-	638	85,638	-
2014A CDA Lease/Rev Bonds	9,950,000	1,350,000	-	179,378	1,529,378	8,600,000
2016B GO Notes	1,330,000	45,000	-	36,575	81,575	1,285,000
TIF DISRICT 8 TOTALS	\$ 11,365,000	\$ 1,480,000	\$ 15,749	\$ 218,462	\$ 1,698,462	\$ 9,885,000

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
Tax Increment Finance Dist 9						
2013 A GO Bonds	\$ 900,000	\$ 105,000	\$ -	\$ 16,688	\$ 121,688	\$ 795,000
2014B GO Notes	530,000	25,000	-	14,275	39,275	505,000
2014C Taxable GO Notes	4,165,000	200,000	-	124,475	324,475	3,965,000
TIF DISRICT 9 TOTALS	\$ 5,595,000	\$ 330,000	\$ -	\$ 155,438	\$ 485,438	\$ 5,265,000

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
Tax Increment Finance Dist 12						
2016B GO Notes	180,000	20,000	-	4,700	24,700	160,000
2017 State Trust Fund Loan (Est.)	3,904,536	394,321	-	67,152	461,473	3,510,215
TIF DISRICT 12 TOTALS	\$ 4,084,536	\$ 414,321	\$ -	\$ 71,852	\$ 486,173	\$ 3,670,215

**CITY OF SUN PRAIRIE
DEBT SERVICE REQUIREMENTS
2018 RECOMMENDED BUDGET**

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
Water Pollution Control Facility						
2005 Clean Water Fund Loan	\$ 7,546,214	\$ 867,933	\$ -	\$ 168,205	\$ 1,036,138	\$ 6,678,281
2009 GO Bonds	110,000	110,000	3,539	421	110,421	-
2014B GO Notes	235,000	30,000	-	5,625	35,625	205,000
2015A GO Notes	215,000	25,000	-	4,163	29,163	190,000
2016B GO Notes	440,000	35,000	-	11,825	46,825	405,000
2017B GO Bonds (est.)	1,580,000	70,000	-	30,039	100,039	1,510,000
WPCF TOTALS	\$ 10,126,214	\$ 1,137,933	\$ 3,539	\$ 220,277	\$ 1,358,210	\$ 8,988,281

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
Stormwater Utility						
2009 GO Bonds	\$ 105,000	\$ 105,000	\$ 3,627	\$ 431	\$ 105,431	\$ -
2013 A GO Bonds	225,000	35,000	-	4,063	39,063	190,000
2014B GO Notes	985,000	130,000	-	23,550	153,550	855,000
2015A GO Notes	465,000	55,000	-	8,975	63,975	410,000
2016A GO Bonds	5,450,000	255,000	-	154,338	409,338	5,195,000
2016B GO Bonds	120,000	-	-	3,600	3,600	120,000
2017B GO Bonds (est.)	3,320,000	150,000	-	63,062	213,062	3,170,000
STORMWATER TOTALS	\$ 10,670,000	\$ 730,000	\$ 3,627	\$ 258,018	\$ 988,018	\$ 9,940,000

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
Fleet Inservice Fund						
2015A GO Notes	\$ 140,000	\$ 15,000	\$ -	\$ 2,725	\$ 17,725	\$ 125,000
2016B GO Notes	1,060,000	130,000	-	27,350	157,350	930,000
2017A GO Notes	980,000	105,000	-	29,465	134,465	875,000
FLEET INSERVICE TOTAL	\$ 2,180,000	\$ 250,000	\$ -	\$ 59,540	\$ 309,540	\$ 1,930,000

Description	Principal Balance 12/31/2017	2018 Principal Payments	2018 Escrow Interest	2018 Interest	2018 Total Principal & Interest	Principal Balance 12/31/2018
Sun Prairie Utilities						
2008 Revenue Bonds	1,785,000	275,000	-	76,310	351,310	1,510,000
2012 Revenue Bonds	440,000	440,000	-	3,630	443,630	-
2012 Taxable Rev Refunding Bonds	2,315,000	130,000	-	60,395	190,395	2,185,000
2014 Revenue Bonds	2,900,000	100,000	-	107,490	207,490	2,800,000
2016A GO Bonds	5,450,000	255,000	-	154,338	409,338	5,195,000
SUN PRAIRIE UTILITIES TOTALS	\$ 12,890,000	\$ 1,200,000	\$ -	\$ 402,163	\$ 1,602,163	\$ 11,690,000

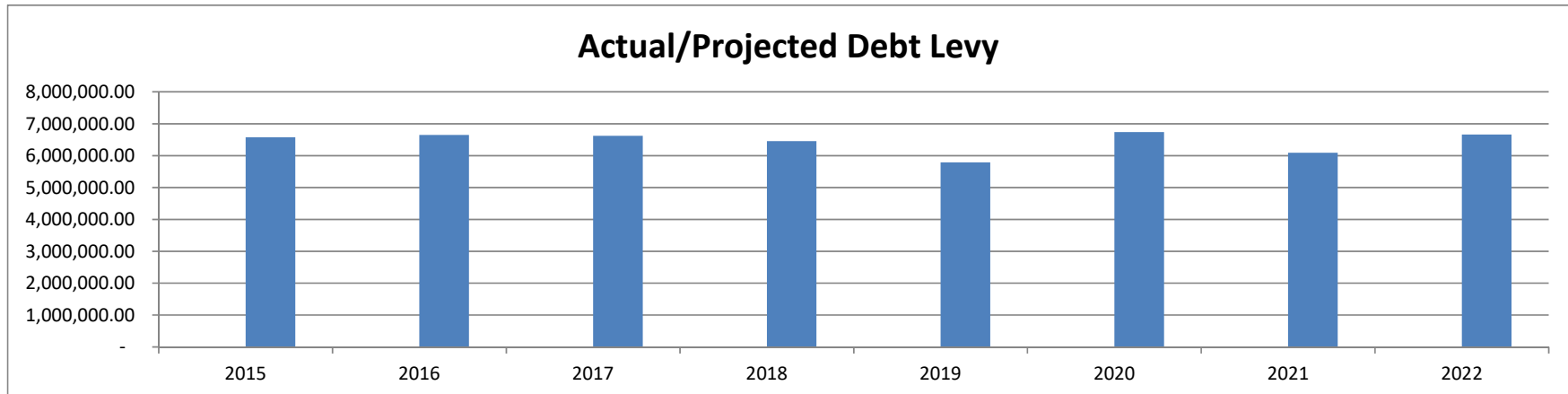
CITY OF SUN PRAIRIE TOTALS	\$ 86,038,225	\$ 11,630,994	\$ 101,615	\$ 2,049,743	\$ 13,680,737	\$ 74,407,231
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CITY OF SUN PRAIRIE
2018 DEBT SERVICE PROJECTIONS
Estimating a 0% Growth

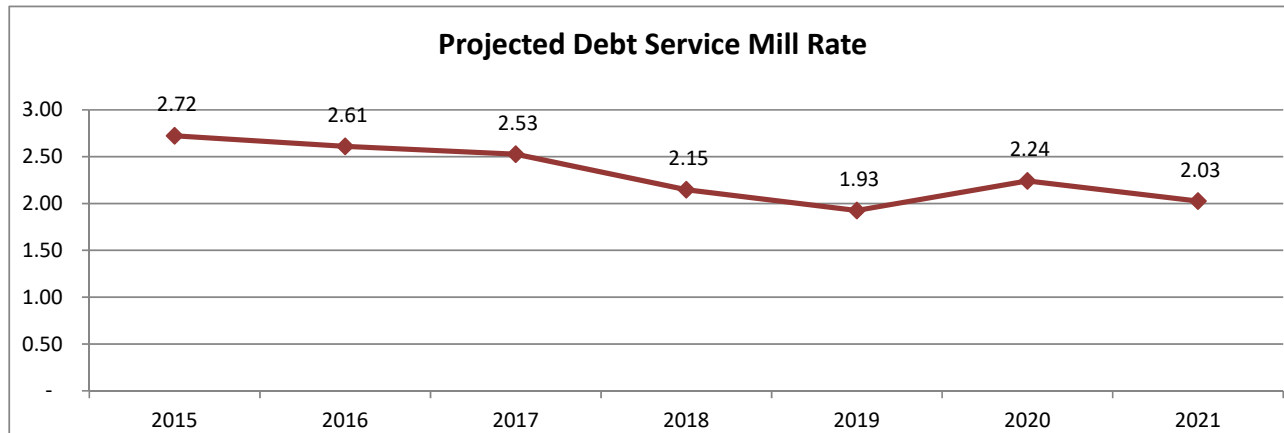
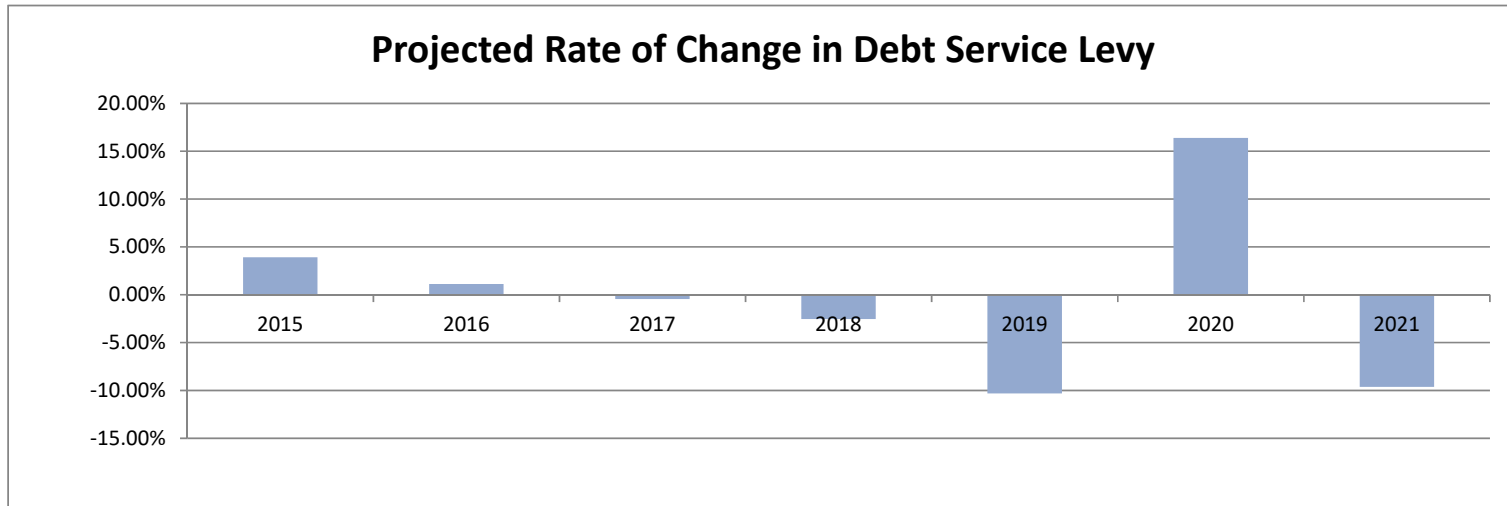
	Actual 2015	Actual 2016	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
GO Debt Service - Existing	-	-	-	6,614,267	4,945,029	4,868,566	3,509,878	3,485,661
GO Debt Service - Projected	-	-	-	-	888,357	1,913,330	2,625,571	3,225,539
Non-Tax Revenues	-	-	-	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Misc Revenues	-	-	-	(40,320)	(41,530)	(42,775)	(44,059)	(45,381)
Use of Fund Balance (Premium)	-	-	-	(118,262)	(1,533)	-	-	-
Actual/Projected Debt Levy	6,574,270	6,648,847	6,619,638	6,451,685	5,786,324	6,735,120	6,087,390	6,661,820
Projected Annual Debt Service Change (Y/Y)	248,162	74,577	(29,209)	(167,953)	(665,361)	948,796	(647,730)	574,430
Percent Change	3.92%	1.13%	-0.44%	-2.54%	-10.31%	16.40%	-9.62%	9.44%
Projected Debt Service Mill Rate <small>(Assessed value is projected with no increase)</small>	2.72	2.61	2.53	2.15	1.93	2.24	2.03	2.22

Estimated Cap Projects Borrowing
(Excluding TIF and Enterprise Funds)

				8,086,917	7,519,220	6,169,028	5,197,300	5,487,906
				<small>(Projection uses level payments over 10 years)</small>				



CITY OF SUN PRAIRIE
2018 DEBT SERVICE PROJECTIONS
 Estimating a 0% Growth



CITY OF SUN PRAIRIE
TAX INCREMENT FINANCE DISTRICT #6
2018 RECOMMENDED BUDGET

	2015 ACTUAL	2016 ACTUAL	8/31/2017 ACTUAL	2017 PROJECTED	2017 BUDGET	2018 RECOMMEND	INCREASE/ DECREASE
Sources of Funding							
General Property Taxes	\$ 135,574	\$ 135,270	\$ 139,198	\$ 139,198	\$ 132,837	\$ 129,000	\$ (3,837)
Exempt Computer Aid	869	1,242	812	812	1,000	800	(200)
Investment Income	-	-	13	13	-	-	-
Miscellaneous Income	35,824	28,314	23,754	23,754	29,471	9,470	(20,001)
Proceeds of Long Term Debt	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-
Total Revenues	<u>172,267</u>	<u>164,826</u>	<u>163,777</u>	<u>163,777</u>	<u>163,308</u>	<u>139,270</u>	<u>(24,038)</u>
Uses of Funding							
Professional Services	1,709	3,510	3,358	3,358	1,449	2,725	1,276
Debt Service and Related Costs	168,419	163,067	562,064	562,064	163,028	8,470	(154,558)
Debt Issuance Costs	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-
Transfer ot other Funds	-	-	-	-	-	-	-
Total Expenses	<u>170,128</u>	<u>166,577</u>	<u>565,422</u>	<u>565,422</u>	<u>164,477</u>	<u>11,195</u>	<u>(153,282)</u>
Net Change in Fund Balance	2,139	(1,751)	(401,645)	(401,645)	(1,169)	128,075	
Fund Balance - Beginning of Year	<u>(107,103)</u>	<u>(104,964)</u>	<u>(106,715)</u>	<u>(106,715)</u>	<u>(106,715)</u>	<u>(107,884)</u>	
Fund Balance Restatement per 2014 Audit							
Fund Balance - End of Year	(104,964)	(106,715)	(508,360)	(508,360)	(107,884)	20,191	