

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns a Aa2 to Sun Prairie, WI's new GO notes

16 Sep 2026

New York, September 16, 2026 -- Moody's Ratings (Moody's) has assigned a Aa2 to the City of Sun Prairie, WI's proposed General Obligation Promissory Notes, Series 2026A with an expected par amount of about \$12 million. We maintain the city's Aa2 issuer rating and Aa2 rating on the outstanding general obligation unlimited tax (GOULT) bonds. Following the concurrent sales of GOULT and revenue bonds, the city will have about \$225 million of debt outstanding.

RATINGS RATIONALE

The Aa2 issuer rating reflects the city's growing local economy and tax base with consistently solid financial performance and moderate leverage. Located on the eastern edge of the City of Madison, Sun Prairie has seen about a 23% increase in population over the prior decade. Regional economic growth has been strong and has outpaced the nation. Full value per capita has grown to about \$180,000, and the resident income ratio is in line with peer medians at about 115%.

Cash and available fund balance ratios are slightly below similarly rated peers at 62% and 36%, respectively, as of fiscal 2025 (year-end Dec 31). Business-type activities account for about 44% of total revenue and include sewer, stormwater and combined water and electric enterprises. All utilities realized an increase in net position in fiscal 2025, supported by rate increases and ongoing development within the city. Fiscal 2026 is expected to be balanced based on year-to-date performance. Leverage has been growing in line with infrastructure investments. The Series 2026A issuance will support the city's overall capital improvement plan. The city is concurrently issuing 2026B bonds backed by water and light utility revenue. After both issuances, the long-term liabilities ratio will likely increase to around 204%.

The Aa2 rating on the GOULT bonds is at the same level as the city's Aa2 issuer rating because the city has pledged its full faith, credit and taxing power for repayment of the bonds.

RATING OUTLOOK

We do not assign outlooks to local government issuers with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Successful execution of significant capital projects while maintaining a leverage ratio under 150%
- An available fund balance ratio consistently closer to 50%

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- An available fund balance ratio approaching 20%
- A long-term liabilities ratio approaching 300%

PROFILE

The City of Sun Prairie encompasses roughly 13 square miles of Dane County in south-central Wisconsin,

about 20 miles northeast of the City of Madison. The city provides comprehensive municipal services, including water and electric utilities, to a population of nearly 40,000 residents.

METHODOLOGY

The principal methodology used in this rating was US Cities and Counties published in June 2026 and available at <https://ratings.moodys.com/rmc-documents/466689>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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