

City of Sun Prairie, Wisconsin

Comprehensive Annual Report

As of and for the Year Ended
December 31, 2015



CITY OF SUN PRAIRIE

Sun Prairie, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended
December 31, 2015

Prepared By:

DEPARTMENT OF FINANCE
Connie DeKemper, Director of Administrative Services

CITY OF SUN PRAIRIE

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CITY ADMINISTRATORS OFFICE

300 East Main Street
Sun Prairie, WI 53590-2227
(608) 825-1192
FAX (608) 834-4302
www.cityofsunprairie.com

June 28, 2016

Dear Mayor Esser, Members of the Common Council and Citizens of the City of Sun Prairie:

The City of Sun Prairie (the City) 2015 Comprehensive Annual Financial Report (CAFR), including the Independent Auditor's Report is submitted. This report consists of management's representations concerning the finances of the City of Sun Prairie. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City maintains strong budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated operating and capital improvements budget adopted by the Common Council. Annual budgets are adopted for all funds, including the activities of the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, Internal Service Funds and Enterprise Funds. Budgetary control is maintained through expenditure limitation at the cost center level (a cost center can be a fund, major program, department or specific activity for which control of expenditures is considered appropriate). Proposed expenditures for which moneys were not previously appropriated, or which result in an overrun of budget control balances, may not take place without additional appropriations made available through Common Council approval.

The accounting firm of Baker Tilly Virchow Krause, LLP, an independent certified public accounting firm, has audited the City's financial statements. Baker Tilly Virchow Krause, LLP concluded, based upon its audit procedures, that the City's annual financial report for the fiscal year ended December 31, 2015 was fairly presented in accordance with Generally Accepted Accounting Principles (GAAP). The auditor's opinion is included in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditors' Report.

CITY OF SUN PRAIRIE PROFILE

History – Sun Prairie’s history dates back to 1837 when President Van Buren commissioned a party of 45 men, including August Bird, to build a state capitol in Madison. The group of men left Milwaukee on May 26, 1837 and traveled for days in the rain. On June 9, the group emerged at the edge of the prairie and with the sun shining, carved the words Sun Prairie into a tree. Charles Bird returned to the area 2 years later and became the first settler. The Town of Sun Prairie was created on February 2, 1846 and the City of Sun Prairie, which grew from the town, was incorporated in 1958.

Current Profile –

- The boundaries of Sun Prairie encompass an area approximately 12 square miles with an estimated population of 31,810.
- The City of Sun Prairie has historically been one of the fastest growing cities over 20,000 in Wisconsin--a trend that continues today. This is also reflected in the fact that the Sun Prairie Area School District is the fastest growing district in Wisconsin.
- The City is located in Dane County, immediately northeast of the City of Madison, which is the home to the capital of the State of Wisconsin and the flagship campus of the University of Wisconsin.
- The City’s location provides residents and businesses fast, easy access to the I-39/90 and I-94 corridors, as well as the Dane County Regional Airport.
- Sun Prairie is the birthplace of Georgia O’Keeffe. She has been described as one of the most significant and intriguing artists of the twentieth century, known internationally for her boldly innovative art and her original contributions to American Modernism.
- Sun Prairie’s Downtown area is home to Cannery Square, one of the most successful redevelopment areas in Wisconsin. This area includes the City’s most popular events, including but not limited to the annual Groundhog Day Prognostication, Taste of Sun Prairie, Summer Block Party, Fall Fest, and National Night Out.
- The Sun Prairie Business Park, located on U.S. 151 in the northeast corner of the City is one of the oldest and most successful employment centers in Dane County.
- The Grand Avenue Interchange on U.S. 151 is one of the fastest growing retail centers in Wisconsin.
- The City’s largest employer is QBE Regional Insurance employing approximately 750 people.
- Several major employers have their headquarters here in Sun Prairie, including 2G Engineering, Continental Mapping, Hallman Lindsay Paints, InForm Product Development, ProActive Engineering, and Royle Printing.
- Sun Prairie’s Angell Park Speedway is one of nation’s oldest clay oval racetracks, hosting midget auto racing events throughout the summertime. Angell Park also hosts Sun Prairie’s annual Sweet Corn Festival.
- Livability.com ranked Sun Prairie as #2 in the Nation on their list of “Top 10 Economic Cities” for 2015. Livability tracks information on what makes a community more attractive to live in, including community amenities, education, sustainability, transportation, housing and the economy.
- WalletHub.com ranked Sun Prairie in the top 50 on their list of “Best Small Cities in America.”

Government and Organization – The City operates under a Mayor-Council form of government. The Mayor is elected at large for two years and eight council members representing four districts are elected for staggered two-year terms. The mayor and council are elected on a non-partisan basis. The City Council appoints the City Administrator who has the responsibility for carrying out the Council policies and administering City operations. The City Council appoints the City department heads as specified in the City's ordinances. The City operates its own electric utility and contracts with a non-profit company for fire protection services.

LOCAL ECONOMY

The economy continues to improve from the effects of the recession. The City has experienced significant residential and commercial growth including a thriving retail center in the southwest region of the City. Notable projects for 2015 include:

- Cabela's and Marcus Theaters both opened in the Prairie Lakes development area in April 2015.
- Madison-Kipp announced a 90,000 s.f. expansion to their 70,000 s.f. facility in the Business Park.
- InForm Product Development opened its new 26,000 s.f. facility in the Business Park.
- Planning for the redevelopment of a long time vacant gas station project in the main street corridor began. The development is projected to be completed in 2016.
- Guardian Industries continued a multi-million dollar investment in equipment for their facility in the Business Park. Production lines will be completed and fully operational by 2016.
- Imperial Blades began the planning process for an expansion of manufacturing capabilities at their facilities in the Business Park. The project is expected to be completed in 2016.
- Inquiries on the availability for multi-family projects were higher than any time in the past 10 years, and this trend has continued into 2016.



Overall property valuation increased by 5.2% for 2015. This is the second year in a row that the City's tax base has increased. The City has nearly regained the losses sustained during the downturn. Over the long-term the City is likely to continue to experience significant residential and commercial growth due to its proximity to the City of Madison. In 2015 the City had net new construction growth of 3.43% or \$82.7 million.

As a public power community, the City is able to provide its residential customers with electric rates averaging approximately 12% lower than the rates charged by the large investor-owned utilities that service the surrounding communities.

Local economic indicators continued their favorable trends. The City's unemployment rate continued to compare favorably to the state and national average rates of 4.6% and 5.3% and was often one of the lowest in Wisconsin. Per capita and median income is above the state average. We expect these trends to remain favorable in the future.

LONG-TERM FINANCIAL PLANNING

The City is focused on planning for the future. The City adopted a Comprehensive Land Use Plan in 2009 which incorporated the Parks and Open Space Plan and the Safe Routes to School Plan. In addition, the City has a Business Revitalization Plan and a Main Street Corridor Plan. City officials use these land use plans as a policy guide to direct community development decisions, to assist with community facility budgeting, and to focus and stimulate private housing, business, and industrial development decisions. The City also completed a five-year capital projects plan in 2015 and has budgeted for a five-year financial management plan in 2016.

The Common Council approved the creation of TIF No. 7 district in 1998 to finance the construction of infrastructure improvements to the next phase of the existing Business Park which is located just north of HWY 151. The district includes 156 acres all zoned Suburban Industrial. A total of 35 acres remains undeveloped. Discussions on the future expansion of the Business Park began in 2015 in response to external market interest.

The Common Council approved the creation of TIF No. 8 district in 2001 to finance the Downtown Revitalization Plan (Phase I and Phase II). This plan provides the framework for the redevelopment and enhancement of the historic Main Street corridor and the South Bristol and Market Street corridors.

The Common Council approved the creation of TIF No. 11 district in 2014 to facilitate the implementation of the West Main Street Corridor Plan and to encourage the general redevelopment of the central Main Street area of the City.

COMMUNITY SERVICES

The City provides services for its citizens including public safety (police, fire, emergency medical services and building inspection), streets, water, electric, wastewater, recreational programming and general administration. The citizens of Sun Prairie enjoy the 425 acres of Parks and 34.7 miles of trails within the City including Sheehan Park which is the City's 147-acre community park. This park includes a skateboard park, shelters, volleyball courts, softball fields, youth baseball complex, basketball courts, soccer field, playgrounds and a forested trail system. Some of the City's more unique services include an aquatic center, a Historical Library and Museum, as well as a 36,000 s.f. library that serves the City as well as the surrounding area.

ACKNOWLEDGEMENTS

The preparation of this Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service and commitment of each member of the Finance Department staff. They have our sincere appreciation for their individual contribution in preparation of the report. We express our appreciation to all the City staff that assisted and contributed to the preparation of this report.

We also want to recognize the Baker Tilly Virchow Krause, LLP audit management team for their dedication and expertise, which contributed significantly to the report quality and adherence to professional accounting standards. Credit also must be given to the Mayor and City Councilmembers for their continued support for maintaining the highest standards of professionalism in the management of the City of Sun Prairie's finances. For all those involved, we express our sincerest appreciation.

Respectfully Submitted,

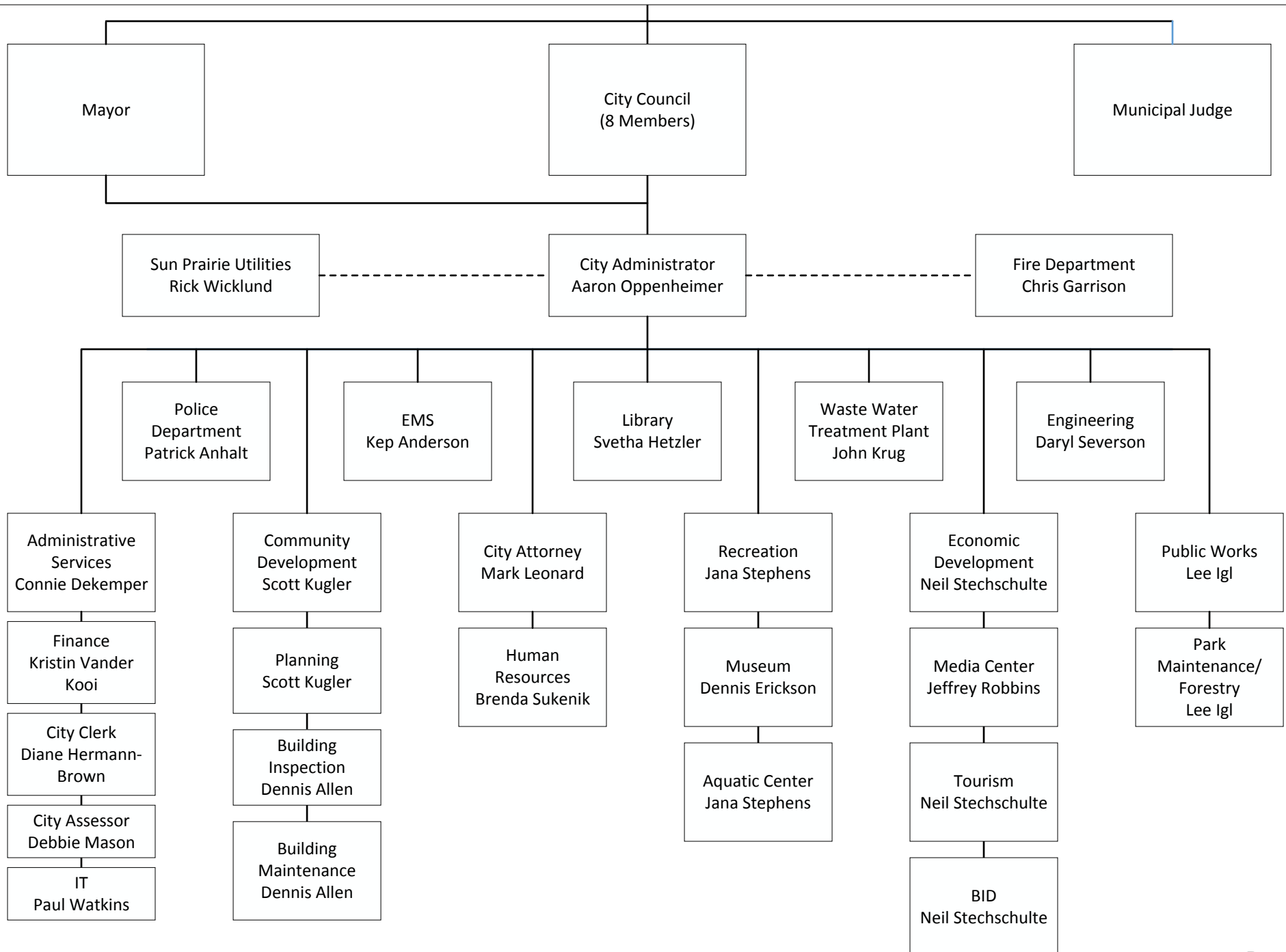


Aaron O Oppenheimer
City Administrator



Connie M DeKemper
Director of Administrative Services

Citizens of Sun Prairie
Population: 31,810



CITY OF SUN PRAIRIE
DIRECTORY OF OFFICIALS
December 31, 2015

MAYOR

Paul T. Esser

COUNCIL PRESIDENT

Mary Polenske

COUNCIL MEMBERS

District 1 – Russ Fassbender
District 1 – Hariah Hutkowski
District 2 – Bill Connors
District 2 – Diane McGinnis
District 3 – Michael Jacobs
District 3 – George Frank
District 4 – Al Guyant
District 4 – Mary Polenske

ADMINISTRATION

City Administrator	Aaron Oppenheimer
Director of Administrative Services	Connie DeKemper
City Treasurer	Kristin Vander Kooi
City Attorney	Mark Leonard
City Assessor	Debbie Mason
City Clerk	Diane Hermann-Brown
City Engineer	Daryl Severson
Director of Community Development	Scott Kugler
Sun Prairie Media Center Director	Jeffrey Robbins
Director of Building Inspection	Dennis Allen
Director of Public Works	Lee Igl
Director of Economic Development	Neil Stechschulte
EMS Director	Kep Anderson
Human Resources Director	Brenda Sukenik
Information Technology Director	Paul Watkins
Library Director	Svetha Hetzler
Recreation Director	Jana Stephens
Police Chief	Pat Anhalt
Water Pollution Control Facility Superintendent	John Krug
Sun Prairie Utilities Manager	Rick Wicklund

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Sun Prairie
Sun Prairie, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sun Prairie, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Sun Prairie's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Sun Prairie's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Sun Prairie's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the City Council
City of Sun Prairie

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sun Prairie, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Sun Prairie adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sun Prairie's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the City Council
City of Sun Prairie

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sun Prairie's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 27, 2016

**CITY OF SUN PRAIRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015**

The following discussion and analysis is intended to provide readers an overview of the financial activities of the City of Sun Prairie (the City) for the fiscal year ended December 31, 2015. The information should be read in conjunction with the city's financial statements, which begin with the following section.

FINANCIAL HIGHLIGHTS

- The combined net position increased by 7.6% in 2015 to \$232.1 million. The city's net investment in capital assets was \$207.0 million at the end of 2015. An additional \$11.1 million was held for restricted purposes with \$13.8 million in unrestricted net position.
- At the end of 2015, the city's governmental activities reported a negative balance in unrestricted net position of \$5.4 million. This is due in part to expenditures for project costs for Tax Increment Financing District (TID) #8 from 2001 to 2015 and TID #9 from 2010 to 2015. These costs include significant non-capitalized redevelopment expenditures, which will be recovered through future tax increments.
- The city's general fund had a positive net change in fund balance of \$1,035,298 for 2015. The general fund's unassigned fund balance at the end of 2015 was \$4.4 million. The unassigned fund balance amount at the end of 2015 is at 21% of the prior year's general fund revenue budget. This exceeds the city's goal for unassigned fund balance of 12.0% to 18.0% of the prior year general fund revenue budget.
- The city has experienced an increase of property values in the past year. Equalized value increased by 6.3% in 2015 following an increase of 1.9% in 2014. The total property tax levy for the 2015-2016 tax year was \$21,249,832 an increase of 3.7% compared to the prior year.
- The city adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective January 1, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Managements's Discussion and Analysis (Unaudited)

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating. Evaluation of the overall health of the city should extend to other non-financial factors such as the diversification of the tax base or the condition of city infrastructure, in addition to the financial information provided in this report.

The statement of activities presents information showing how the City's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. An important purpose of the design of the Statement of Activities is to show the financial reliance of the city's distinct activities or functions on revenues provided by the city's taxpayers.

Both of the government-wide financial statements distinguish governmental activities of the city that are principally supported by taxes and intergovernmental revenues, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. Business-type activities include the city's electric, water, telecommunications, wastewater, and storm water utilities. Fiduciary activities, such as tax collection and the Multijurisdictional Public Safety Information System Commission (MPSISC) and the Utilities Pension Trust, are not included in the government-wide statements since these assets are not available to fund city programs.

The government-wide financial statements include the Community Development Authority (CDA). The CDA is a legally separate organization (component unit) that is presented as a discrete column separate from the primary government.

In addition to this city financial report, separate financial reports have been issued for Sun Prairie Utilities and the Sun Prairie Water Pollution Control Facility. These reports provide additional detail on the operation of the city's electric, water, telecommunications, and wastewater utilities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Sun Prairie can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Managements's Discussion and Analysis (Unaudited)

Governmental Funds – are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds. These statements, however, focus on near-term inflows and outflows and spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Other than the General Fund, the City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects, and permanent funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund and the General Debt Service Fund which are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – are generally used to account for services provided to customers to whom the City charges user fees that are designed to fully recover the cost of providing the service. Proprietary fund statements provide the same type of information shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds – enterprise and internal service. The City uses enterprise funds to account for its electric, water and telecommunications, wastewater, and storm water utilities. All enterprise funds are considered to be major funds of the City. The City uses an internal service fund for its fleet. This distributes charges of fleet activities to City departments.

Fiduciary Funds – are used to account for resources held for the benefit of parties outside the City. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The city is the trustee, or fiduciary agent, for collection of all property taxes within the city for all taxing jurisdictions, including the Sun Prairie and Deforest School Districts, Dane County, State of Wisconsin, and Madison College and they are also the fiduciary agent for MPSISC and the Utilities Pension Trust Fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position

The City of Sun Prairie's statement of net position at December 31, 2015 and 2014 are summarized in the table below.

Managements's Discussion and Analysis (Unaudited)

The City's net position increased by \$16.4 million or 7.6% during the current fiscal year due in large part to increased investments in capital assets such as land, buildings, building improvements, machinery and equipment, infrastructure, and construction in progress capitalized for both the governmental and business-type activities during the year. The majority of these investments were funded with general obligation notes and utility revenue bonds.

The net investment in capital assets accounts for 89.2% of the City's total net position. This represents both the City's investment in capital assets less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

The following table provides a summary of the City's net position for 2015 and 2014:

CITY OF SUN PRAIRIE NET POSITION						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 43,429,625	\$ 40,509,732	\$ 27,558,239	\$ 28,015,734	\$ 70,987,864	\$ 68,525,466
Capital assets	<u>121,551,025</u>	<u>118,636,505</u>	<u>146,686,434</u>	<u>142,573,396</u>	<u>268,237,459</u>	<u>261,209,901</u>
Total assets	164,980,650	159,146,237	174,244,673	170,589,130	339,225,323	329,735,367
Deferred outflows	1,157,393	311,857	254,787	30,396	1,412,180	342,253
Non-current liabilities	46,988,752	60,911,072	21,402,170	24,125,048	68,390,922	85,036,120
Current and other liabilities	<u>10,587,195</u>	<u>2,673,228</u>	<u>5,010,535</u>	<u>3,306,659</u>	<u>15,597,730</u>	<u>5,979,887</u>
Total Liabilities	57,575,947	63,584,300	26,412,705	27,431,707	83,988,652	91,016,007
Unearned revenue	24,481,052	23,347,350	109,595	59,375	24,590,647	23,406,725
Net position:						
Invested in capital assets,						
net of related debt	82,157,158	73,592,674	124,869,023	121,342,794	207,026,181	194,935,468
Restricted	7,325,552	5,918,918	3,846,256	3,520,744	11,171,808	9,439,662
Unrestricted (deficit)	<u>(5,401,666)</u>	<u>(6,985,148)</u>	<u>19,261,881</u>	<u>18,264,906</u>	<u>13,860,215</u>	<u>11,279,758</u>
Total net position	<u>\$ 84,081,044</u>	<u>\$ 72,526,444</u>	<u>\$ 147,977,160</u>	<u>\$ 143,128,444</u>	<u>\$ 232,058,204</u>	<u>\$ 215,654,888</u>

Note: the 2014 balances in the table above have not been restated for the implementation of GASB 68/71.

An additional portion of the City's net position represents resources that are subject to external restriction on their usage. The net position subject to external restrictions was \$11.2 million as of December 31, 2015.

Managements's Discussion and Analysis (Unaudited)

The remaining balance of net position is unrestricted and may be used to meet the government's ongoing obligation to citizens and creditors. The unrestricted portion of the net position was \$13.9 million at the end of the year. It is important to note that \$19.3 million, of the unrestricted net position are related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities.

Governmental activities unrestricted net position increased to a deficit balance of \$5.4 million due to continued investments in capital assets largely funded with general obligation debt. This deficit does not indicate a lack of resources on the city's part to pay its obligations. Rather, it is the result of having long-term commitments that are greater than currently available resources. Additionally, the city has incurred significant non-capitalized redevelopment expenditures in TID No. 8 for the acquisition, demolition, and remediation of property located in the city's downtown revitalization area. These improvements were financed through long-term borrowing, which will be repaid through future tax increments. As of January 1, 2015, TID No. 8 had an equalized value increment of \$65,963,600. Based on current projections, TID No. 8 is projected to generate sufficient tax increment to pay off its debt obligations. TID No. 9 also has a deficit fund balance due to expenditures for the repayment of long – term general obligation debt which was used to purchase land and install infrastructure. It is expected that future tax increments will be sufficient to recover any costs and pay all future debt service obligations.

Managements's Discussion and Analysis **(Unaudited)**

Change in Net Position

The city's combined net position increased by \$16.6 million from fiscal year 2014 to 2015, an increase of 7.7%. Of this increase, the net position of the city's governmental activities increased by 15.9%, or \$11.6 million. The net position of the business-type activities increased 3.5%, or \$5.0 million.

The following table provides a more detailed analysis of the City's change in net position:

CITY OF SUN PRAIRIE CHANGE IN NET POSITION

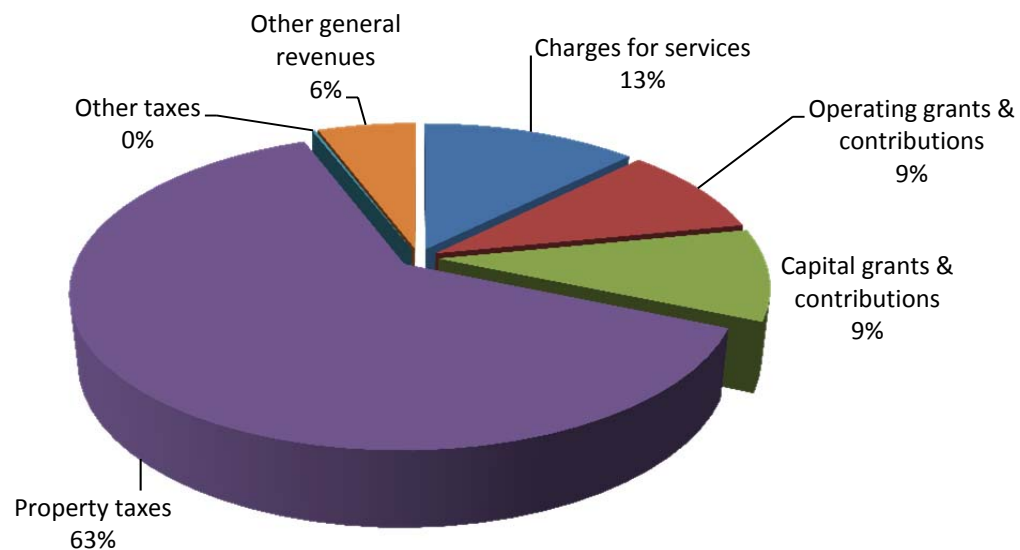
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 4,459,485	\$ 4,009,273	\$ 35,964,808	\$ 35,209,457	\$ 40,424,293	\$ 39,218,730
Operating grants & contributions	3,309,096	2,930,092	-	-	3,309,096	2,930,092
Capital grants & contributions	3,376,106	2,314,034	2,947,172	2,540,194	6,323,278	4,854,228
General revenues						
Property taxes	22,281,533	21,854,983	-	-	22,281,533	21,854,983
Other taxes	62,636	172,644	-	-	62,636	172,644
Other general revenues	2,026,465	2,775,365	766,665	911,249	2,793,130	3,686,614
Total revenues	35,515,321	34,056,391	39,678,645	38,660,900	75,193,966	72,717,291
Expenses						
General government	3,767,680	3,676,622	-	-	3,767,680	3,676,622
Public safety	8,463,874	9,492,560	-	-	8,463,874	9,492,560
Public works	7,404,845	8,473,109	-	-	7,404,845	8,473,109
Health and human services	23,500	-	-	-	23,500	-
Culture, recreation, and education	4,034,270	4,107,120	-	-	4,034,270	4,107,120
Conservation and development	1,052,201	747,165	-	-	1,052,201	747,165
Interest and fiscal charges	930,621	3,005,014	-	-	930,621	3,005,014
Electric Utility	-	-	25,129,204	25,011,083	25,129,204	25,011,083
Water Utility	-	-	2,345,040	2,370,944	2,345,040	2,370,944
Telecommunications Utility	-	-	374,325	443,138	374,325	443,138
Wastewater Utility	-	-	3,457,368	3,310,861	3,457,368	3,310,861
Stormwater Utility	-	-	1,652,579	1,599,257	1,652,579	1,599,257
Total expenses	25,676,991	29,501,590	32,958,516	32,735,283	58,635,507	62,236,873
Increase in net position						
before transfers	9,838,330	4,554,801	6,720,129	5,925,617	16,558,459	10,480,418
Transfers	1,716,270	1,290,347	(1,716,270)	(1,290,347)	-	-
Change in net position	11,554,600	5,845,148	5,003,859	4,635,270	16,558,459	10,480,418
Net position - beginning of the year	72,526,444	66,681,296	142,973,301	138,493,174	215,499,745	205,174,470
Restatement for GASB 68/71	-	-	-	(155,143)	-	(155,143)
Net position - end of the year	\$ 84,081,044	\$ 72,526,444	\$147,977,160	\$142,973,301	\$232,058,204	\$215,499,745

Managements's Discussion and Analysis (Unaudited)

Governmental Activities

An examination of the statement of activities can provide a concise picture of how the various activities of the City are funded. The following charts draw data from the statement of activities. The City received \$35.5 million in governmental activities revenues in 2015. This was an increase of \$1.0 million from the prior year. The City is highly dependent upon the property tax for funding and they remain the largest source of governmental activities revenues representing 62.7% of the total in 2015. Property tax revenue is used to finance the city's general fund, debt service, and TIF districts. Intergovernmental revenues and other operating and capital grants comprise 18.8%, while charges for services and all other sources account for 18.5% of total governmental activity resources.

Governmental Activities Revenues



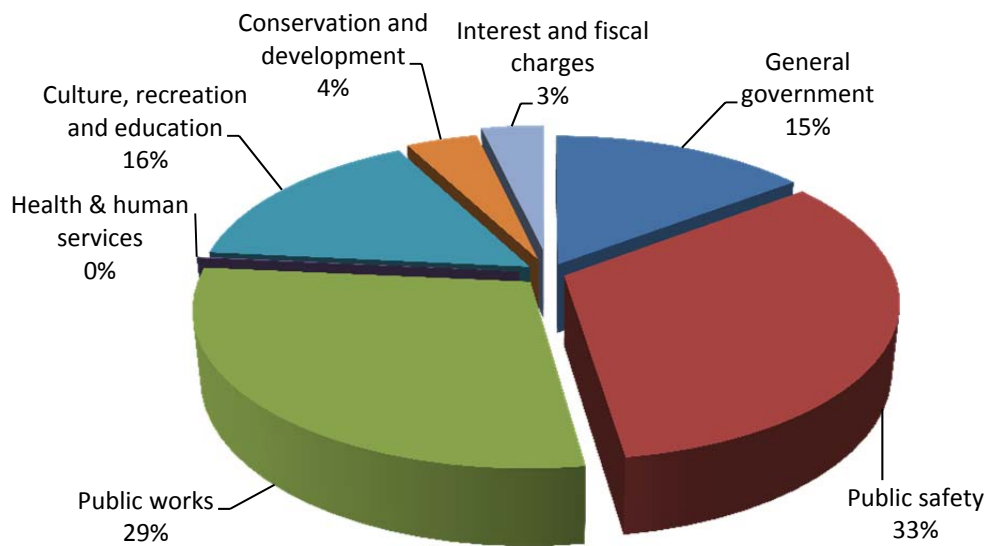
The key factors contributing to the change in net position compared to the prior year are as follows:

- The largest component contributing to the increase in net position was an increase in capital grants and contributions of \$1.1 million. The City is experiencing a growth in development. New development requires that the developer install the infrastructure for that new growth. Upon completion of the development the infrastructure is contributed to the City.
- Property taxes were the next largest component contributing to the increase in net position. The council approved an increase in the property tax levy primarily corresponding to the additional equalized value resulting from increased development in 2014.

Managements's Discussion and Analysis (Unaudited)

Total governmental activities expenses were \$25.7 million in 2015. Public safety (including police, emergency medical services, building inspection, and fire services) accounts for the largest share of city expenses at 33.0%. This is followed by public works with 28.8%, general government with 14.7%, culture, recreation and education with 15.7%, and conservation and development at 4.1%. Interest & fiscal charges make up the remaining 3.6%.

Governmental Activities Expenses

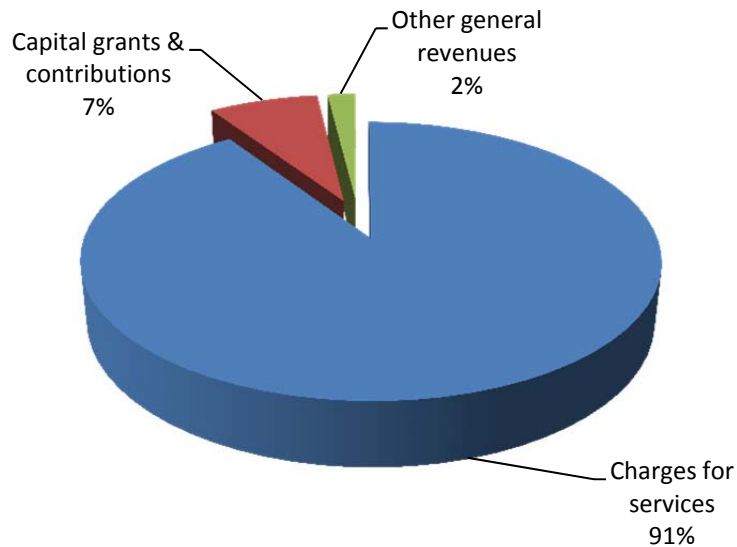


**Managements's Discussion and Analysis
(Unaudited)**

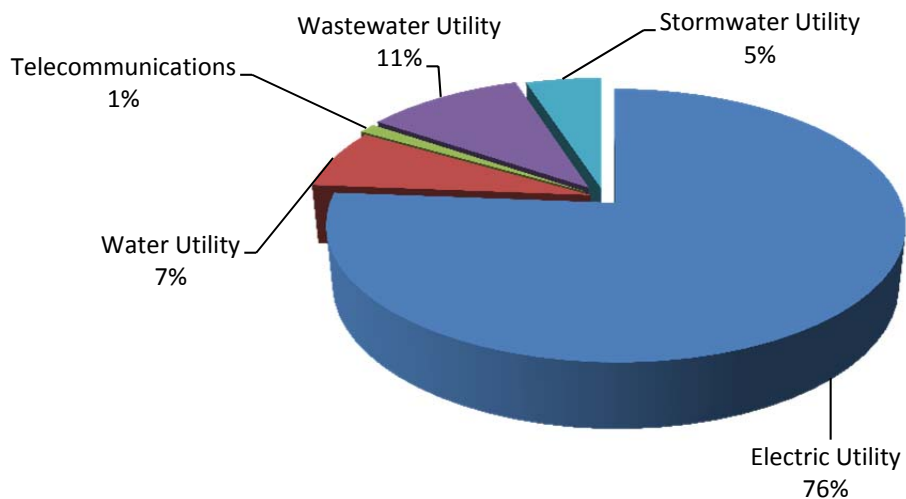
Business-type Activities

Business-type activities include the city's water, electric and telecommunications, wastewater, and storm water utilities. In 2015, revenue for business-type activities totaled \$39.7 million. Charges for services were the largest revenue source for these operations, representing 90.6% of business-type activity revenues. Capital grants and contributions accounted for 7.4% of revenues with other general revenues representing 1.9%.

Business-Type Activities Revenues



Business-Type Activities Expenses



Managements's Discussion and Analysis (Unaudited)

The net position of Sun Prairie Utilities increased by \$2.6 million, which represents a 4.0% increase over 2014. Combined operating revenues for the utility increased by 2.3%, or \$682,000. Operating expenses for the utility increased by \$18,000, or .1% from 2014.

The net position of the wastewater utility increased by \$1.7 million, which represents a 4.1% increase from 2014. Wastewater utility operating revenues increased by \$9,000 in 2015. Operating expenses of the utility increased by \$165,000, or 5.4%, from 2014.

The net position of the storm water utility increased by \$783,000 during 2015, an increase of 2.0%. Storm water utility operating revenues increased by \$64,000, or 4.0% while operating expenses increased by \$62,000, or 4.0%.

The last approved rate increases for the electric, water, telecommunications, wastewater, and storm water utilities were effective as follows:

- Electric rates were effective as of January 6, 2014.
- Water rates were effective as of July 3, 2014.
- Telecommunications rates were effective as of June 2010.
- Wastewater rates were effective as of July 1, 2013.
- Storm water rates were effective as of July 1, 2015. The City Council approved an increase effective July 1, 2016.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the city's governmental funds is to provide information regarding near-term inflows, outflows, and spendable resources. Such information can be useful in addressing the city's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of 2015, the combined fund balances for the city's governmental funds were \$15.4 million, as detailed below:

Fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are *Non-spendable*, *Restricted*, *Committed*, *Assigned*, and *Unassigned*. The amount that represents available resources for spending is the total of Committed, Assigned, and Unassigned. The unrestricted fund balance, less the non-spendable portion, may serve as a useful measure of a government's net resources available for spending at each fiscal year end.

**Managements's Discussion and Analysis
(Unaudited)**

CITY OF SUN PRAIRIE GOVERNMENTAL FUND BALANCE

	<u>2015</u>	<u>2014</u>
Nonspendable	\$ 2,968,901	\$ 2,585,174
Restricted, reported in:		
General Fund	142,000	-
Special revenue funds	3,300,014	3,210,433
Debt service funds	10,332	31,614
Capital project funds	2,835,329	2,680,069
Permanent funds	386,244	386,567
Committed to:		
Special revenue funds	585,008	329,841
Assigned, reported in:		
General Fund	3,066,431	3,198,837
Capital project funds	300,290	160,403
Unassigned, reported in:		
General Fund	4,352,338	3,710,361
Special revenue funds	-	(18,694)
Debt service funds	(104,963)	(107,102)
Capital project funds	<u>(2,407,503)</u>	<u>(2,015,019)</u>
 Total Fund Balance	 <u>\$ 15,434,421</u>	 <u>\$ 14,152,484</u>

General Fund: The general fund is the primary operating fund of the city. Total fund balance as of December 31, 2015 was \$10.5 million, of which \$2.9 million was nonspendable. Included in this amount is \$2.4 million representing advances to TIF District funds. Assigned fund balance comprised another \$3.0 million of the total fund balance. The 2015 payment in lieu of taxes due to the general fund from the electric and water utility represents \$1.73 million of the assigned fund balance. Unassigned fund balance in the general fund at the end of 2015 was \$4.4 million, which represents 20% of the total prior year general fund revenue budget. This exceeds the city's target range of 12% to 18% to provide sufficient cash flow, stabilization, and emergency reserves.

General Debt Service Fund: The general debt service fund accounts for the accumulation of funds for the payment of long-term debt principal, interest, and related costs. The annual revenue budget for the debt service fund is set to meet the current year obligations. As such, the city is not required to maintain a large ongoing fund balance.

Managements's Discussion and Analysis (Unaudited)

Proprietary Funds

Sun Prairie Utilities (SPU) (Electric, Water and Telecommunications): The SPU's operating income was \$30,512,780 in 2015, with net income before transfers and contributions of \$3,366,247. This is an increase of \$527,885 over 2014. This is a result of stable operating expenses for the utility.

Water Pollution Control Facility (WPCF): The WPCF's operating income was \$3,771,488 in 2015, with net income before transfers and contributions of \$352,167. The City approved a rate increase in 2014 that was fully implemented in 2015 resulting in an increase in operating results.

Storm Water Utility: The Storm Water Utility had operating income of \$1,680,540 in 2015, with a net income before contributions and transfers of \$54,543 and an increase in net position of \$782,829. The Storm water utility continues to require significant infrastructure improvements. A modest increase in the rate was implemented on July 1, 2015 and again was approved to be implemented on July 1, 2016.

GENERAL FUND BUDGETARY ANALYSIS

The general fund budget is adopted at the department level of expenditure. In 2015, the general fund experienced a net increase in fund balance of \$1.0million.

Total general fund revenues and other financing sources exceeded the budget by \$376,000. Significant revenue variances for 2015 are noted below:

- **Intergovernmental Revenues: Surplus \$94,254**

Intergovernmental revenues represent general state aids, federal or state grants, county aids and the Sun Prairie School District's share of the Police Department Liaison. The largest variance was an increase in state shared revenue - exempt computer aids by \$83,372. The remaining surplus is an accumulation of minor variances in various local and state aid payments.

- **Licenses and Permits: Deficit \$ (61,588)**

Licenses and permits consist of alcohol licenses, business licenses, animal licenses, building-related permits, street opening permits, and zoning and plat approval fees. Building-related permits account for \$96,083 of the revenue deficit, due to an inaccurate projection of construction overall in the City during 2015.

- **Public Charges for Services: Surplus \$ 183,388**

Public charges for services represent fees charged for various city services including ambulance calls, recreation programs, inspections, and fees from the Family Aquatic Center. EMS ambulance fee revenue for 2015 increased by \$169,347 and Family Aquatic Center fees fell short of the budget by \$21,766.

- **Investment Income: Deficit \$ (11,354)**

Investment income fell short of the 2015 budget by \$11,354 due to lower interest rates on investments.

Managements's Discussion and Analysis (Unaudited)

- **Miscellaneous Revenues: Surplus \$ 271,742**

Miscellaneous revenues consist of sales of equipment and materials, donations, insurance dividends, and reimbursement from the Wastewater Utility and Storm water Utility for city services. In 2015 the City was reimbursed for \$223,206 in additional engineering charges due to the increase in development throughout the City. Additionally the city received a surplus of \$31,634 from the sale of equipment and materials.

Total general fund expenditures and other financing uses were \$892,089 under budget in 2015. Areas that experienced significant variances from the budget are noted below:

- **Police Department: Surplus \$ 185,172**

The Police Department experienced a savings due to several unanticipated vacancies throughout the year.

- **Information Technology Department: Surplus \$ 341,571**

The Information Technology Department had a vacancy in the Director position for most of the year. The savings was an accumulation of the wages and benefits as well as corresponding uncompleted budgeted projects due to lack of employees.

- **Forestry: Surplus \$ 151,117**

The forestry department was expecting to complete the removal of ash trees in the City of Sun Prairie due to emerald ash borer. This project was delayed and ultimately altered to attempt to treat and save many of the ash trees in the City.

- **Building Maintenance: Surplus \$ 105,881**

The building maintenance department expenditures experienced a savings of \$71,600 due to the reduction of machinery and equipment replacement.

BUDGETARY ANALYSIS

The City's 2015 General Fund adopted expenditure budget totaled \$21,023,935. The Common Council approved departmental 2014 carryover requests of 2013 unspent operating funds of \$61,518. The Common Council also approved a budget amendment using fund balance to provide the funding for the elimination of ash trees as a result of an emerald ash borer infestation.

The City ended 2015 with a total fund balance increase of \$1.0 million and an unassigned fund balance increase from 2014 of \$641,977.

Actual general fund revenue was \$375,610 (1.89%) over budget. The City experienced a positive variance in Intergovernmental Revenues (\$94,254), Charges for Services (\$183,388) and Miscellaneous Revenues (\$271,742) while Taxes (\$91,120), Licenses and Permits (\$61,588), Fines, Forfeitures and Penalties (\$9,212), Special Assessments (\$500) and Investment Income (\$11,354) experienced negative variances.

Managements's Discussion and Analysis (Unaudited)

General fund expenditures finished 2015 with a favorable budget variance of \$892,089 (4.2%) primarily due to savings from vacancies. The operating functions that experienced positive variances included General Government (\$481,085), Public Safety (\$251,837), Culture, Recreation, and Education (\$102,424) and Conservation and Development (\$197,507). Public Works (\$78,999), Debt Service (\$61,765) and Other Financing (\$159,477) were the only functions that experienced a negative variance. Statements highlighting budget versus actual variances can be found on pages 79 through 83.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the city of Sun Prairie had an investment in capital assets of \$268.2 million, net of accumulated depreciation, for all governmental and business-type activities of the city. This represents an increase of 2.7% from the end of 2014.

Major capital asset improvements within the city's governmental activities included \$3.5 million for street additions and reconstruction and \$1.8 million for bike paths and sidewalks. The city also purchased \$773,000 in machinery and equipment assets including snow plow vehicles, police squad cars and an ambulance.

In the city's business-type activities, major capital additions (prior to depreciation) include \$5.4 million for the electric distribution plant, \$2.0 million for water infrastructure and \$1.7 million for the storm water infrastructure. These additions include dedications in new developments. The following table provides a summary of the city's changes in capital assets:

CITY OF SUN PRAIRIE CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land/right-of-ways	\$ 43,067,783	\$ 42,122,783	\$ 8,519,557	\$ 7,983,192	\$ 51,587,340	\$ 50,105,975
Land improvements	3,608,296	3,602,896	-	-	3,608,296	3,602,896
Buildings	28,428,728	28,363,043	-	-	28,428,728	28,363,043
Equipment	14,790,121	14,618,425	-	-	14,790,121	14,618,425
Infrastructure	85,479,475	80,530,899	-	-	85,479,475	80,530,899
Electric system	-	-	42,861,411	37,940,571	42,861,411	37,940,571
Water system	-	-	42,650,873	40,751,356	42,650,873	40,751,356
Telecommunications system	-	-	2,119,405	2,501,447	2,119,405	2,501,447
Wastewater system	-	-	58,320,992	57,050,724	58,320,992	57,050,724
Stormwater system	-	-	42,434,804	40,881,279	42,434,804	40,881,279
Construction in progress	32,565	121,192	1,881,735	4,221,010	1,914,300	4,342,202
Total capital assets	175,406,968	169,359,238	198,788,777	191,329,579	374,195,745	360,688,817
Less: Accumulated depreciation	(53,855,943)	(50,722,733)	(52,102,343)	(48,756,183)	(105,958,286)	(99,478,916)
Capital assets net of depreciation	<u>\$121,551,025</u>	<u>\$118,636,505</u>	<u>\$146,686,434</u>	<u>\$142,573,396</u>	<u>\$268,237,459</u>	<u>\$261,209,901</u>

Additional detail about the changes in capital assets can be found in Note IV.D on pages 41 through 44 of the financial statements.

Managements's Discussion and Analysis (Unaudited)

Long Term Debt

The city's outstanding general obligation debt as of December 31, 2015 totaled \$43.6 million. In addition, the city had revenue debt outstanding of \$18.5 million that is backed by revenues generated from the City's electric, water, and wastewater utilities. There were also outstanding capital leases in the amount of \$14.2 million that are supported from revenues from the city's tax increment finance districts.

The city issued \$4.429 million of long-term general obligation debt in 2015. Of this amount, \$375,000 was used to refund prior years' debt for interest savings. The remaining \$4.054 million was used to finance 2015 capital project expenditures.

City Capital Projects	\$2,090,000
Wastewater Projects	265,000
Stormwater Projects	1,075,000
Telecommunications Projects	<u>624,000</u>
Total	\$4,054,000

The city's outstanding general obligation bonds are rated Aa2 by Moody's Investors Service. Moody's defines an Aa2 rating as representing "high quality and very low credit risk." In its June 11, 2015 rating analysis, Moody's stated that factors contributing to the city's high rating include "stable finances and healthy General Fund reserve levels. Revenue bonds of the city's water and electric utility are rated A1. Debt issued by the Sun Prairie Community Development Authority carries an A1 bond rating.

Wisconsin state statutes limit the amount of general obligation debt that a governmental entity may issue to 5.0% of its total equalized valuation. Based on the city's 2015 equalized valuation of \$2.4 billion the city's statutory debt limit is \$128,309,195. The city was at 34.0% of its legal debt limit as of December 31, 2015.

The following table provides a summary of all outstanding debt and lease obligations:

CITY OF SUN PRAIRIE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds and notes	\$ 39,428,650	\$ 42,838,692	\$ 4,154,000	\$ 3,120,000	\$ 43,582,650	\$ 45,958,692
Revenue bonds	-	-	18,547,387	20,276,542	18,547,387	20,276,542
Capital leases	<u>14,223,562</u>	<u>15,990,695</u>	<u>-</u>	<u>-</u>	<u>14,223,562</u>	<u>15,990,695</u>
Total	<u>\$ 53,652,212</u>	<u>\$ 58,829,387</u>	<u>\$ 22,701,387</u>	<u>\$ 23,396,542</u>	<u>\$ 76,353,599</u>	<u>\$ 82,225,929</u>

More detail regarding the City's outstanding debt can be found in Notes IV (F) and (G) on Pages 48 through 53 of this report.

Managements's Discussion and Analysis (Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Sun Prairie is an economically stable community located in northeastern Dane County and shares a border with the City of Madison, which is the state capital. This location has contributed to the city's rapid growth and strong economic position. As of January 1, 2015, the population is estimated at 31,810. This is an increase of 2,460 since 2010. During this period, the city's population has grown by 8.3% making it one of the fastest growing municipalities in the State of Wisconsin. Major development projects in the city include a light industrial business park, redevelopment of the downtown area, a new Westside commercial center, and a mixed-use TIF district that features an emergency medical facility. The Westside commercial center continues to grow with the additions of a Cabela's and Marcus Theaters which were completed in 2015.

From 2000 to 2008, Sun Prairie's tax base experienced average growth of 12.8% per year. From 2008 to 2014, the growth in Sun Prairie leveled off. The city has experienced a 6.3% increase in equalized property valuation for 2015 to a total of \$2.6 billion.

The local economy remains strong compared to state and national averages. Unemployment in the Madison area is consistently below the state average and national average, while Sun Prairie's adjusted gross income per return continues to average above the state as a whole. The Dane County unemployment rate is 3.6% in 2015, below the state and federal rates of 4.7% and 5.3% respectively.

The Sun Prairie City Council approved the 2016 budget which authorized general fund expenditures of \$22,176,805. The combined property tax levy was \$21,249,832, which is an increase of 3.7%. The City's portion of the mill rate decreased by .14% to \$8.34 per \$1,000 of assessed value.

Beginning with the 2006 budget, the City has been subject to state-imposed property tax limits which restrict the growth of the tax levy to the greater of the percentage of net new construction growth plus the increase in debt service or a state valuation factor.

Locally assessed real estate value increased by approximately 6.53% in 2015. Commercial property increased by 5.91% and residential property increased by 5.41%. New construction increased from the \$44.7 million level in 2014 to \$82.7 million in 2015.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. Requests for additional information regarding the City's finances or questions concerning any of the information found in this report should be addressed to the City of Sun Prairie Director of Administrative Services at 300 E Main Street, Sun Prairie, Wisconsin 53590. Other information related to the City can be found on the City's website at www.cityofsunprairie.com.

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION As of December 31, 2015

	Governmental Activities	Business-type Activities	Totals	CDA
ASSETS				
Cash and investments	\$ 10,392,334	\$ 13,351,108	\$ 23,743,442	\$ -
Receivables (net)				
Taxes	24,509,091	-	24,509,091	-
Delinquent personal property taxes	32,132	-	32,132	-
Accounts	362,537	2,843,323	3,205,860	-
Special assessments	241,779	11,271	253,050	-
Delinquent special assessments	79,310	-	79,310	-
Accrued interest	8,735	12,407	21,142	148,970
Ambulance	197,833	-	197,833	-
Loans	44,204	-	44,204	-
Other	-	352,112	352,112	-
Due from other governments	106,127	-	106,127	-
Internal balances	3,536,192	(3,536,192)	-	-
Due from primary government	-	-	-	126,664
Capital leases receivable from primary government	-	-	-	14,161,797
Prepaid items and inventories	104,133	1,056,469	1,160,602	-
Investment in mutual insurance company	343,740	-	343,740	-
Restricted cash and investments				
Restricted cash and investments	2,575,321	5,039,984	7,615,305	2,146,539
Net pension asset	896,157	-	896,157	-
Other assets	-	8,427,757	8,427,757	-
Capital Assets				
Land	41,407,388	8,519,557	49,926,945	-
Construction in progress	32,565	1,881,735	1,914,300	-
Easements	1,660,395	-	1,660,395	-
Other capital assets, net of depreciation	78,450,677	136,285,142	214,735,819	-
Total Assets	<u>164,980,650</u>	<u>174,244,673</u>	<u>339,225,323</u>	<u>16,583,970</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	207,905	18,128	226,033	450,568
Pension related amounts	949,488	236,659	1,186,147	-
Total Deferred Outflows of Resources	<u>1,157,393</u>	<u>254,787</u>	<u>1,412,180</u>	<u>450,568</u>
LIABILITIES				
Accounts payable and accrued expenses	1,734,168	2,766,573	4,500,741	148,970
Deposits	36,672	5,670	42,342	-
Due to other governments	37,769	-	37,769	-
Due to component unit	126,664	-	126,664	-
Noncurrent Liabilities				
Due within one year	8,651,922	2,238,292	10,890,214	1,800,000
Due in more than one year	46,988,752	21,402,170	68,390,922	14,635,000
Total Liabilities	<u>57,575,947</u>	<u>26,412,705</u>	<u>83,988,652</u>	<u>16,583,970</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	24,481,052	59,376	24,540,428	-
Pension related amounts	-	50,219	50,219	-
Total Deferred Inflows of Resources	<u>24,481,052</u>	<u>109,595</u>	<u>24,590,647</u>	<u>-</u>

See accompanying notes to financial statements.

	Governmental Activities	Business-type Activities	Totals	CDA
NET POSITION				
Net investment in capital assets	\$ 82,157,158	\$124,869,023	\$207,026,181	\$ -
Restricted for				
Capital projects	267,743	-	267,743	-
Park improvement	1,018,582	-	1,018,582	-
Economic development	147,960	-	147,960	-
Impact fees	2,072,074	-	2,072,074	-
Grants	212,986	-	212,986	-
Library	67,225	-	67,225	-
TIF districts	2,114,581	-	2,114,581	-
Pension	896,157	-	896,157	-
Trusts	386,244	-	386,244	-
Equipment replacement	-	2,505,616	2,505,616	-
Debt service	142,000	1,340,640	1,482,640	-
Unrestricted (deficit)	<u>(5,401,666)</u>	<u>19,261,881</u>	<u>13,860,215</u>	<u>450,568</u>
TOTAL NET POSITION	<u>\$ 84,081,044</u>	<u>\$147,977,160</u>	<u>\$232,058,204</u>	<u>\$ 450,568</u>

CITY OF SUN PRAIRIE

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,767,680	\$ 124,009	\$ 44,884	\$ -
Public safety	8,463,874	1,584,080	252,988	-
Public works	7,404,845	1,770,128	2,565,765	3,326,055
Health and human services	23,500	-	-	-
Culture, recreation and education	4,034,270	888,192	445,459	48,951
Conservation and development	1,052,201	93,076	-	1,100
Interest and fiscal charges	930,621	-	-	-
Total Governmental Activities	<u>25,676,991</u>	<u>4,459,485</u>	<u>3,309,096</u>	<u>3,376,106</u>
Business-type Activities				
Electric	25,129,204	26,741,334	-	67,011
Water	2,345,040	3,259,410	-	815,901
Telecommunications	374,325	512,036	-	24,497
Wastewater	3,457,368	3,771,488	-	1,311,477
Stormwater	1,652,579	1,680,540	-	728,286
Total Business-type Activities	<u>32,958,516</u>	<u>35,964,808</u>	<u>-</u>	<u>2,947,172</u>
Total Primary Government	<u>\$ 58,635,507</u>	<u>\$ 40,424,293</u>	<u>\$ 3,309,096</u>	<u>\$ 6,323,278</u>
Component Unit				
Community Development Authority	<u>\$ 463,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year (as restated)

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	CDA
\$ (3,598,787)	\$ -	\$ (3,598,787)	\$ -
(6,626,806)	-	(6,626,806)	-
257,103	-	257,103	-
(23,500)	-	(23,500)	-
(2,651,668)	-	(2,651,668)	-
(958,025)	-	(958,025)	-
(930,621)	-	(930,621)	-
<u>(14,532,304)</u>	<u>-</u>	<u>(14,532,304)</u>	<u>-</u>
-	1,679,141	1,679,141	-
-	1,730,271	1,730,271	-
-	162,208	162,208	-
-	1,625,597	1,625,597	-
-	<u>756,247</u>	<u>756,247</u>	-
-	<u>5,953,464</u>	<u>5,953,464</u>	-
<u>(14,532,304)</u>	<u>5,953,464</u>	<u>(8,578,840)</u>	-
-	-	-	(463,646)
13,008,194	-	13,008,194	-
6,574,270	-	6,574,270	-
2,699,069	-	2,699,069	-
62,636	-	62,636	-
1,722,939	-	1,722,939	-
51,176	674,625	725,801	381,725
252,350	92,040	344,390	-
<u>1,716,270</u>	<u>(1,716,270)</u>	<u>-</u>	-
<u>26,086,904</u>	<u>(949,605)</u>	<u>25,137,299</u>	<u>381,725</u>
11,554,600	5,003,859	16,558,459	(81,921)
<u>72,526,444</u>	<u>142,973,301</u>	<u>215,499,745</u>	<u>532,489</u>
<u>\$ 84,081,044</u>	<u>\$ 147,977,160</u>	<u>\$ 232,058,204</u>	<u>\$ 450,568</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2015

	General Fund	General Debt Service Fund	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and investments	\$ 5,942,374	\$ 30	\$ 4,410,110	\$ 10,352,514
Receivables (net)				
Taxes	13,574,303	6,648,847	4,285,941	24,509,091
Delinquent personal property taxes	32,132	-	-	32,132
Accounts	39,681	2,720	317,372	359,773
Special assessments	1,091	17,467	223,221	241,779
Delinquent special assessments	29,516	-	49,794	79,310
Accrued interest	2,250	-	6,485	8,735
Ambulance	197,833	-	-	197,833
Loans	-	-	44,204	44,204
Due from other governments	-	-	106,127	106,127
Due from other funds	4,489,570	7,582	2,201,748	6,698,900
Prepaid items and inventories	104,133	-	-	104,133
Investment in mutual insurance company	343,740	-	-	343,740
Advances to other funds	2,459,380	-	-	2,459,380
Restricted cash and investments	142,000	-	2,433,321	2,575,321
TOTAL ASSETS	\$ 27,358,003	\$ 6,676,646	\$ 14,078,323	\$ 48,112,972
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 680,957	\$ -	\$ 299,588	\$ 980,545
Accrued liabilities	242,172	-	3,409	245,581
Deposits	26,420	-	10,252	36,672
Due to other governments	32,939	-	4,830	37,769
Due to other funds	2,074,311	-	1,533,509	3,607,820
Due to component unit	126,664	-	-	126,664
Advances from other funds	-	-	2,459,380	2,459,380
Total Liabilities	<u>3,183,463</u>	<u>-</u>	<u>4,310,968</u>	<u>7,494,431</u>
Deferred Inflows of Resources				
Unearned revenues	13,546,264	6,648,847	4,285,941	24,481,052
Unavailable revenues	98,606	17,467	586,995	703,068
Total Deferred Inflows of Resources	<u>13,644,870</u>	<u>6,666,314</u>	<u>4,872,936</u>	<u>25,184,120</u>
Fund Balances				
Nonspendable	2,968,901	-	-	2,968,901
Restricted	142,000	10,332	6,521,587	6,673,919
Committed	-	-	585,008	585,008
Assigned	3,066,431	-	300,290	3,366,721
Unassigned (deficit)	4,352,338	-	(2,512,466)	1,839,872
Total Fund Balances	<u>10,529,670</u>	<u>10,332</u>	<u>4,894,419</u>	<u>15,434,421</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 27,358,003	\$ 6,676,646	\$ 14,078,323	\$ 48,112,972

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2015

Total Fund Balances - Governmental Funds	\$ 15,434,421
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note IV. D.	117,122,088
Special assessments that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV.B.	295,633
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV.B.	407,435
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	896,157
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	949,488
Internal service funds are reported in the statement of net position as governmental activities.	4,677,063
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A.	(55,909,146)
A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	<u>207,905</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 84,081,044</u>

CITY OF SUN PRAIRIE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	General Fund	General Debt Service Fund	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	\$ 13,040,275	\$ 6,574,270	\$ 2,750,815	\$ 22,365,360
Intergovernmental	3,836,071	-	1,118,375	4,954,446
Licenses and permits	515,432	-	479,913	995,345
Fines, forfeitures and penalties	192,788	-	-	192,788
Public charges for services	1,462,738	-	2,093,699	3,556,437
Special assessments	19,500	-	9,943	29,443
Investment income	28,646	-	21,655	50,301
Miscellaneous	1,222,182	45,170	127,558	1,394,910
Total Revenues	<u>20,317,632</u>	<u>6,619,440</u>	<u>6,601,958</u>	<u>33,539,030</u>
EXPENDITURES				
Current				
General government	3,610,525	-	-	3,610,525
Public safety	9,796,061	-	4,718	9,800,779
Public works	3,025,007	-	2,429,190	5,454,197
Health and human services	23,500	-	-	23,500
Culture, recreation and education	3,268,968	-	497,555	3,766,523
Conservation and development	649,123	-	240,714	889,837
Capital Outlay	-	-	3,442,178	3,442,178
Debt Service				
Principal	61,765	6,264,772	1,820,638	8,147,175
Interest and fiscal charges	-	790,112	674,835	1,464,947
Total Expenditures	<u>20,434,949</u>	<u>7,054,884</u>	<u>9,109,828</u>	<u>36,599,661</u>
Excess (deficiency) of revenues over expenditures	<u>(117,317)</u>	<u>(435,444)</u>	<u>(2,507,870)</u>	<u>(3,060,631)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	375,000	2,440,000	2,815,000
Premium on debt issued	-	9,097	26,433	35,530
Transfers in	1,969,773	30,065	1,015,261	3,015,099
Transfers out	(817,158)	-	(705,903)	(1,523,061)
Total Other Financing Sources (Uses)	<u>1,152,615</u>	<u>414,162</u>	<u>2,775,791</u>	<u>4,342,568</u>
Net Change in Fund Balances	1,035,298	(21,282)	267,921	1,281,937
FUND BALANCES - Beginning of Year	<u>9,494,372</u>	<u>31,614</u>	<u>4,626,498</u>	<u>14,152,484</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,529,670</u>	<u>\$ 10,332</u>	<u>\$ 4,894,419</u>	<u>\$ 15,434,421</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$ 1,281,937
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,442,178
Some items reported as operating expenses in the fund financial statements, are capitalized in the government-wide statements.	1,096,467
Depreciation is reported in the government-wide financial statements	(4,006,821)
Net book value of assets retired	(37,350)
Contributed capital assets are reported as revenues in the governmental activities.	2,565,644
Capital assets were contributed to the internal service fund.	(4,574,535)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(581,933)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(2,815,000)
Principal repaid	8,147,175
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Amortization of premium on debt	136,951
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	10,409
Other postemployment benefits	719
Accrued interest on debt	470,003
Amortization of deferred charge on refunding	(103,952)
Net pension asset	896,157
Deferred outflows of resources related to pensions	949,488
Internal service funds are used by management to charge fleet costs to individual funds.	
The change in net position of the internal service fund reported in governmental activities	<u>4,677,063</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 11,554,600</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
ASSETS					
Current Assets					
Cash and investments	\$ 5,278,589	\$ 1,072,215	\$ 1,864,621	\$ 8,215,425	\$ 39,820
Receivables					
Accounts	2,445,185	290,215	107,923	2,843,323	2,764
Accrued interest	7,548	4,599	260	12,407	-
Other	281,996	10,741	59,375	352,112	-
Due from other funds	48,507	16,757	350,135	415,399	445,112
Prepaid items	15,971	141	1,084	17,196	-
Inventories	1,039,273	-	-	1,039,273	-
Restricted Assets					
Cash and investments	<u>782,370</u>	<u>673,373</u>	<u>-</u>	<u>1,455,743</u>	<u>-</u>
Total Current Assets	<u>9,899,439</u>	<u>2,068,041</u>	<u>2,383,398</u>	<u>14,350,878</u>	<u>487,696</u>
Noncurrent Assets					
Restricted Assets					
Cash and investments	1,078,625	2,505,616	-	3,584,241	-
Capital Assets					
Land	681,795	194,278	7,643,484	8,519,557	-
Construction in progress	1,812,454	-	69,281	1,881,735	32,565
Other capital assets	87,631,689	58,320,992	42,434,804	188,387,485	8,731,413
Less: Accumulated depreciation	(27,506,963)	(14,926,818)	(9,668,562)	(52,102,343)	(4,335,041)
Other Assets					
Cash and investments	-	5,135,683	-	5,135,683	-
Property held for future use	16,854	-	-	16,854	-
Lift station fees receivable	-	91,766	-	91,766	-
Special assessments receivable	-	11,271	-	11,271	-
Non-utility property	52,651	-	-	52,651	-
Investment in ATC	<u>8,266,486</u>	<u>-</u>	<u>-</u>	<u>8,266,486</u>	<u>-</u>
Total Noncurrent Assets	<u>72,033,591</u>	<u>51,332,788</u>	<u>40,479,007</u>	<u>163,845,386</u>	<u>4,428,937</u>
Total Assets	<u>81,933,030</u>	<u>53,400,829</u>	<u>42,862,405</u>	<u>178,196,264</u>	<u>4,916,633</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	18,128	-	-	18,128	-
Pension related amounts	<u>236,659</u>	<u>-</u>	<u>-</u>	<u>236,659</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>254,787</u>	<u>-</u>	<u>-</u>	<u>254,787</u>	<u>-</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
LIABILITIES					
Current Liabilities					
Accounts payable	2,218,465	88,688	22,003	2,329,156	24,402
Other accrued liabilities	274,922	21,836	25,555	322,313	5,312
Deposits	3,982	1,688	-	5,670	-
Due to other funds	2,800,378	1,151,213	-	3,951,591	-
Current portion of general obligation debt	-	160,000	315,000	475,000	-
Liabilities Payable From Restricted Assets					
Revenue bonds payable	935,000	828,292	-	1,763,292	-
Accrued interest	78,751	36,352	-	115,103	-
Total Current Liabilities	<u>6,311,498</u>	<u>2,288,069</u>	<u>362,558</u>	<u>8,962,125</u>	<u>29,714</u>
Noncurrent Liabilities					
Long-Term Debt					
Revenue bonds payable	8,539,047	8,406,841	-	16,945,888	-
General obligation debt	624,000	830,000	2,275,984	3,729,984	155,000
Net pension liability	232,485	-	-	232,485	-
Compensated absences	411,138	80,867	1,809	493,814	54,856
Total Noncurrent Liabilities	<u>9,806,670</u>	<u>9,317,708</u>	<u>2,277,793</u>	<u>21,402,171</u>	<u>209,856</u>
Total Liabilities	<u>16,118,168</u>	<u>11,605,777</u>	<u>2,640,351</u>	<u>30,364,296</u>	<u>239,570</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	-	-	59,376	59,376	-
Pension related amounts	50,219	-	-	50,219	-
Total Deferred Inflows of Resources	<u>50,219</u>	<u>-</u>	<u>59,376</u>	<u>109,595</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	53,617,681	33,363,319	37,888,023	124,869,023	4,313,787
Restricted for					
Debt service	703,619	637,021	-	1,340,640	-
Equipment replacement	-	2,505,616	-	2,505,616	-
Unrestricted	<u>11,698,130</u>	<u>5,289,096</u>	<u>2,274,655</u>	<u>19,261,881</u>	<u>363,276</u>
TOTAL NET POSITION	<u>\$ 66,019,430</u>	<u>\$ 41,795,052</u>	<u>\$ 40,162,678</u>	<u>\$147,977,160</u>	<u>\$ 4,677,063</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
OPERATING REVENUES	<u>\$ 30,512,780</u>	<u>\$ 3,771,488</u>	<u>\$ 1,680,540</u>	<u>\$ 35,964,808</u>	<u>\$ 1,020,578</u>
OPERATING EXPENSES					
Operation and maintenance	25,277,906	1,851,183	698,153	27,827,242	601,209
Depreciation	<u>2,334,148</u>	<u>1,353,660</u>	<u>896,158</u>	<u>4,583,966</u>	<u>528,906</u>
Total Operating Expenses	<u>27,612,054</u>	<u>3,204,843</u>	<u>1,594,311</u>	<u>32,411,208</u>	<u>1,130,115</u>
Operating Income (Loss)	<u>2,900,726</u>	<u>566,645</u>	<u>86,229</u>	<u>3,553,600</u>	<u>(109,537)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	637,891	33,566	3,168	674,625	-
Intergovernmental grants	-	-	-	-	28,248
Gain (loss) on sale of property	-	-	21,585	21,585	(36,193)
Debt issuance costs	630	(4,768)	-	(4,138)	(2,723)
Interest and amortization expense	(237,145)	(247,757)	(58,268)	(543,170)	(1,499)
Miscellaneous	<u>64,145</u>	<u>4,481</u>	<u>1,829</u>	<u>70,455</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>465,521</u>	<u>(214,478)</u>	<u>(31,686)</u>	<u>219,357</u>	<u>(12,167)</u>
Income (Loss) Before Contributions and Transfers	<u>3,366,247</u>	<u>352,167</u>	<u>54,543</u>	<u>3,772,957</u>	<u>(121,704)</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	902,466	1,311,477	728,286	2,942,229	-
Capital contributions - from municipality	4,943	-	-	4,943	4,574,535
Transfers in (out)	<u>(1,716,270)</u>	<u>-</u>	<u>-</u>	<u>(1,716,270)</u>	<u>224,232</u>
Total Contributions and Transfers	<u>(808,861)</u>	<u>1,311,477</u>	<u>728,286</u>	<u>1,230,902</u>	<u>4,798,767</u>
Change in Net Position	<u>2,557,386</u>	<u>1,663,644</u>	<u>782,829</u>	<u>5,003,859</u>	<u>4,677,063</u>
NET POSITION - Beginning of Year (as restated)	<u>63,462,044</u>	<u>40,131,408</u>	<u>39,379,849</u>	<u>142,973,301</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 66,019,430</u>	<u>\$ 41,795,052</u>	<u>\$ 40,162,678</u>	<u>\$147,977,160</u>	<u>\$ 4,677,063</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 30,491,720	\$ 3,760,039	\$ 1,409,599	\$ 35,661,358	\$ 600,950
Received from (paid to) municipality for services	348,248	(554,419)	-	(206,171)	-
Paid to suppliers for goods and services	(24,026,156)	(1,246,162)	(525,936)	(25,798,254)	(180,921)
Paid to employees for services	(1,256,594)	(579,649)	(165,914)	(2,002,157)	(351,401)
Net Cash Flows From Operating Activities	<u>5,557,218</u>	<u>1,379,809</u>	<u>717,749</u>	<u>7,654,776</u>	<u>68,628</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	418,411	32,331	4,915	455,657	-
Investments sold and matured	824,367	1,499,538	-	2,323,905	-
Investment in ATC	(106,004)	-	-	(106,004)	-
Investments purchased	(777,418)	(1,004,345)	(490,000)	(2,271,763)	-
Net Cash Flows From Investing Activities	<u>359,356</u>	<u>527,524</u>	<u>(485,085)</u>	<u>401,795</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to municipality for tax equivalent	(1,600,606)	-	-	(1,600,606)	-
Transfers In	-	-	-	-	224,232
Net Cash Flows From Noncapital Financing Activities	<u>(1,600,606)</u>	<u>-</u>	<u>-</u>	<u>(1,600,606)</u>	<u>224,232</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt issued	624,000	265,000	570,000	1,459,000	155,000
Debt retired	(920,000)	(954,155)	(280,000)	(2,154,155)	-
Interest paid	(325,970)	(252,386)	(55,408)	(633,764)	(1,499)
Debt premium net of debt issue costs	(6,000)	(1,600)	2,993	(4,607)	(2,723)
Acquisition and construction of capital assets	(4,225,689)	(766,839)	(1,032,517)	(6,025,045)	(456,383)
Capital contribution received	248,496	715,668	-	964,164	-
Proceeds from sale of assets	-	-	30,738	30,738	52,565
Special assessments received	-	22,855	1,920	24,775	-
Net Cash Flows From Capital and Related Financing Activities	<u>(4,605,163)</u>	<u>(971,457)</u>	<u>(762,274)</u>	<u>(6,338,894)</u>	<u>(253,040)</u>
Net Change in Cash and Cash Equivalents	(289,195)	935,876	(529,610)	117,071	39,820
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>6,651,361</u>	<u>5,952,839</u>	<u>1,904,231</u>	<u>14,508,431</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,362,166</u>	<u>\$ 6,888,715</u>	<u>\$ 1,374,621</u>	<u>\$ 14,625,502</u>	<u>\$ 39,820</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 2,900,726	\$ 566,645	\$ 86,229	\$ 3,553,600	\$ (109,537)
Nonoperating revenue	64,145	4,481	-	68,626	28,248
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	2,334,148	1,353,660	896,158	4,583,966	528,906
Depreciation charged to clearing and other funds	171,152	-	-	171,152	-
Changes in assets, deferred outflows, liabilities, and deferred inflows					
Accounts receivable	110,958	(17,434)	(13,902)	79,622	(2,764)
Other accounts receivable	44,782	(17,421)	559	27,920	-
Due to/from other funds	43,781	(553,089)	(257,598)	(766,906)	(445,112)
Accounts payable	(37,619)	56,934	12,612	31,927	8,719
Deposits	(1,180)	1,688	-	508	-
Other current liabilities	(27,887)	(16,063)	(5,919)	(49,869)	5,312
Compensated absences	(10,393)	(1,440)	424	(11,409)	54,856
Prepaid items	(4,250)	1,848	(814)	(3,216)	-
Inventories	77,954	-	-	77,954	-
Pension related amounts	(109,099)	-	-	(109,099)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 5,557,218</u>	<u>\$ 1,379,809</u>	<u>\$ 717,749</u>	<u>\$ 7,654,776</u>	<u>\$ 68,628</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments	\$ 5,278,589	\$ 1,072,215	\$ 1,864,621	\$ 8,215,425	\$ 39,820
Restricted cash and investments					
Redemption account	782,370	673,373	-	1,455,743	-
Replacement account	-	2,505,616	-	2,505,616	-
Reserve account	777,418	-	-	777,418	-
Construction account	301,207	-	-	301,207	-
Other assets - cash and investments	-	5,135,683	-	5,135,683	-
Total Cash and Investments	7,139,584	9,386,887	1,864,621	18,391,092	39,820
Less: Noncash equivalents	(777,418)	(2,498,172)	(490,000)	(3,765,590)	-
CASH AND CASH EQUIVALENTS	<u>\$ 6,362,166</u>	<u>\$ 6,888,715</u>	<u>\$ 1,374,621</u>	<u>\$ 14,625,502</u>	<u>\$ 39,820</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest charged to construction	\$ 91,686	\$ -	\$ -		\$ -
Developer financed additions to utility plant	\$ -	\$ 590,548	\$ 726,366		\$ -
Amortization	\$ -	\$ 2,621	\$ -		\$ -
Capital contributions	\$ 887,747	\$ -	\$ -		\$ 4,574,535
Dividends reinvested in ATC	\$ 212,440	\$ -	\$ -		\$ -
Gain on sale of equipment	\$ -	\$ -	\$ 21,585		\$ -

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION FIDUCIARY FUNDS As of December 31, 2015

	Utilities Pension Trust Fund	Agency Funds
CURRENT ASSETS		
Cash and investments	\$ -	\$ 29,662,224
Taxes receivable	-	12,011,759
Due from other governments	-	32,265
NONCURRENT ASSETS		
Restricted Assets		
Investments	<u>2,817,086</u>	<u>-</u>
TOTAL ASSETS	<u>2,817,086</u>	<u>41,706,248</u>
LIABILITIES		
Due to other governments	<u>-</u>	<u>41,706,248</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 2,817,086</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND

For the Year Ended December 31, 2015

	Utilities Pension Trust Fund
ADDITIONS	
Employer contributions	\$ 285,586
Investment income (loss)	<u>(115,100)</u>
Total Additions	<u>170,486</u>
DEDUCTIONS	
Benefits and refunds	694,422
Investment management fees	<u>26,118</u>
Total Deductions	<u>720,540</u>
CHANGE IN NET POSITION	(550,054)
NET POSITION - Beginning of Year	<u>3,367,140</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,817,086</u></u>

CITY OF SUN PRAIRIE

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CITY OF SUN PRAIRIE

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CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Sun Prairie, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

Community Development Authority

The government-wide financial statements include the Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor and confirmed by the city council. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the CDA, and also create a potential financial benefit to or burden on the city. See Note IV.J. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2015. The CDA does not issue separate financial statements.

Business Improvement District

The Business Improvement District ("BID") is a component unit of the city. The BID is a legally separate organization. The board of the BID is appointed by the mayor and confirmed by city council. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the BID, and also create a potential financial benefit to or burden on the city. The Business Improvement District is part of the reporting entity of the City of Sun Prairie. However, the BID had no financial transactions during 2015 which are material to these financial statements. Also, the BID does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The BID issues separate financial statements that are available through the city.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Government-Wide Financial Statements (cont.)

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

Fund Financial Statements

Financial statements of the city are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The city reports the following major governmental funds:

General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following major governmental funds: (cont.)

General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.

The city reports the following major enterprise funds:

Sun Prairie Utilities - accounts for operations of the electric, water, and telecommunication system

Wastewater Utility - accounts for operations of the wastewater system

Stormwater Utility - accounts for operations of the stormwater system

The city reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Park Improvement Fund
Wisconsin Development Fund
Transportation Impact Fee Fund
Refuse and Recycling

Grant Funds
Library Fund
Sun Prairie Media Center
Street Trees

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Tax Incremental District (TID) No. 6

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Incremental District (TID) No. 7
Tax Incremental District (TID) No. 8
Tax Incremental District (TID) No. 9
Tax Incremental District (TID) No. 10

Tax Incremental District (TID) No. 11
Development Projects
General Capital Projects

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental funds: (cont.)

Permanent Funds - used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Ashley Trust Fund

Library Trust Fund

In addition, the city reports the following fund types:

Internal Service Fund - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

Fleet

Pension (and Other Employee Benefit) Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Utilities Pension Trust Fund

Agency Funds - used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

Multijurisdictional Public Safety Information
System Commission (MPSISC)

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's utility funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held by the county are reported as receivables and unavailable revenues. At December 31, 2015, there were \$206,519 of unrecorded anticipated future assessments related to the wastewater and stormwater utility funds, which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

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

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sun Prairie Utilities, wastewater utility, and stormwater utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the city considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of city funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The city has adopted an investment policy. That policy contains the following guidelines for allowable investments: obligations of the U.S. Government; obligations of U.S. Government agencies; time deposits (defined as savings accounts or certificates of deposit); and overnight repurchase agreements, whereby the seller will agree to purchase U.S. Government securities, commercial paper with satisfactory or superior rating, LGIP and MBIA through institutions federally insured through FDIC.

Custodial Credit Risk - The city's investment policy states that all deposits and investments of the city shall be secured by pledged collateral in an amount equal to at least 100%, but not more than 105%, of the total investment less the amount covered by FDIC or the State Deposit Guarantee Fund. The city is not in compliance with this policy per Note IV.A. The policy also states that the city shall not invest more than 50% of its funds in any one institution unless the investments are in U.S. Government securities, obligation of U.S. Government agencies, and LGIP and limits the term on investments to no more than three years.

Credit Risk - The city's investment policy states that the city will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by: limiting investments to the types of securities governed by Wisconsin state statute 66.04(2), pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the city will do business, and by diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk - The city's investment policy states that the city will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market value interest rates, by: structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of net position - fiduciary fund.

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Sun Prairie Utilities, wastewater utility, and stormwater utility because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The city has received federal and state grant funds for economic development loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed.

It is the city's policy to record revenue when the initial loan is made from the federal and state grant funds. The net amount of the loan receivable balance is included in restricted fund balance. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the average cost method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$50,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$91,686 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	10-40 Years
Land Improvements	20 Years
Machinery and Equipment	3-20 Years
Utility System	5-100 Years
Infrastructure	30-50 Years

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Fund Financial Statements

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

6. Other Assets

The Sun Prairie Utilities is a member of the American Transmission Company (ATC). ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor, and own electric transmission facilities in Wisconsin. The utility owns slightly more than one half of 1 percent of ATC. The investment earns dividends quarterly, some of which is paid in cash and some of which is required to be reinvested. From time to time, the utility has the option to contribute additional funds to maintain their proportionate share of ownership. The asset is valued as original cost plus additional contributions and reinvested dividends.

Nonutility property in the Sun Prairie Utilities consists of a house and the land with a balance (net of depreciation) of \$52,651 at December 31, 2015.

Property held for future use in the Sun Prairie Utilities has a balance of \$16,854 at year end and is land to be used for a possible future substation. It is owned by the utility but not currently used during the course of operations.

The capital projects account is designated for future capital projects and additions of equipment, as determined by the council. The balance at December 31, 2015, included in the wastewater utility fund was \$245,394.

The plant expansion account of the wastewater utility is used for fees collected from customers for connection to the system that have been designated by council for future plant expansion. The balance of this account at December 31, 2015, was \$4,030,756.

The interceptor account is designated for future construction and debt service of wastewater collection interceptors. The balance of this account as of December 31, 2015, was \$859,533.

The lift station fees receivable are costs expected to be recovered in future periods from other developments using the wastewater utility lift station. Initially, the wastewater utility paid developers of the Hickory Grove lift station for capital costs to serve other areas.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

8. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

The city provides postemployment health insurance benefits for all eligible employees. Eligibility is based on retirement and meeting various requirements. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert accumulated sick leave to pay for health care premiums. Upon retirement, vested sick leave benefits can be used to pay health insurance premiums or out-of-pocket medical expenses.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations/Conduit Debt

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$10,167,869, made up of two issues.

10. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

11. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The city considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the city would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements (cont.)

The Council has formally established stabilization and emergency reserve funds. The stabilization and emergency reserve funds are contained as unassigned fund balances within the general fund. The stabilization fund shall not be used except to maintain current service levels or to help transition slower expenditure growth in response to a decrease in general fund non-property tax revenues. The emergency reserve fund shall be used to respond to one-time unforeseen emergencies. Additions to the stabilization and emergency reserve funds are required when the fund balance for each declines below 6% of the prior year's budgeted general fund revenues.

The city has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 12%-18% of the prior year's budgeted general fund revenues. The balance at year end was \$4,352,338, or 21%, and is included in unassigned general fund balance.

See Note IV. H. for further information.

12. Basis for Existing Rates

Sun Prairie Utilities

Current electric rates were approved by the PSCW on December 5, 2013, effective as of January 6, 2014.

Current water rates were approved by the PSCW on May 1, 2014, and effective as of July 3, 2014.

Current telecommunication rates were approved by the utility commission effective June 2010.

Wastewater Utility

Current wastewater rates were approved by the city council effective July 1, 2013.

Stormwater Utility

Current stormwater rates were approved by the city council effective July 1, 2015. During 2015, the city council approved an additional increase in stormwater rates that becomes effective July 1, 2016.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Long-term liabilities applicable to the city's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	\$	39,273,650
Capital leases		14,223,562
Compensated absences		1,525,854
Accrued interest		478,328
Unamortized debt premium		362,295
Other postemployment benefits		<u>45,457</u>
Combined Adjustment for Long-Term Liabilities	\$	<u><u>55,909,146</u></u>

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, special revenue funds, debt service funds, certain capital projects funds, and certain permanent funds. A budget has not been formally adopted for the TID No. 11 capital project fund and the Ashley Trust permanent fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
General debt service	\$ 6,656,603	\$ 7,054,884	\$ 398,281
Park improvement	369,629	375,982	6,353
Transportation impact fee	124,764	211,904	87,140
TID No. 8	1,658,253	1,682,438	24,185
TID No. 9	224,679	372,723	148,044
TID No. 10	1,000	20,006	19,006
Development projects	40,000	245,318	205,318
Street Trees	20,000	85,229	65,229

The city controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2015, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TID No. 6	\$ 104,963	Excess expenditures over revenues
TID No. 8	1,080,269	Excess expenditures over revenues
TID No. 9	1,117,597	Excess expenditures over revenues
TID No. 10	54,757	Excess expenditures over revenues
TID No. 11	21,864	Excess expenditures over revenues
Development projects	133,016	Timing of recording revenue for the chargeback of expenditures

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Other fund deficits are anticipated to be funded with grant funding, future contributions, general tax revenues, or long-term borrowing.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

D. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the city's future tax levies. Generally the city is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the city's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The city is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

NOTE IV - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Demand deposits	\$ 51,397,036	\$ 50,737,666	Custodial credit risk
US agencies - implicitly guaranteed	1,015,578	1,020,390	Credit risk, custodial credit risk, interest rate risk
US agencies - explicitly guaranteed	251,869	251,283	Custodial credit risk, interest rate risk
Mutual funds - other than bond funds	3,202,330	3,202,330	N/A
LGIP	7,959,823	7,959,823	Credit risk
Petty cash	11,421	-	N/A
Total Deposits and Investments	<u>\$ 63,838,057</u>	<u>\$ 63,171,492</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 23,743,442		
Restricted cash and investments	7,615,305		
Per statement of net position - fiduciary funds			
Pension Trust Fund	2,817,086		
Agency Funds	<u>29,662,224</u>		
Total Deposits and Investments	<u>\$ 63,838,057</u>		

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$1,267,447 of the city's investments are covered by SIPC.

The city maintains collateral agreements with its banks. At December 31, 2015, the banks had pledged various government securities in the amount of \$5,332,761 to secure the city's deposits.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city.

As of December 31, 2015, \$6,819,377 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 6,819,377</u>
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Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The city does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

As of December 31, 2015, the city's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>	<u>Not Rated</u>
US agencies - implicitly guaranteed	AA+	Aaa	FICO

The city also held investments in the following external pool which is not rated:

Local Government Investment Pool

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2015, the city's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity 1 - 4 Years</u>
US agencies - implicitly guaranteed	\$ 1,020,390	\$ 1,020,390
US agencies - explicitly guaranteed	<u>251,283</u>	<u>251,283</u>
Totals	<u>\$ 1,271,673</u>	<u>\$ 1,271,673</u>

See Note I.D.1. for further information on deposit and investment policies.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	General Debt Service	Nonmajor Funds	Totals
Receivables				
Gross receivables	\$ 14,008,429	\$ 6,669,034	\$ 4,930,408	\$ 25,607,871
Less: Allowance for uncollectibles	<u>(131,623)</u>	<u>-</u>	<u>(3,391)</u>	<u>(135,014)</u>
Net Total Receivables	<u>\$ 13,876,806</u>	<u>\$ 6,669,034</u>	<u>\$ 4,927,017</u>	<u>\$ 25,472,857</u>
Amounts not expected to be collected within one year	<u>\$ 61,648</u>	<u>\$ 17,467</u>	<u>\$ 292,514</u>	<u>\$ 371,629</u>

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 24,481,052	\$ -
Special assessments not yet due	-	295,633
Developer chargebacks	-	107,299
Ambulance revenue	-	77,214
Grants	-	106,127
Accounts receivable - non current	<u>-</u>	<u>116,795</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 24,481,052</u>	<u>\$ 703,068</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Equipment Replacement Account

The wastewater utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Impact Fee Account

The city has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2015:

	Governmental Activities	Business-Type Activities
Reserve account	\$ 142,000	\$ 777,418
Replacement account	-	2,505,616
Construction account	-	301,207
Redemption account	-	1,455,743
Impact fee account	1,559,300	-
Future capital projects (construction)	874,021	-
Net pension asset	896,157	-
Total	<u>\$ 3,471,478</u>	<u>\$ 5,039,984</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land and non-depreciable improvements	\$ 40,462,388	\$ -	\$ 945,000	\$ -	\$ 41,407,388
Construction in progress	121,192	-	635,546	756,738	-
Construction in progress - internal service	-	-	32,565	-	32,565
Easements	1,660,395	-	-	-	1,660,395
Total Capital Assets Not Being Depreciated	<u>42,243,975</u>	<u>-</u>	<u>1,613,111</u>	<u>756,738</u>	<u>43,100,348</u>
Capital assets being depreciated					
Land improvements	3,602,896	-	5,400	-	3,608,296
Buildings	28,363,043	(2,434,108)	65,685	-	25,994,620
Buildings - internal service	-	2,434,108	-	-	2,434,108
Machinery and equipment	14,618,425	(6,734,058)	772,517	164,068	8,492,816
Machinery and equipment - internal service	-	6,734,058	439,501	876,254	6,297,305
Roads	66,974,975	-	3,583,735	486,317	70,072,393
Sidewalks	9,086,378	-	1,457,699	-	10,544,077
Signals	1,317,375	-	3,878	1,985	1,319,268
Bike paths	3,152,171	-	391,566	-	3,543,737
Total Capital Assets Being Depreciated	<u>127,115,263</u>	<u>-</u>	<u>6,719,981</u>	<u>1,528,624</u>	<u>132,306,620</u>
Total Capital Assets	<u>169,359,238</u>	<u>-</u>	<u>8,333,092</u>	<u>2,285,362</u>	<u>175,406,968</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
Governmental Activities (cont.)					
Less: Accumulated depreciation for					
Land improvements	\$ (2,061,105)	\$ -	\$ (150,059)	\$ -	\$ (2,211,164)
Buildings	(10,125,071)	764,444	(643,581)	-	(10,004,208)
Buildings - internal service	-	(764,444)	(50,853)	-	(815,297)
Machinery and equipment	(9,404,147)	3,829,187	(658,883)	175,351	(6,058,492)
Machinery and equipment - internal service	-	(3,829,187)	(478,053)	787,497	(3,519,743)
Roads	(25,122,468)	-	(2,100,266)	437,685	(26,785,049)
Sidewalks	(1,807,422)	-	(210,882)	-	(2,018,304)
Signals	(274,456)	-	(65,963)	1,984	(338,435)
Bike paths	(1,928,064)	-	(177,187)	-	(2,105,251)
Total Accumulated Depreciation	<u>(50,722,733)</u>	<u>-</u>	<u>(4,535,727)</u>	<u>1,402,517</u>	<u>(53,855,943)</u>
Net Capital Assets Being Depreciated	<u>76,392,530</u>	<u>-</u>	<u>2,184,254</u>	<u>126,107</u>	<u>78,450,677</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$118,636,505</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,797,365</u></u>	<u><u>\$ 882,845</u></u>	<u><u>\$121,551,025</u></u>

* To show internal service capital assets separately

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 195,813
Public safety	457,897
Public works	3,212,365
Culture, recreation and education	657,280
Conservation and development	<u>12,372</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 4,535,727</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Construction in progress - electric	\$ 4,173,351	\$ 2,941,850	\$ 5,846,734	\$ 1,268,467
Construction in progress - water	102	1,169,867	1,169,839	130
Construction in progress - telecommunications	13,709	769,269	239,121	543,857
Construction in progress - stormwater	33,848	35,433	-	69,281
Land - electric	105,318	511,390	-	616,708
Land - water	65,087	-	-	65,087
Land - wastewater	194,278	-	-	194,278
Land - stormwater	<u>7,618,509</u>	<u>24,975</u>	<u>-</u>	<u>7,643,484</u>
Total Capital Assets Not Being Depreciated	<u>12,204,202</u>	<u>5,452,784</u>	<u>7,255,694</u>	<u>10,401,292</u>
Capital assets being depreciated/amortized				
Electric system	37,940,571	5,387,445	466,605	42,861,411
Water system	40,751,356	1,985,740	86,223	42,650,873
Telecommunications	2,501,447	235,317	617,359	2,119,405
Wastewater system	57,050,724	1,348,486	78,218	58,320,992
Stormwater	<u>40,881,279</u>	<u>1,675,654</u>	<u>122,129</u>	<u>42,434,804</u>
Total Capital Assets Being Depreciated/Amortized	<u>179,125,377</u>	<u>10,632,642</u>	<u>1,370,534</u>	<u>188,387,485</u>
Total Capital Assets	<u>191,329,579</u>	<u>16,085,426</u>	<u>8,626,228</u>	<u>198,788,777</u>
Less: Accumulated depreciation/amortization for				
Electric system	(16,122,681)	(1,519,931)	490,022	(17,152,590)
Water system	(8,880,105)	(884,739)	118,707	(9,646,137)
Telecommunications	(1,216,640)	(108,957)	617,361	(708,236)
Wastewater system	(13,651,376)	(1,353,660)	78,218	(14,926,818)
Stormwater	<u>(8,885,381)</u>	<u>(896,158)</u>	<u>112,977</u>	<u>(9,668,562)</u>
Total Accumulated Depreciation/Amortization	<u>(48,756,183)</u>	<u>(4,763,445)</u>	<u>1,417,285</u>	<u>(52,102,343)</u>
Net Capital Assets Being Depreciated/Amortized	<u>130,369,194</u>	<u>5,869,197</u>	<u>(46,751)</u>	<u>136,285,142</u>
Business-type Capital Assets, Net of Accumulated Depreciation/Amortization	<u>\$142,573,396</u>	<u>\$11,321,981</u>	<u>\$ 7,208,943</u>	<u>\$146,686,434</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Electric	\$ 1,382,615
Water	842,577
Telecommunications	108,956
Wastewater	1,353,660
Stormwater	<u>896,158</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 4,583,966</u></u>

Depreciation expense is different from accumulated depreciation additions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets.

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Interfund Receivables/Payables (cont.)

Receivable Fund	Payable Fund	Amount
General capital projects	Sun Prairie Utilities	\$ 978,773
General	Sun Prairie Utilities	1,804,848
Wastewater utility	Sun Prairie Utilities	16,757
Grant	General	109,131
Transportation impact fee	General	510,837
Sun Prairie media center	General	261,923
Street trees	General	238,692
General debt service	General	7,582
General	General capital projects	676,650
TID No. 7	General	102,392
Fleet	General	445,112
Stormwater utility	General	350,135
General	Refuse and recycling	332,580
General	Park improvement	398,537
General	Development projects	125,742
Sun Prairie Utilities	General	48,507
General	Wastewater utility	<u>1,151,213</u>
Total - Fund Financial Statements		7,559,411
Less: Fund eliminations		(2,764,066)
Less: Government-wide eliminations		<u>(1,259,153)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 3,536,192</u></u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 3,934,834
Business-type Activities	Governmental Activities	<u>(398,642)</u>
Total Government-Wide Financial Statements		<u><u>\$ 3,536,192</u></u>

All amounts are due within one year.

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are payable within one year.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances

The general fund is advancing funds to TID No. 6, TID No. 8, TID No. 9, TID No. 10 and TID No. 11. The amount advanced is determined by the deficiency of revenues over expenditures and other financing uses since the district's inception. No repayment schedules have been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	TID No. 6	\$ 104,963	\$ 104,963
General	TID No. 8	1,079,581	1,079,581
General	TID No. 9	1,198,459	1,198,459
General	TID No. 10	54,757	54,757
General	TID No. 11	<u>21,620</u>	<u>21,620</u>
Total - Fund Financial Statements		2,459,380	
Less: Fund eliminations		<u>(2,459,380)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u>\$ -</u>	

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Street trees	Park improvement	\$ 211,832	Create separate fund
General debt service	General capital projects	30,065	Debt service
General	Sun Prairie Utilities	1,716,270	Payment in lieu of taxes
General	Park improvement	44,915	Reimbursement
Grant	General	220,672	Taxi subsidy
Fleet	General	224,232	Create separate fund
Refuse and recycling	General	320,002	Create separate fund
Sun Prairie media center	General	2,500	Reimbursement
General	Cable TV	9,054	Reimbursement
General capital projects	Transportation impact fee	198,948	Reimbursement
General	Grant	4,349	Reimbursement for teen court
General	Transportation impact fee	12,956	Reimbursement
General	Park improvement	89,128	Reimbursement
General	TID No. 6	827	Reimbursement
General	TID No. 7	26,849	Reimbursement
General	TID No. 8	2,912	Reimbursement
General	TID No. 9	43,217	Reimbursement
General	TID No. 10	19,296	Reimbursement
General capital projects	General	49,752	Funding for capital projects
General capital projects	TID No. 7	<u>11,555</u>	Funding for capital projects
Total - Fund Financial Statements		3,239,331	
Less: Fund eliminations		<u>(1,523,061)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 1,716,270</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-type Activities	\$ 1,716,270	
Business-type Activities	Governmental Activities	<u>-</u>	
Total Government-wide Financial Statements		<u>\$ 1,716,270</u>	

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers (cont.)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 42,838,692	\$ 2,815,000	\$ 6,380,042	\$ 39,273,650	\$ 6,179,776
General obligation debt - internal service	-	155,000	-	155,000	-
(Discounts)/Premiums	499,246	-	136,951	362,295	85,764
Sub-totals	<u>43,337,938</u>	<u>2,970,000</u>	<u>6,516,993</u>	<u>39,790,945</u>	<u>6,265,540</u>
Other Liabilities					
Vested compensated absences	1,536,263	562,014	572,423	1,525,854	524,617
Vested compensated absences - internal service	-	54,856	-	54,856	-
Capital leases	15,990,695	-	1,767,133	14,223,562	1,861,765
Other postemployment benefits	46,176	-	719	45,457	-
Total Other Liabilities	<u>17,573,134</u>	<u>616,870</u>	<u>2,340,275</u>	<u>15,849,729</u>	<u>2,386,382</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 60,911,072</u>	<u>\$ 3,586,870</u>	<u>\$ 8,857,268</u>	<u>\$ 55,640,674</u>	<u>\$ 8,651,922</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,120,000	\$ 1,459,000	\$ 425,000	\$ 4,154,000	\$ 475,000
Revenue bonds	20,276,542	-	1,729,155	18,547,387	1,763,292
(Discounts)/Premiums	226,707	7,588	21,518	212,777	-
Sub-totals	<u>23,623,249</u>	<u>1,466,588</u>	<u>2,175,673</u>	<u>22,914,164</u>	<u>2,238,292</u>
Other Liabilities					
Vested compensated absences	501,799	132,192	140,177	493,814	-
Net pension liability	-	232,484	-	232,484	-
Total Other Liabilities	<u>501,799</u>	<u>364,676</u>	<u>140,177</u>	<u>726,298</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 24,125,048</u>	<u>\$ 1,831,264</u>	<u>\$ 2,315,850</u>	<u>\$ 23,640,462</u>	<u>\$ 2,238,292</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2015, was \$128,309,195. Total general obligation debt outstanding at year end was \$43,582,650.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
Bonds	7/15/09	4/1/24	2.00-4.25	\$ 6,730,000	\$ 6,090,000
Notes	12/15/09	12/28/19	-	99,116	39,645
State trust fund loan	12/23/09	3/15/19	4.50	600,000	299,005
Notes	11/9/10	4/1/20	0.60-2.35	4,700,000	3,805,000
Notes	5/8/12	4/1/22	0.4-2.0	7,085,000	5,620,000
Refunding bonds	6/5/12	2/1/16	2.0-3.0	5,225,000	1,415,000
Notes	7/2/13	2/1/23	1.5-2.0	8,580,000	8,205,000
Refunding bonds	11/19/13	2/1/18	2.0-3.0	4,135,000	2,460,000
Notes	7/8/14	2/1/24	1.0-3.0	4,255,000	4,210,000
Taxable refunding notes	7/8/14	2/1/27	1.2-3.7	4,315,000	4,315,000
Notes	7/7/15	2/1/25	2.0-2.25	2,970,000	<u>2,970,000</u>

Total Governmental Activities - General Obligation Debt \$ 39,428,650

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
Notes	7/15/09	4/1/19	2.00-4.25	\$ 1,000,000	\$ 430,000
Notes	7/15/09	4/1/19	2.00-4.25	1,005,000	435,000
Notes	7/2/13	2/1/23	1.5-2.0	365,000	295,000
Notes	7/8/14	2/1/24	1.0-3.0	1,385,000	1,240,000
Notes	7/8/14	2/1/24	1.0-3.0	330,000	295,000
Notes	7/7/15	2/1/25	2.0-2.25	835,000	835,000
Bonds	11/3/15	11/1/25	2.625	624,000	<u>624,000</u>

Total Business-type Activities - General Obligation Debt \$ 4,154,000

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2016	\$ 6,179,776	\$ 875,385	\$ 475,000	\$ 101,685
2017	6,032,956	752,241	517,846	88,020
2018	5,496,242	49,096	522,846	74,382
2019	4,179,676	551,333	542,846	60,027
2020	4,300,000	447,130	317,846	49,285
2021-2025	12,145,000	972,827	1,777,616	127,735
2026-2027	1,095,000	40,576	-	-
Totals	<u>\$ 39,428,650</u>	<u>\$ 3,688,588</u>	<u>\$ 4,154,000</u>	<u>\$ 501,134</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the electric, water, and telecommunication and wastewater utilities.

The Sun Prairie Utilities has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued between 2008-2014. Proceeds from the bonds provided financing for the electric, water, and telecommunication systems. The bonds are payable solely from sales revenues and are payable through 2034. Annual principal and interest payments on the bonds are expected to require 11.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$11,660,661. Principal and interest paid for the current year and total customer net revenues were \$1,245,970 and \$5,676,331, respectively.

The wastewater utility has pledged future sales revenues, net of specified operating expenses, to repay \$15.8 million in sales revenue bonds issued in 2005. Proceeds from the bonds provided financing for the wastewater system. The bonds are payable solely from sales revenues and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 23% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$10,354,956. Principal and interest paid for the current year and total customer gross revenues were \$1,036,833 and \$4,520,722, respectively.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2015, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
<u>Sun Prairie Utility</u>					
Revenue bonds	11/6/08	10/1/23	4.375-5.125	\$ 3,600,000	\$ 2,325,000
Revenue bonds	11/15/12	4/1/32	1.50-3.20	2,800,000	2,565,000
Revenue bonds	11/15/12	4/1/18	0.85-1.65	2,155,000	1,335,000
Revenue bonds	6/16/14	4/1/34	3.25-4.30	3,200,000	<u>3,100,000</u>
				Total Sun Prairie Utility	<u>9,325,000</u>
<u>Wastewater Utilities</u>					
Revenue bonds	6/8/05	5/1/25	2.365%	\$ 15,844,256	<u>9,222,387</u>
Total Business-type Activities - Revenue Debt					<u>\$ 18,547,387</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,763,292	\$ 508,341
2017	1,797,881	463,271
2018	1,812,933	416,033
2019	1,458,460	369,580
2020	1,499,472	325,359
2021-2025	7,425,349	962,697
2026-2030	1,700,000	348,996
2031-2034	<u>1,090,000</u>	<u>73,953</u>
Totals	<u>\$ 18,547,387</u>	<u>\$ 3,468,230</u>

Capital Leases

Refer to Note IV. G.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences and other postemployment benefits are not included in the debt service requirement schedules. The compensated absences liability and other post employment benefits obligation attributable to governmental activities will be liquidated primarily by the general fund.

Under terms of the resolutions providing for the issuance of utility revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.10 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2015 for the Sun Prairie Utilities as well as the wastewater utility.

A statutory mortgage lien upon the utility's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The utility's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

Current Refunding

On July 7, 2015, the city issued \$375,000 in general obligation bonds with an average coupon rate of 2.07% to refund \$395,000 of outstanding bonds with an average coupon rate of 4.00%. The net proceeds along with existing funds of the city were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$465,050 from 2015 through 2020. The cash flow requirements on the refunding bonds are \$405,550 from 2016 through 2020. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$65,085.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessee - Capital Leases

The City of Sun Prairie has entered into agreements with the Community Development Authority of the City of Sun Prairie (CDA) for certain property and improvements in TID No. 6, No. 7, and No. 8. In 2001, 2003, 2005, 2006, and 2009 the CDA issued lease revenue bonds totaling \$7,665,000, \$2,500,000, \$10,965,000, \$3,865,000 and \$6,300,000, respectively. In 2014, the CDA advance refunded \$12,290,000 of the lease revenue bonds with a new lease revenue bond in the amount of \$12,785,000. The city expects that TID No. 6, No. 7, and No. 8 revenues will be sufficient to make the lease payments to the CDA.

In 2014 the city acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$185,295, which are included in capital assets in the governmental activities.

The balance remaining on this lease at December 31, 2015 was \$61,765 and is payable next year. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2015, are as follows:

Years	Governmental Activities		
	Principal	Interest	Totals
2016	\$ 1,861,765	\$ 348,700	\$ 2,210,465
2017	1,895,000	316,618	2,211,618
2018	1,955,000	284,263	2,239,263
2019	1,985,000	246,293	2,231,293
2020	2,010,000	203,163	2,213,163
2021-2024	<u>4,516,797</u>	<u>372,878</u>	<u>4,889,675</u>
Totals	<u>\$ 14,223,562</u>	<u>\$ 1,771,915</u>	<u>\$ 15,995,477</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 41,407,388
Construction in progress	32,565
Easements	1,660,395
Other capital assets, net of accumulated depreciation	78,450,677
Less: Long-term debt outstanding	(39,428,650)
Less: Capital leases	(14,223,562)
Less: Unamortized debt premium	(362,295)
Plus: Non-capital debt	13,561,305
Plus: Unamortized deferred charge on refunding	207,905
Plus: Unspent capital related debt proceeds	<u>851,430</u>
Total Net Investment in Capital Assets	<u><u>\$ 82,157,158</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

	<u>General Fund</u>	<u>General Debt Service Fund</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Fund Balances				
Nonspendable:				
Delinquent items	\$ 61,648	\$ -	\$ -	\$ 61,648
Prepaid items and inventories	104,133	-	-	104,133
Investment in mutual insurance company	343,740	-	-	343,740
Advances	2,459,380	-	-	2,459,380
Restricted for:				
Debt service	-	10,332	-	10,332
Future capital projects	-	-	730,748	730,748
Park improvements	-	-	940,871	940,871
Economic development	-	-	113,756	113,756
Impact fees	-	-	2,071,303	2,071,303
Grants	-	-	106,859	106,859
Library	-	-	67,225	67,225
TIF Related projects	-	-	2,104,581	2,104,581
Trusts	-	-	386,244	386,244
Ice rink	142,000	-	-	142,000
Committed to:				
Sun Prairie media center	-	-	350,932	350,932
Street trees	-	-	178,844	178,844
Refuse and recycling	-	-	55,232	55,232
Assigned to:				
Future capital projects	-	-	300,290	300,290
Tax equivalent	1,734,503	-	-	1,734,503
Self insurance	200,000	-	-	200,000
Carryovers	74,890	-	-	74,890
Youth and family	2,640	-	-	2,640
EMS	22,106	-	-	22,106
Library	61,709	-	-	61,709
Sick accrual	389,731	-	-	389,731
Signs	7,474	-	-	7,474
Replacement funds	573,378	-	-	573,378
Unassigned (deficit):	<u>4,352,338</u>	<u>-</u>	<u>(2,512,466)</u>	<u>1,839,872</u>
Total Fund Balances (Deficit)	<u>\$ 10,529,670</u>	<u>\$ 10,332</u>	<u>\$ 4,894,419</u>	<u>\$ 15,434,421</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 8,519,557
Construction in progress	1,881,735
Other capital assets, net of accumulated depreciation	136,285,142
Less: Long-term debt outstanding	(22,701,387)
Plus: Unspent capital related debt proceeds	1,078,625
Less: Unamortized debt premium	(212,777)
Plus: Unamortized deferred charge	<u>18,128</u>
Total Net Investment in Capital Assets	<u>\$ 124,869,023</u>

I. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Business-type Activities	Sun Prairie Utilities
Net Position - December 31, 2014 (as reported)	\$ 143,128,444	\$ 63,617,187
Less: Net pension liability	<u>(155,143)</u>	<u>(155,143)</u>
Net position - December 31, 2014 (as restated)	<u>\$ 142,973,301</u>	<u>\$ 63,462,044</u>

J. COMPONENT UNIT

COMMUNITY DEVELOPMENT AUTHORITY

This report contains the Community Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	<u>\$ 2,146,539</u>	<u>\$ 2,146,539</u>	Custodial credit risk

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the CDA's deposits may not be returned to the CDA.

As of December 31, 2015, \$1,546,539 of the CDA's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 1,546,539</u>
--------------------------------	---------------------

See Note I.D.1. for further information on deposit and investment policies.

c. Restricted Assets

Portions of the lease revenue bond proceeds were deposited into debt service redemption accounts and reserve accounts. The reserve accounts are resources set aside to make up potential future debt service deficiencies. The total of these accounts is \$2,146,539 at December 31, 2015, and is reported as restricted cash and investments in the CDA.

d. Long-Term Obligations

The CDA has pledged future lease revenues, net of specified operating expenses, to repay revenue bonds issued in 2005 through 2014. Proceeds from the bonds provided financing for the various projects of the city. The bonds are payable solely from lease revenues and are payable through 2024. Annual principal and interest payments on the bonds are expected to require 100.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$18,206,915. Principal and interest paid for the current year and total customer net revenues were \$2,122,942 and \$381,725, respectively.

The CDA has issued Community Development Lease Revenue Bonds for the purpose of providing financing for the City of Sun Prairie's TID No. 6, No. 7, and No. 8. All of the debt proceeds were transferred to the TID's for the purpose of financing various TID projects.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

d. Long-Term Obligations (cont.)

The CDA of the City of Sun Prairie (a component unit of the city) is leasing the TID improvements to the city. See Note IV. G. for the schedule of lease payments to the CDA. Upon final payment of the bonds, title to the leased property will transfer to the city.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2005 Series: Issued 3/23/05; Interest rates of 2.7 - 4.4 %; Final maturity 8/1/15;	\$ 575,000	\$ -	\$ 575,000	\$ -	\$ -
2006 Series: Issued 3/28/06; Interest rates of 3.5 - 4.25%; Final maturity 8/1/16;	350,000	-	175,000	175,000	175,000
2009 Series: Issued 8/4/09; Interest rates of 1.2 - 4.5%; Final maturity 2/1/22;	4,430,000	-	535,000	3,895,000	535,000
2014 Series: Issued 6/24/14; Interest rates of 0.4 - 2.4%; Final maturity 8/1/24;	<u>12,785,000</u>	<u>-</u>	<u>420,000</u>	<u>12,365,000</u>	<u>1,090,000</u>
Totals	<u>\$ 18,140,000</u>	<u>\$ -</u>	<u>\$ 1,705,000</u>	<u>\$ 16,435,000</u>	<u>\$ 1,800,000</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 1,800,000	\$ 348,700	\$ 2,148,700
2017	1,895,000	316,618	2,211,618
2018	1,955,000	284,263	2,239,263
2019	1,985,000	246,293	2,231,293
2020	2,010,000	203,163	2,213,163
2021-2024	<u>6,790,000</u>	<u>372,878</u>	<u>7,162,878</u>
Totals	<u>\$ 16,435,000</u>	<u>\$ 1,771,915</u>	<u>\$ 18,206,915</u>

e. Employee Retirement System

The CDA has no employees.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION

A. SINGLE EMPLOYER PUBLIC EMPLOYEE RETIREMENT PLAN - SUN PRAIRIE UTILITIES

Plan Description

The utility contributes to the Sun Prairie Utilities' Employees' Pension Plan (Plan), a fiduciary fund, which is a single-employer public employee defined benefit retirement plan. The utility established the Plan to provide retirement benefits for employees of the utility. The Plan is governed by the utility commission, which has the right at any time and from time to time to amend the Plan. The Plan does not issue a stand-alone financial report and is not included in the report of another entity.

As of January 1, 2013, the Plan stopped allowing new entrants. Instead, the utility established a Defined Contribution Plan that new employees can join.

Funding Policy

Employer contributions to the Plan are recognized on the accrual basis and are actuarially determined each year. The Plan does not permit employees to make contributions.

All full-time employees hired prior to January 1, 2013, over the age of 18, and having one year of service, are eligible to participate in the Plan. The normal retirement date is the first day of the month coincident with or following age 65. Employees are eligible for benefits after age 55 with a minimum service of 15 years. Benefits vest fully after five years of service after the age of 18 based on the Plan year periods. Eligible employees are entitled to an annual retirement benefit in the form of single life annuity with ten years certain in an amount equal to 1.5% of future service times average monthly compensation plus 1% per year of past service times average monthly compensation. The maximum total number of years of service is 47. The past service amount is calculated on the years prior to January 1, 1989. The IRC 415 maximum annual benefit is \$195,000 and benefits are limited to 100% of compensation. Compensation is defined as the highest consecutive three year average salary over all service years up to a maximum annual salary of \$245,000.

Annual Money-Weighted Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on the Plan's investments was (4.78%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan Membership

Membership of the Plan at December 31, 2015, the date of the latest actuarial valuation, consisted of:

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to, but not yet receiving benefits	4
Active plan members	19
Actives suspended accruals due to change to defined contribution plan	4
Total	<u>27</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

A. SINGLE EMPLOYER PUBLIC EMPLOYEE RETIREMENT PLAN - SUN PRAIRIE UTILITIES (cont.)

Net Pension Liability

Components of the Plan's net pension liability, the total pension liability less the fiduciary net position, were as follows at December 31, 2015:

Total pension liability	\$ 3,049,571
Fiduciary net position	<u>2,817,086</u>
Net Pension Liability	<u>\$ 232,485</u>
Fiduciary Net Position as Percentage of Total Pension Liability	<u>92.4%</u>

The schedule of changes in the employer's net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information related to the funded status of the Pension Fund.

Actuarial Assumptions

The total pension liability is based on the results of the actuarial valuation as of December 31, 2015 using the aggregate cost method. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 2.5% per year. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities. Information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan. Mortality rates were based on the Applicable Mortality Table as defined in Rev. Rul. 200767.

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 5%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that utility contributions will be made at rates equal to actuarially determined contribution rates. Based on those assumptions, the Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

A. SINGLE EMPLOYER PUBLIC EMPLOYEE RETIREMENT PLAN - SUN PRAIRIE UTILITIES (cont.)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Plan calculated using the discount rate of 5% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (4%) or 1 percentage point higher (6%) than the current rate:

	1% Decrease (4%)	Current Discount Rate	1% Increase (6%)
Net pension asset (liability)	(\$948,293)	(\$232,485)	\$315,398

Long Term Expected Rate of Return

The long term expected rate of return was determined using a conservative approach. The expected median return for the following asset allocation strategy the Plan has been using is 6.34%. The actuarial expected rate of return is 5% in order to be more confident that there will not be a short fall of funding in future years.

Asset Class	Target	Long-Term Expected Real Rate of Return
Equities	40-45%	7.5%
Bonds	40-45%	6.0%
Preferreds	0-10%	4.0%
Cash and Cash Equivalents	0-0%	0.5%

B. EMPLOYEES' RETIREMENT SYSTEMS

1. Wisconsin Retirement System - Eligible Police Sworn Employees

Summary of Significant Accounting Policies

Pension. For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System - Eligible Police Sworn Employees (cont.)

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System - Eligible Police Sworn Employees (cont.)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System - Eligible Police Sworn Employees (cont.)

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

During the reporting period, the WRS recognized \$357,973 in contributions from the city.

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the city reported an asset of \$896,157 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the city's proportion was 0.03648441%, which was a decrease of 0.00075236% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the city recognized a credit to pension expense of \$19,614.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System - Eligible Police Sworn Employees (cont.)

At December 31, 2015, the city reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 129,915
Net differences between projected and actual earnings on pension plan investments	433,962
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,371
Employer contributions subsequent to the measurement date	<u>360,240</u>
Totals	<u><u>\$ 949,488</u></u>

\$360,240 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources</u>
2016	\$ 143,894
2017	143,894
2018	143,894
2019	143,892
2020	13,674

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System - Eligible Police Sworn Employees (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System - Eligible Police Sworn Employees (cont.)

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System - Eligible Police Sworn Employees (cont.)

Sensitivity of the city's proportionate share of the net pension asset to changes in the discount rate. The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension asset (liability)	\$ (2,528,213)	\$ 896,157	\$ 3,600,586

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

2. ICMA Defined Contribution Plan – City, Wastewater, and Stormwater Utility Employees

Substantially all remaining full-time and regular part-time employees who work a minimum of 25 hours per week for the city, wastewater utility and stormwater utility are covered under pension plans funded through ICMA Retirement Corporation (IRS Section 401(a) plan). These plans are defined contribution plans. The total pension contribution for 2015 was \$426,947. The total covered payroll for the year ended December 31, 2015 was \$6,887,547. Total contributions for the years ended December 31, 2014 and 2013 were \$461,572 and \$417,397, respectively, equal to the required contributions for each year. Benefits for non-union employees are fully vested after six years and benefits for union employees are fully vested after five years.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

3. Sun Prairie Utilities Employees' Pension Plan

The Sun Prairie Utilities contributes to the Sun Prairie Utility Pension plan as described in Note V.A. The utilities' total contributions during 2015 were \$285,586, which is equal to the required contribution. The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the aggregate cost method. The 2014 contribution as calculated by the actuary were made as of December 31, 2014. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 2.5% per year. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the utilities reported a pension liability of \$232,485. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The entry age actuarial cost method is used to calculate the total pension liability.

For the year ended December 31, 2015, the utilities recognized pension expense of \$176,487.

	<u>2015</u>
Total pension liability	
Service cost	\$ 112,240
Interest	165,812
Differences between expected and actual experience	(56,342)
Benefit payments, including refunds of member contributions	<u>(694,422)</u>
Net change in total pension liability	(472,712)
Total pension liability - beginning	<u>3,522,283</u>
Total pension liability - ending (a)	<u><u>\$ 3,049,571</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

3. Sun Prairie Utilities Employees' Pension Plan (cont.)

	<u>2015</u>
Plan fiduciary net position	
Employer contributions	\$ 285,586
Net investment income (loss)	(115,100)
Benefit payments, including refunds of member contributions	(694,422)
Administration	<u>(26,118)</u>
Net change in plan fiduciary net position	<u>(550,054)</u>
Plan fiduciary net position - beginning	<u>\$ 3,367,140</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 2,817,086</u></u>
Net pension liability - ending (a) - (b)	<u><u>\$ 232,485</u></u>
Plan fiduciary net position as a percentage of the total pension liability	92.38 %
Covered-employee payroll	\$ 1,488,604
Net pension liability as a percentage of covered-employee payroll	15.62 %

Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Individual aggregate
Annual pension contribution	Entry age normal
Actuarial accrued liability	Level percentage of payroll
Amortization method	1 year
Remaining amortization period	Market value
Asset valuation method	
Actuarial assumptions:	
Investment rate of return	5.0%
Projected salary increases	2.5%
Mortality	(1)

(1) Applicable Mortality Table as defined in Rev. Rul. 200767.

At December 31, 2015, the utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 50,219
Net differences between projected and actual earnings on pension plan	<u>236,659</u>	<u>-</u>
Total	<u><u>\$ 236,659</u></u>	<u><u>\$ 50,219</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

3. Sun Prairie Utilities Employees' Pension Plan (cont.)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 59,165	\$ 6,123
2017	59,165	6,123
2018	59,165	6,123
2019	59,164	6,123
2020	-	6,123
Thereafter	<u>-</u>	<u>19,604</u>
Total	<u>\$ 236,659</u>	<u>\$ 50,219</u>

Required Disclosure Under GASB No. 27

Information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan.

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contributed</u>	<u>Net Pension Asset</u>
December 31, 2014	\$ 281,155	100.0 %	\$ -
December 31, 2013	303,119	193.6	1,075

Funded Status and Funding Progress

	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age Normal (b)</u>	<u>Unfunded AAL (UAAL) (b a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b a) / c)</u>
2014	\$ 3,367,140	\$ 3,522,283	\$ 155,143	95.6%	\$ 1,753,037	8.8%
2013	3,038,863	3,425,850	386,987	88.7	1,763,818	21.9

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

4. Defined Contribution Plan - Sun Prairie Utilities Employees

Beginning in January 1, 2014, in addition to the defined benefit pension plan, the utilities established the Sun Prairie Utilities Employees Retirement Plan which is a defined contribution plan. All employees hired on or after January 1, 2013 have the option of joining the Sun Prairie Utilities Employees Retirement Plan (Defined Contribution Plan) which is administered by Coe Administrators, LLC. In addition to employees starting on or after January 1, 2013, all existing employees had the option of leaving the defined benefit pension plan and joining the Defined Contribution Plan. Participants become fully vested in the Defined Contribution Plan after five years of employment. The employer contributions are currently 8.5% of employee compensation. Contributions of \$37,936 for 2015 compensation were made in 2016.

C. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The city participates in a public entity risk pool to provide coverage for losses from (general liability and auto risks). However, other risks, such as (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the city in the general fund.

Public Entity Risk Pool

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The city's share of such losses is less than 1%.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

C. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC) (cont.)

The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$343,740 in the general fund

The city pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$50,000 per occurrence and an annual aggregate limit of \$200,000. An actuarially determined estimate has not been recorded for this liability, as it is not material to the government-wide financial statements.

D. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

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

Long-Term Contracts - WPPI Energy

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

D. COMMITMENTS AND CONTINGENCIES (cont.)

Long-Term Contracts - WPPI Energy (cont.)

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

In 2002, all WPPI Energy members ratified a 13 year extension to their original 35 year contracts. The new contract expires at midnight on December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$437 million as of December 31, 2015.

Other Commitments

The city has entered into various agreements with developers. There are two separate agreements that include economic incentive payments from the city to developers upon satisfactory completion of various criteria in the agreement and the developed property reaching an agreed upon assessed value. Both agreements include a payment period of 3 years beginning with the first full tax year following operation. Both developments began operation in 2015. The amount of the incentives are \$225,000 for one of the developers and a range of \$156,000 to \$260,000 for the other. There is also a third agreement in which the city will reimburse the developer \$274,000 for qualified expenses upon initiation and completion within specified timeframes. The developer also guarantees that improvements will be an increase of at least \$3 million in tax increment or they will owe the difference in taxes. The developer must also maintain equivalent staffing through December 31, 2019.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

E. JOINT VENTURES

Multijurisdictional Public Safety Information System Commission (MPSISC)

The City of Sun Prairie, City of Fitchburg, City of Middleton, City of Verona, and the City of Monona jointly operate the Multijurisdictional Public Safety Information System Commission. On March 20, 2003, the City of Sun Prairie, City of Fitchburg and the City of Middleton executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes. The City of Verona and City of Monona joined the joint venture in 2009. The commission adopts its own budget. Net operating costs including debt service are shared by the communities. The department is governed by the Intermunicipal Commission. The commission consists of one representative from each community. The transactions of the commission are not reflected in these financial statements. The city is the fiscal agent for MPSISC and therefore, includes MPSISC as an agency fund in these financial statements. Financial information for MPSISC can be obtained from the City of Sun Prairie.

The city does not have an equity interest in this joint venture.

Cooperative Boundary Plan

On January 17, 2007, the City of Sun Prairie, the Town of Burke, the Village of DeForest, and the City of Madison executed an intergovernmental agreement under authority of Section 66.0307 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the cities, the village, and the town and the existing town, village, and city property owners and residents. The plan provides for the eventual dissolution of the town after a protected period of up to 29 years, but allows early annexations within several areas to address near-term problems and opportunities.

The plan shall terminate on October 26, 2036, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the plan can be obtained from the City of Sun Prairie.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

F. OTHER POSTEMPLOYMENT BENEFITS

The city administers a single-employer defined benefit healthcare plan. The city's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. The city makes monthly health insurance contributions on behalf of active employees during that year. Administrative costs of the plan are financed through investment earnings.

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the city's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the city's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	14,711
Interest on net OPEB obligation		2,295
Adjustment to annual required contribution		<u>(3,190)</u>
Annual OPEB cost		13,816
Contributions made		<u>(14,709)</u>
Decrease in Net OPEB obligation		(893)
Net OPEB Obligation - Beginning of Year		<u>57,369</u>
Net OPEB Obligation - End of Year*	\$	<u>56,476</u>

* The other postemployment benefits liability of \$45,457 is included in the noncurrent liabilities due in more than one year of the Governmental Activities on the Statement of Net Position. The remaining \$11,019 relates to the Business-type Activities. The amount was not recorded as it is not material to these financial statements.

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2013	\$ 18,892	67.00	\$ 52,095
December 31, 2014	18,898	67.29	57,369
December 31, 2015	13,816	106.46	56,476

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

F. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The funded status of the plan as of January 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 107,303
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 107,303</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 8,666,153
UAAL as a percentage of covered payroll	1.24%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 14% initially, reduced by decrements to an ultimate rate of 5% after ten years. Both rates include a 4% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2015, was 30 years.

G. SUBSEQUENT EVENTS

Sun Prairie Utilities applied for rate adjustments with the Public Service Commission of Wisconsin. New water rates are effective January 6, 2016. The electric rate application is still in process.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE V - OTHER INFORMATION (cont.)

G. SUBSEQUENT EVENTS (cont.)

The Common Council approved a resolution authorizing new stormwater rates effective July 1, 2016.

In March 2016, resolutions were approved impacting the retirement plans of the City. Effective January 1, 2017, all employees will be allowed the option to become part of the Wisconsin Retirement System (WRS) plan. In addition, the ICMA retirement plan will be updated to mirror WRS in contribution rate, eligible pays, vesting period, and eligibility for part-time employees.

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units an Amendment of GASB Statement No. 14*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues an amendment of GASB Statements 67, 68, and 73*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
TAXES				
General property taxes	\$ 13,007,745	\$ 13,007,745	\$ 12,889,863	\$ (117,882)
Room taxes	16,000	16,000	21,472	5,472
Payments in lieu of taxes	105,650	105,650	105,058	(592)
Interest on taxes	2,000	2,000	2,122	122
Other taxes	-	-	21,760	21,760
Total Taxes	13,131,395	13,131,395	13,040,275	(91,120)
INTERGOVERNMENTAL				
Police school liaison	139,245	139,245	142,525	3,280
State shared revenues	691,616	691,616	688,629	(2,987)
Fire insurance tax (2% fire dues)	92,000	92,000	89,386	(2,614)
State expenditure restraint	569,946	569,946	569,947	1
State aid - road allotment	1,482,017	1,482,017	1,479,150	(2,867)
State aid - connecting streets	54,117	54,117	54,117	-
State aid - exempt computer	290,000	290,000	373,372	83,372
State aid - EMS	6,800	6,800	4,643	(2,157)
State aid - police	9,500	9,500	9,904	404
Other grants	-	-	3,205	3,205
County aid - libraries	406,576	406,576	406,576	-
Other state payments	-	-	14,617	14,617
Total Intergovernmental	3,741,817	3,741,817	3,836,071	94,254
LICENSES AND PERMITS				
Liquor and malt beverage licenses	27,200	27,200	32,588	5,388
Operators' license	9,000	9,000	12,805	3,805
Cigarette licenses	820	820	1,060	240
Dog and cat licenses	10,000	10,000	8,371	(1,629)
Building permits	165,000	165,000	123,770	(41,230)
Occupancy permits	10,000	10,000	11,700	1,700
Plumbing permits	75,000	75,000	57,327	(17,673)
Electrical permits	85,000	85,000	67,467	(17,533)
Heating and air conditioning permits	85,000	85,000	63,653	(21,347)
Street openings	12,000	12,000	23,400	11,400
Zoning permits and fees	35,000	35,000	41,935	6,935
Other permits	56,500	56,500	64,273	7,773
Other licenses	6,500	6,500	7,083	583
Total Licenses and Permits	577,020	577,020	515,432	(61,588)

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	\$ 150,000	\$ 150,000	\$ 140,066	\$ (9,934)
Parking violations	<u>52,000</u>	<u>52,000</u>	<u>52,722</u>	<u>722</u>
Total Fines, Forfeitures and Penalties	<u>202,000</u>	<u>202,000</u>	<u>192,788</u>	<u>(9,212)</u>
PUBLIC CHARGES FOR SERVICES				
Clerk's fees	35,000	35,000	43,279	8,279
General government	100	100	120	20
Police department fees	8,000	8,000	20,664	12,664
Miscellaneous public works	5,500	5,500	13,271	7,771
Ambulance fees	754,000	754,000	923,347	169,347
Sewage inspection	4,000	4,000	4,855	855
Animal pound	400	400	150	(250)
Engineer review fees	6,500	6,500	13,455	6,955
Family aquatic center	213,250	213,250	191,484	(21,766)
Township EMS fees	54,000	54,000	53,900	(100)
Miscellaneous building inspection	7,500	7,500	4,636	(2,864)
Miscellaneous park fees	15,000	15,000	14,743	(257)
Summer recreation fees	125,000	125,000	101,977	(23,023)
Winter recreation fees	46,600	46,600	76,950	30,350
Miscellaneous engineering	4,500	4,500	24	(4,476)
Solid waste disposal	-	-	(117)	(117)
Total Public Charges for Services	<u>1,279,350</u>	<u>1,279,350</u>	<u>1,462,738</u>	<u>183,388</u>
SPECIAL ASSESSMENTS				
Interest on special assessments	10,000	10,000	875	(9,125)
Delinquent special assessments held by county	<u>10,000</u>	<u>10,000</u>	<u>18,625</u>	<u>8,625</u>
Total Special Assessments	<u>20,000</u>	<u>20,000</u>	<u>19,500</u>	<u>(500)</u>
INVESTMENT INCOME				
Investment income	<u>40,000</u>	<u>40,000</u>	<u>28,646</u>	<u>(11,354)</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
MISCELLANEOUS				
Payment from utilities	\$ 227,854	\$ 227,854	\$ 217,300	\$ (10,554)
Miscellaneous non-operating income	61,700	439,178	-	(439,178)
Sale of materials and equipment	1,000	1,000	32,634	31,634
Insurance dividends	50,000	50,000	94,649	44,649
Donations	1,000	6,000	6,262	262
Human resources chargebacks	-	-	5,000	5,000
City attorney chargebacks	2,500	2,500	-	(2,500)
Engineering chargebacks	111,500	111,500	334,706	223,206
Other chargebacks	15,000	15,000	-	(15,000)
Other miscellaneous	84,000	97,408	531,631	434,223
Total Miscellaneous	<u>554,554</u>	<u>950,440</u>	<u>1,222,182</u>	<u>271,742</u>
Total Revenues	<u>19,546,136</u>	<u>19,942,022</u>	<u>20,317,632</u>	<u>375,610</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor	39,987	39,987	38,690	1,297
Council	64,406	64,406	61,565	2,841
Municipal court	101,636	101,636	99,388	2,248
City attorney	218,902	257,663	241,926	15,737
Clerk	228,028	256,028	211,518	44,510
Elections	37,305	37,305	24,204	13,101
Administrator	264,106	264,106	264,865	(759)
Human resources	276,193	286,193	291,738	(5,545)
Finance	683,650	491,307	541,671	(50,364)
Building maintenance	511,469	544,819	438,938	105,881
Information technology	1,023,159	1,033,726	692,155	341,571
Risk management	355,150	355,150	364,036	(8,886)
Assessment of property	356,959	359,284	339,831	19,453
Total General Government	<u>4,160,950</u>	<u>4,091,610</u>	<u>3,610,525</u>	<u>481,085</u>
PUBLIC SAFETY				
Building inspection	366,691	366,691	351,790	14,901
Police	7,146,796	7,171,084	6,985,912	185,172
Crossing guards	88,740	97,740	88,712	9,028
Emergency medical services	1,538,913	1,538,913	1,554,792	(15,879)
Fire protection	859,470	859,470	807,005	52,465
Emergency government	14,000	14,000	7,850	6,150
Total Public Safety	<u>10,014,610</u>	<u>10,047,898</u>	<u>9,796,061</u>	<u>251,837</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
PUBLIC WORKS				
Public works	\$ 2,223,453	\$ 2,315,277	\$ 2,375,330	\$ (60,053)
Engineering	<u>630,731</u>	<u>630,731</u>	<u>649,677</u>	<u>(18,946)</u>
Total Public Works	<u>2,854,184</u>	<u>2,946,008</u>	<u>3,025,007</u>	<u>(78,999)</u>
HEALTH AND HUMAN SERVICES				
Social services	15,000	15,000	15,000	-
Cemetery	<u>8,500</u>	<u>8,500</u>	<u>8,500</u>	<u>-</u>
Total Health and Human Services	<u>23,500</u>	<u>23,500</u>	<u>23,500</u>	<u>-</u>
CULTURE, RECREATION, AND EDUCATION				
Library	1,654,323	1,655,423	1,607,650	47,773
Museum administration	37,480	42,480	26,558	15,922
Economic development	160,000	160,000	160,000	-
Youth and family commission	2,500	2,500	6,754	(4,254)
Parks and recreation	1,192,408	1,192,408	1,145,615	46,793
Family aquatic center	<u>273,580</u>	<u>318,581</u>	<u>322,391</u>	<u>(3,810)</u>
Total Culture, Recreation, and Education	<u>3,320,291</u>	<u>3,371,392</u>	<u>3,268,968</u>	<u>102,424</u>
CONSERVATION AND DEVELOPMENT				
Planning	371,950	409,424	380,946	28,478
Forestry	69,693	244,693	93,576	151,117
Urban development	<u>190,274</u>	<u>192,513</u>	<u>174,601</u>	<u>17,912</u>
Total Conservation and Development	<u>631,917</u>	<u>846,630</u>	<u>649,123</u>	<u>197,507</u>
DEBT SERVICE				
Principal	<u>-</u>	<u>-</u>	<u>61,765</u>	<u>(61,765)</u>
Total Expenditures	<u>21,005,452</u>	<u>21,327,038</u>	<u>20,434,949</u>	<u>892,089</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,459,316)</u>	<u>(1,385,016)</u>	<u>(117,317)</u>	<u>1,267,699</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,880,081	\$ 1,943,582	\$ 1,969,773	\$ 26,191
Transfers out	<u>(412,282)</u>	<u>(631,490)</u>	<u>(817,158)</u>	<u>(185,668)</u>
Total Other Financing Sources (Uses)	<u>1,467,799</u>	<u>1,312,092</u>	<u>1,152,615</u>	<u>(159,477)</u>
Net Change in Fund Balance	8,483	(72,924)	1,035,298	1,108,222
FUND BALANCE - Beginning of Year	<u>9,494,372</u>	<u>9,494,372</u>	<u>9,494,372</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 9,502,855</u></u>	<u><u>\$ 9,421,448</u></u>	<u><u>\$ 10,529,670</u></u>	<u><u>\$ 1,108,222</u></u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SUN PRAIRIE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2015

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.03648441%	\$ 896,157	\$ 3,544,279	25.28%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2015

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 360,240	\$ 360,240	\$ -	\$ 3,791,999	9.50%

See independent auditors' report and accompanying notes to the required supplementary information.

CITY OF SUN PRAIRIE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS SUN PRAIRIE UTILITIES PENSION TRUST FUND For the Year Ended December 31, 2015

Total pension liability	
Service cost	\$ 112,240
Interest	165,812
Differences between expected and actual experience	(56,342)
Benefit payments, including refunds of member contributions	<u>(694,422)</u>
Net change in total pension liability	(472,712)
Total pension liability - beginning	<u>3,522,283</u>
Total pension liability - ending (a)	<u>\$ 3,049,571</u>
Plan fiduciary net position	
Employer contributions	\$ 285,586
Net investment income (loss)	(115,100)
Benefit payments, including refunds of member contributions	(694,422)
Administration	<u>(26,118)</u>
Net change in plan fiduciary net position	(550,054)
Plan fiduciary net position - beginning	<u>3,367,140</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,817,086</u>
Net pension liability - ending (a) - (b)	<u>\$ 232,485</u>
Plan fiduciary net position as a percentage of the total pension liability	92.38%
Covered-employee payroll	\$ 1,488,604
Net pension liability as a percentage of covered-employee payroll	15.62%

See independent auditor's report.

CITY OF SUN PRAIRIE

SCHEDULE OF EMPLOYER CONTRIBUTIONS SUN PRAIRIE UTILITIES PENSION TRUST FUND For the Year Ended December 31, 2015

Actuarially determined contribution	\$ 285,586
Contributions in relation to the actuarially determined contribution	<u>285,586</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,488,604
Contributions as a percentage of covered-employee payroll	19.18%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of December 31, 2015.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll
Remaining amortization period	1 year
Asset valuation method	Market Value
Inflation	2.50%
Salary increases	2.50%
Investment rate of return	5.00%
Retirement age	See Note V.A. in the Notes to Financial Statements
Mortality	Applicable Mortality Table as defined in Rev. Rul. 2007 67

CITY OF SUN PRAIRIE

**SCHEDULE OF INVESTMENT RETURNS
SUN PRAIRIE UTILITIES PENSION TRUST FUND
For the Year Ended December 31, 2015**

Annual money-weighted rate of return, net of investment expense	-4.78%
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CITY OF SUN PRAIRIE

PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN INFORMATION For the Year Ended December 31, 2015

SCHEDULE OF FUNDED STATUS - SUN PRAIRIE UTILITIES PENSION TRUST FUND

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age Normal	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2016	\$ 2,817,086	\$ 3,049,571	\$ 232,485	92%	\$ 1,488,604	16%
1/1/2015	3,367,140	3,522,283	155,143	96%	1,753,037	9%
1/1/2014	3,038,863	3,425,850	386,987	89%	1,381,601	28%
1/1/2013	2,092,779	3,397,963	1,305,184	62%	1,686,294	77%

12/31/2015 valuation based on report as of 1/1/2016.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - SUN PRAIRIE UTILITIES PENSION TRUST FUND

Year Ended	Annual Required Contribution	Percentage Contributed*
12/31/2015	285,586	100%
12/31/2014	281,155	100%
12/31/2013	288,993	194%
12/31/2012	311,883	106%

*As a percentage of the Annual Pension Cost paid

SCHEDULE OF FUNDED STATUS - OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2014	\$ -	\$ 107,303	\$ 107,303	0.0%	N/A	N/A
1/1/2012	-	125,486	125,486	0.0%	N/A	N/A
1/1/2010	-	101,327	101,327	0.0%	N/A	N/A

The most recent actuarial valuation date of the plan was as of January 1, 2014.

See independent auditors' report.

CITY OF SUN PRAIRIE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The city may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$74,890. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The city is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

GENERAL DEBT SERVICE FUND

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - GENERAL DEBT SERVICE FUND (MAJOR FUND) For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 6,574,270	\$ 6,574,270	\$ 6,574,270	\$ -
Miscellaneous	41,224	41,224	45,170	3,946
Total Revenues	6,615,494	6,615,494	6,619,440	3,946
EXPENDITURES				
Debt service				
Principal	5,869,771	5,869,771	6,264,772	(395,001)
Interest and fiscal charges	785,004	786,832	790,112	(3,280)
Total Expenditures	6,654,775	6,656,603	7,054,884	(398,281)
Excess (deficiency) of revenues over expenditures	(39,281)	(41,109)	(435,444)	402,227
OTHER FINANCING SOURCES				
Long-term debt issued	-	-	375,000	375,000
Premium on debt issued	-	-	9,097	9,097
Transfers in	-	1,828	30,065	28,237
Total Other Financing Sources	-	1,828	414,162	412,334
Net Change in Fund Balance	(39,281)	(39,281)	(21,282)	814,561
FUND BALANCE - Beginning	31,614	31,614	31,614	-
FUND BALANCE - ENDING (DEFICIT)	\$ (7,667)	\$ (7,667)	\$ 10,332	\$ 814,561

NONMAJOR GOVERNMENTAL FUNDS

CITY OF SUN PRAIRIE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2015

	Special Revenue Funds			
	Park Improvement Fund	Wisconsin Development Fund	Transporta- tion Impact Fee Fund	Grant Funds
ASSETS				
Cash and investments	\$ 1,340,149	\$ 113,756	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Accounts	77,422	-	-	11,725
Special assessments	-	-	-	-
Accrued interest	4,548	-	1,937	-
Loans	-	34,204	-	-
Delinquent special assessments	-	-	-	-
Due from other funds	-	-	510,837	109,131
Due from other governments	-	-	-	106,127
Restricted cash and investments	-	-	1,559,300	-
TOTAL ASSETS	<u>\$ 1,422,119</u>	<u>\$ 147,960</u>	<u>\$ 2,072,074</u>	<u>\$ 226,983</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 9,167
Accrued liabilities	-	-	-	-
Deposits	5,000	-	-	-
Due to other governments	-	-	-	4,830
Due to other funds	398,537	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>403,537</u>	<u>-</u>	<u>-</u>	<u>13,997</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	77,711	34,204	771	106,127
Total Deferred Inflows of Resources	<u>77,711</u>	<u>34,204</u>	<u>771</u>	<u>106,127</u>
Fund Balances				
Restricted	940,871	113,756	2,071,303	106,859
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>940,871</u>	<u>113,756</u>	<u>2,071,303</u>	<u>106,859</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,422,119</u>	<u>\$ 147,960</u>	<u>\$ 2,072,074</u>	<u>\$ 226,983</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
Library Fund	Sun Prairie Media Center	Refuse and Recycling	Street Trees	TID No. 6	TID No. 7	TID No. 8
\$ 67,225	\$ -	\$ 500,547	\$ -	\$ -	\$ 2,002,189	\$ -
-	-	1,089,466	-	135,270	864,494	1,655,417
-	93,143	78	-	27,758	-	6,779
-	-	-	-	-	-	-
-	-	-	-	-	10,000	-
-	-	5,272	-	-	-	-
-	261,923	-	238,692	-	102,392	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 67,225</u>	<u>\$ 355,066</u>	<u>\$ 1,595,363</u>	<u>\$ 238,692</u>	<u>\$ 163,028</u>	<u>\$ 2,979,075</u>	<u>\$ 1,662,196</u>
\$ -	\$ 775	\$ 112,763	\$ 59,848	\$ -	\$ -	\$ 1,566
-	3,359	50	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	332,580	-	-	-	-
-	-	-	-	104,963	-	1,079,581
-	4,134	445,393	59,848	104,963	-	1,081,147
-	-	1,089,466	-	135,270	864,494	1,655,417
-	-	5,272	-	27,758	10,000	5,901
-	-	1,094,738	-	163,028	874,494	1,661,318
67,225	-	-	-	-	2,104,581	-
-	350,932	55,232	178,844	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(104,963)	-	(1,080,269)
<u>67,225</u>	<u>350,932</u>	<u>55,232</u>	<u>178,844</u>	<u>(104,963)</u>	<u>2,104,581</u>	<u>(1,080,269)</u>
<u>\$ 67,225</u>	<u>\$ 355,066</u>	<u>\$ 1,595,363</u>	<u>\$ 238,692</u>	<u>\$ 163,028</u>	<u>\$ 2,979,075</u>	<u>\$ 1,662,196</u>

CITY OF SUN PRAIRIE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2015

	Capital Projects Funds			
	TID No. 9	TID No. 10	TID No. 11	Development Projects
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	541,294	-	-	-
Accounts	-	-	-	100,467
Special assessments	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	-	-	-
Delinquent special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash and investments	<u>80,862</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 622,156</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100,467</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 244	\$ 52,814
Accrued liabilities	-	-	-	-
Deposits	-	-	-	3,419
Due to other governments	-	-	-	-
Due to other funds	-	-	-	125,742
Advances from other funds	<u>1,198,459</u>	<u>54,757</u>	<u>21,620</u>	<u>-</u>
Total Liabilities	<u>1,198,459</u>	<u>54,757</u>	<u>21,864</u>	<u>181,975</u>
Deferred Inflows of Resources				
Unearned revenues	541,294	-	-	-
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,508</u>
Total Deferred Inflows of Resources	<u>541,294</u>	<u>-</u>	<u>-</u>	<u>51,508</u>
Fund Balances				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	<u>(1,117,597)</u>	<u>(54,757)</u>	<u>(21,864)</u>	<u>(133,016)</u>
Total Fund Balances	<u>(1,117,597)</u>	<u>(54,757)</u>	<u>(21,864)</u>	<u>(133,016)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 622,156</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100,467</u></u>

Capital Projects Funds	Permanent Funds		Total Nonmajor Governmental Funds
General Capital Projects Fund	Ashley Trust Fund	Library Trust Fund	
\$ -	\$ 1,000	\$ 385,244	\$ 4,410,110
-	-	-	4,285,941
-	-	-	317,372
223,221	-	-	223,221
-	-	-	6,485
-	-	-	44,204
44,522	-	-	49,794
978,773	-	-	2,201,748
-	-	-	106,127
<u>793,159</u>	<u>-</u>	<u>-</u>	<u>2,433,321</u>
<u>\$ 2,039,675</u>	<u>\$ 1,000</u>	<u>\$ 385,244</u>	<u>\$ 14,078,323</u>
\$ 62,411	\$ -	\$ -	\$ 299,588
-	-	-	3,409
1,833	-	-	10,252
-	-	-	4,830
676,650	-	-	1,533,509
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,459,380</u>
<u>740,894</u>	<u>-</u>	<u>-</u>	<u>4,310,968</u>
-	-	-	4,285,941
<u>267,743</u>	<u>-</u>	<u>-</u>	<u>586,995</u>
<u>267,743</u>	<u>-</u>	<u>-</u>	<u>4,872,936</u>
730,748	1,000	385,244	6,521,587
-	-	-	585,008
300,290	-	-	300,290
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,512,466)</u>
<u>1,031,038</u>	<u>1,000</u>	<u>385,244</u>	<u>4,894,419</u>
<u>\$ 2,039,675</u>	<u>\$ 1,000</u>	<u>\$ 385,244</u>	<u>\$ 14,078,323</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	Special Revenue Funds			
	Park Improvement Fund	Wisconsin Development Fund	Transporta- tion Impact Fee Fund	Grant Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 51,746
Intergovernmental	-	-	-	446,235
Licenses and permits	100,024	-	-	-
Public charges for services	79,422	-	371,471	198,067
Special assessments	-	-	-	-
Investment income (loss)	12,512	2,303	2,569	-
Miscellaneous	1,011	13,955	-	11,104
Total Revenues	<u>192,969</u>	<u>16,258</u>	<u>374,040</u>	<u>707,152</u>
EXPENDITURES				
Current				
Public safety	-	-	-	4,718
Public works	-	-	-	768,490
Culture, recreation and education	30,107	-	-	7,229
Conservation and development	-	-	-	17,485
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>30,107</u>	<u>-</u>	<u>-</u>	<u>797,922</u>
Excess (deficiency) of revenues over expenditures	<u>162,862</u>	<u>16,258</u>	<u>374,040</u>	<u>(90,770)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	220,672
Transfers out	(345,875)	-	(211,904)	(4,349)
Total Other Financing Sources (Uses)	<u>(345,875)</u>	<u>-</u>	<u>(211,904)</u>	<u>216,323</u>
Net Change in Fund Balances	(183,013)	16,258	162,136	125,553
FUND BALANCES (DEFICIT) - Beginning of Year (as restated)	<u>1,123,884</u>	<u>97,498</u>	<u>1,909,167</u>	<u>(18,694)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 940,871</u>	<u>\$ 113,756</u>	<u>\$ 2,071,303</u>	<u>\$ 106,859</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
Library Fund	Sun Prairie Media Center	Refuse and Recycling	Street Trees	TID No. 6	TID No. 7	TID No. 8
\$ -	\$ -	\$ -	\$ -	\$ 135,574	\$ 880,671	\$ 1,649,714
-	-	47,324	-	869	49,421	23,253
-	366,975	-	-	-	-	-
72,828	-	1,087,848	51,141	-	-	15,545
-	-	2,098	-	-	-	-
31	329	811	-	-	3,111	-
29,100	23,439	10,531	1,100	35,824	-	83
<u>101,959</u>	<u>390,743</u>	<u>1,148,612</u>	<u>52,241</u>	<u>172,267</u>	<u>933,203</u>	<u>1,688,595</u>
-	-	-	-	-	-	-
-	-	1,413,382	-	-	-	1,000
97,121	363,098	-	-	-	-	-
-	-	-	85,229	-	-	-
17,497	-	-	-	882	220,484	132,532
-	-	-	-	140,638	415,000	1,250,000
-	-	-	-	27,781	135,690	295,994
<u>114,618</u>	<u>363,098</u>	<u>1,413,382</u>	<u>85,229</u>	<u>169,301</u>	<u>771,174</u>	<u>1,679,526</u>
<u>(12,659)</u>	<u>27,645</u>	<u>(264,770)</u>	<u>(32,988)</u>	<u>2,966</u>	<u>162,029</u>	<u>9,069</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,500	320,002	211,832	-	-	-
-	(9,054)	-	-	(827)	(38,404)	(2,912)
-	(6,554)	320,002	211,832	(827)	(38,404)	(2,912)
(12,659)	21,091	55,232	178,844	2,139	123,625	6,157
79,884	329,841	-	-	(107,102)	1,980,956	(1,086,426)
<u>\$ 67,225</u>	<u>\$ 350,932</u>	<u>\$ 55,232</u>	<u>\$ 178,844</u>	<u>\$ (104,963)</u>	<u>\$ 2,104,581</u>	<u>\$ (1,080,269)</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	Capital Projects Funds			
	TID No. 9	TID No. 10	TID No. 11	Development Projects
REVENUES				
Taxes	\$ 33,110	\$ -	\$ -	\$ -
Intergovernmental	4,755	4,618	-	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	217,377
Special assessments	-	-	-	-
Investment income (loss)	-	-	-	-
Miscellaneous	-	-	-	1,410
Total Revenues	<u>37,865</u>	<u>4,618</u>	<u>-</u>	<u>218,787</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	1,000	-	-	245,318
Culture, recreation and education	-	-	-	-
Conservation and development	138,000	-	-	-
Capital Outlay	4,036	710	21,864	-
Debt Service				
Principal	15,000	-	-	-
Interest and fiscal charges	171,470	-	-	-
Total Expenditures	<u>329,506</u>	<u>710</u>	<u>21,864</u>	<u>245,318</u>
Excess (deficiency) of revenues over expenditures	<u>(291,641)</u>	<u>3,908</u>	<u>(21,864)</u>	<u>(26,531)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(43,217)	(19,296)	-	-
Total Other Financing Sources (Uses)	<u>(43,217)</u>	<u>(19,296)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(334,858)	(15,388)	(21,864)	(26,531)
FUND BALANCES (DEFICIT) - Beginning of Year (as restated)	<u>(782,739)</u>	<u>(39,369)</u>	<u>-</u>	<u>(106,485)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (1,117,597)</u>	<u>\$ (54,757)</u>	<u>\$ (21,864)</u>	<u>\$ (133,016)</u>

Capital Projects Funds	Permanent Funds		Total Nonmajor Governmental Funds
General Capital Projects Fund	Ashley Trust Fund	Library Trust Fund	
\$ -	\$ -	\$ -	\$ 2,750,815
541,900	-	-	1,118,375
12,914	-	-	479,913
-	-	-	2,093,699
7,845	-	-	9,943
312	-	(323)	21,655
<u>1</u>	<u>-</u>	<u>-</u>	<u>127,558</u>
<u>562,972</u>	<u>-</u>	<u>(323)</u>	<u>6,601,958</u>
-	-	-	4,718
-	-	-	2,429,190
-	-	-	497,555
-	-	-	240,714
3,044,173	-	-	3,442,178
-	-	-	1,820,638
<u>43,900</u>	<u>-</u>	<u>-</u>	<u>674,835</u>
<u>3,088,073</u>	<u>-</u>	<u>-</u>	<u>9,109,828</u>
<u>(2,525,101)</u>	<u>-</u>	<u>(323)</u>	<u>(2,507,870)</u>
2,440,000	-	-	2,440,000
26,433	-	-	26,433
260,255	-	-	1,015,261
<u>(30,065)</u>	<u>-</u>	<u>-</u>	<u>(705,903)</u>
<u>2,696,623</u>	<u>-</u>	<u>-</u>	<u>2,775,791</u>
171,522	-	(323)	267,921
<u>859,516</u>	<u>1,000</u>	<u>385,567</u>	<u>4,626,498</u>
<u>\$ 1,031,038</u>	<u>\$ 1,000</u>	<u>\$ 385,244</u>	<u>\$ 4,894,419</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARK IMPROVEMENT FUND For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 100,024	\$ 55,024
Public charges for services	54,000	54,000	79,422	25,422
Investment income	12,000	12,000	12,512	512
Miscellaneous	-	-	1,011	1,011
Total Revenues	<u>111,000</u>	<u>111,000</u>	<u>192,969</u>	<u>81,969</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>201,500</u>	<u>201,500</u>	<u>30,107</u>	<u>171,393</u>
Total Expenditures	<u>201,500</u>	<u>201,500</u>	<u>30,107</u>	<u>171,393</u>
Excess (deficiency) of revenues over expenditures	<u>(90,500)</u>	<u>(90,500)</u>	<u>162,862</u>	<u>253,362</u>
OTHER FINANCING USES				
Transfers out	<u>(123,128)</u>	<u>(168,129)</u>	<u>(345,875)</u>	<u>(177,746)</u>
Net Change in Fund Balance	(213,628)	(258,629)	(183,013)	75,616
FUND BALANCE - Beginning	<u>1,123,884</u>	<u>1,123,884</u>	<u>1,123,884</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 910,256</u>	<u>\$ 865,255</u>	<u>\$ 940,871</u>	<u>\$ 75,616</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - WISCONSIN DEVELOPMENT FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 2,303	\$ 2,303
Miscellaneous	16,150	16,150	13,955	(2,195)
Total Revenues	16,150	16,150	16,258	108
EXPENDITURES	-	-	-	-
Net Change in Fund Balance	16,150	16,150	16,258	108
FUND BALANCE - Beginning	97,498	97,498	97,498	-
FUND BALANCE - ENDING	<u>\$ 113,648</u>	<u>\$ 113,648</u>	<u>\$ 113,756</u>	<u>\$ 108</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TRANSPORTATION IMPACT FEE FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ 565,000	\$ 565,000	\$ 371,471	\$ (193,529)
Investment income	-	-	2,569	2,569
Total Revenues	<u>565,000</u>	<u>565,000</u>	<u>374,040</u>	<u>(190,960)</u>
OTHER FINANCING USES				
Transfers out	<u>(124,764)</u>	<u>(124,764)</u>	<u>(211,904)</u>	<u>(87,140)</u>
Net Change in Fund Balance	440,236	440,236	162,136	(278,100)
FUND BALANCE - Beginning	<u>1,909,167</u>	<u>1,909,167</u>	<u>1,909,167</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,349,403</u>	<u>\$ 2,349,403</u>	<u>\$ 2,071,303</u>	<u>\$ (278,100)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GRANT FUNDS For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 40,000	\$ 40,000	\$ 51,746	\$ 11,746
Intergovernmental	414,276	414,276	446,235	31,959
Public charges for services	299,359	299,359	198,067	(101,292)
Miscellaneous	12,000	12,000	11,104	(896)
Total Revenues	765,635	765,635	707,152	(58,483)
EXPENDITURES				
Current				
Public safety	23,138	23,138	4,718	18,420
Public works	753,800	921,359	768,490	152,869
Culture, recreation, and education	8,000	8,000	7,229	771
Conservation and development	27,720	33,720	17,485	16,235
Total Expenditures	812,658	986,217	797,922	188,295
Excess (deficiency) of revenues over expenditures	(47,023)	(220,582)	(90,770)	129,812
OTHER FINANCING SOURCES (USES)				
Transfers in	89,780	257,339	220,672	(36,667)
Transfers out	(4,349)	(4,349)	(4,349)	-
Total Other Financing Sources (Uses)	85,431	252,990	216,323	(36,667)
Net Change in Fund Balance	38,408	32,408	125,553	93,145
FUND BALANCE - Beginning (DEFICIT)	(18,694)	(18,694)	(18,694)	-
FUND BALANCE - ENDING	\$ 19,714	\$ 13,714	\$ 106,859	\$ 93,145

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 16,100	\$ 16,100	\$ -	\$ (16,100)
Public charges for services	63,150	63,150	72,828	9,678
Investment income	19,850	19,850	31	(19,819)
Miscellaneous	15,500	15,500	29,100	13,600
Total Revenues	<u>114,600</u>	<u>114,600</u>	<u>101,959</u>	<u>(12,641)</u>
EXPENDITURES				
Current				
Culture, recreation, and education	108,080	108,080	97,121	10,959
Capital Outlay	<u>11,000</u>	<u>11,000</u>	<u>17,497</u>	<u>(6,497)</u>
Total Expenditures	<u>119,080</u>	<u>119,080</u>	<u>114,618</u>	<u>4,462</u>
Net Change in Fund Balance	(4,480)	(4,480)	(12,659)	(8,179)
FUND BALANCE - Beginning	<u>79,884</u>	<u>79,884</u>	<u>79,884</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 75,404</u>	<u>\$ 75,404</u>	<u>\$ 67,225</u>	<u>\$ (8,179)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SUN PRAIRIE MEDIA CENTER For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 330,000	\$ 330,000	\$ 366,975	\$ 36,975
Investment income	-	-	329	329
Miscellaneous	14,000	14,000	23,439	9,439
Total Revenues	<u>344,000</u>	<u>344,000</u>	<u>390,743</u>	<u>46,743</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>355,118</u>	<u>387,618</u>	<u>363,098</u>	<u>24,520</u>
Total Expenditures	<u>355,118</u>	<u>387,618</u>	<u>363,098</u>	<u>24,520</u>
Excess (deficiency) of revenues over expenditures	<u>(11,118)</u>	<u>(43,618)</u>	<u>27,645</u>	<u>71,263</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,500	2,500	2,500	-
Transfers out	<u>-</u>	<u>-</u>	<u>(9,054)</u>	<u>(9,054)</u>
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>(6,554)</u>	<u>(9,054)</u>
Net Change in Fund Balance	(8,618)	(41,118)	21,091	62,209
FUND BALANCE - Beginning	<u>329,841</u>	<u>329,841</u>	<u>329,841</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 321,223</u>	<u>\$ 288,723</u>	<u>\$ 350,932</u>	<u>\$ 62,209</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - REFUSE AND RECYCLING For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 47,000	\$ 47,000	\$ 47,324	\$ 324
Public charges for services	1,075,000	1,075,000	1,087,848	12,848
Special assessments	-	-	2,098	2,098
Investment income	-	-	811	811
Miscellaneous	-	-	10,531	10,531
Total Revenues	<u>1,122,000</u>	<u>1,122,000</u>	<u>1,148,612</u>	<u>26,612</u>
EXPENDITURES				
Current				
Public works	<u>1,442,002</u>	<u>1,442,002</u>	<u>1,413,382</u>	<u>28,620</u>
Total Expenditures	<u>1,442,002</u>	<u>1,442,002</u>	<u>1,413,382</u>	<u>28,620</u>
Excess (deficiency) of revenues over expenditures	<u>(320,002)</u>	<u>(320,002)</u>	<u>(264,770)</u>	<u>55,232</u>
OTHER FINANCING SOURCES				
Transfers in	<u>320,002</u>	<u>320,002</u>	<u>320,002</u>	<u>-</u>
Net Change in Fund Balance	-	-	55,232	55,232
FUND BALANCE - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,232</u>	<u>\$ 55,232</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STREET TREES For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ -	\$ 20,000	\$ 51,141	\$ 31,141
Miscellaneous	-	-	1,100	1,100
Total Revenues	-	20,000	52,241	32,241
EXPENDITURES				
Current				
Conservation and development	-	20,000	85,229	(65,229)
Total Expenditures	-	20,000	85,229	(65,229)
Excess (deficiency) of revenues over expenditures	-	-	(32,988)	(32,988)
OTHER FINANCING SOURCES				
Transfers in	-	-	211,832	211,832
Net Change in Fund Balance	-	-	178,844	178,844
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 178,844	\$ 178,844

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 6 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 138,717	\$ 138,717	\$ 135,574	\$ (3,143)
Intergovernmental	100	100	869	769
Miscellaneous	24,000	24,000	35,824	11,824
Total Revenues	<u>162,817</u>	<u>162,817</u>	<u>172,267</u>	<u>9,450</u>
EXPENDITURES				
Capital Outlay	1,667	1,710	882	828
Debt Service				
Principal	140,270	140,270	140,638	(368)
Interest and fiscal charges	<u>28,650</u>	<u>28,650</u>	<u>27,781</u>	<u>869</u>
Total Expenditures	<u>170,587</u>	<u>170,630</u>	<u>169,301</u>	<u>1,329</u>
Excess (deficiency) of revenues over expenditures	<u>(7,770)</u>	<u>(7,813)</u>	<u>2,966</u>	<u>10,779</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>(827)</u>	<u>(827)</u>
Net Change in Fund Balance	(7,770)	(7,813)	2,139	9,952
FUND BALANCE - Beginning (DEFICIT)	<u>(107,102)</u>	<u>(107,102)</u>	<u>(107,102)</u>	<u>-</u>
FUND BALANCE - ENDING (DEFICIT)	<u>\$ (114,872)</u>	<u>\$ (114,915)</u>	<u>\$ (104,963)</u>	<u>\$ 9,952</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 7 For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 901,086	\$ 901,086	\$ 880,671	\$ (20,415)
Intergovernmental	47,000	47,000	49,421	2,421
Investment income	100	100	3,111	3,011
Total Revenues	<u>948,186</u>	<u>948,186</u>	<u>933,203</u>	<u>(14,983)</u>
EXPENDITURES				
Capital outlay	412,594	401,226	220,484	180,742
Debt service				
Principal	415,000	415,000	415,000	-
Interest and fiscal charges	<u>136,290</u>	<u>136,290</u>	<u>135,690</u>	<u>600</u>
Total Expenditures	<u>963,884</u>	<u>952,516</u>	<u>771,174</u>	<u>181,342</u>
Excess (deficiency) of revenues over expenditures	<u>(15,698)</u>	<u>(4,330)</u>	<u>162,029</u>	<u>166,359</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(11,555)</u>	<u>(38,404)</u>	<u>(26,849)</u>
Net Change in Fund Balance	(15,698)	(15,885)	123,625	139,510
FUND BALANCE - Beginning	<u>1,980,956</u>	<u>1,980,956</u>	<u>1,980,956</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,965,258</u>	<u>\$ 1,965,071</u>	<u>\$ 2,104,581</u>	<u>\$ 139,510</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 8 For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 1,687,955	\$ 1,687,955	\$ 1,649,714	\$ (38,241)
Intergovernmental	15,000	15,000	23,253	8,253
Public charges for services	8,000	8,000	15,545	7,545
Miscellaneous	-	-	83	83
Total Revenues	<u>1,710,955</u>	<u>1,710,955</u>	<u>1,688,595</u>	<u>(22,360)</u>
EXPENDITURES				
Current				
Public works	-	-	1,000	(1,000)
Capital Outlay	112,326	113,091	132,532	(19,441)
Debt Service				
Principal	1,250,000	1,250,000	1,250,000	-
Interest and fiscal charges	<u>295,162</u>	<u>295,162</u>	<u>295,994</u>	<u>(832)</u>
Total Expenditures	<u>1,657,488</u>	<u>1,658,253</u>	<u>1,679,526</u>	<u>(21,273)</u>
Excess (deficiency) of revenues over expenditures	<u>53,467</u>	<u>52,702</u>	<u>9,069</u>	<u>(43,633)</u>
OTHER FINANCING USES				
Transfers out	-	-	(2,912)	(2,912)
Net Change in Fund Balance	53,467	52,702	6,157	(46,545)
FUND BALANCE - Beginning (DEFICIT)	<u>(1,086,426)</u>	<u>(1,086,426)</u>	<u>(1,086,426)</u>	<u>-</u>
FUND BALANCE - ENDING (DEFICIT)	<u>\$ (1,032,959)</u>	<u>\$ (1,033,724)</u>	<u>\$ (1,080,269)</u>	<u>\$ (46,545)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 9 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 33,877	\$ 33,877	\$ 33,110	\$ (767)
Intergovernmental	2,800	2,800	4,755	1,955
Total Revenues	<u>36,677</u>	<u>36,677</u>	<u>37,865</u>	<u>1,188</u>
EXPENDITURES				
Current				
Public works	-	-	1,000	(1,000)
Conservation and development	-	-	138,000	(138,000)
Capital Outlay	36,932	38,208	4,036	34,172
Debt Service				
Principal	15,000	15,000	15,000	-
Interest and fiscal charges	<u>171,471</u>	<u>171,471</u>	<u>171,470</u>	<u>1</u>
Total Expenditures	<u>223,403</u>	<u>224,679</u>	<u>329,506</u>	<u>(104,827)</u>
Excess (deficiency) of revenues over expenditures	<u>(186,726)</u>	<u>(188,002)</u>	<u>(291,641)</u>	<u>(103,639)</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>(43,217)</u>	<u>(43,217)</u>
Net Change in Fund Balance	(186,726)	(188,002)	(334,858)	(146,856)
FUND BALANCE - Beginning (DEFICIT)	<u>(782,739)</u>	<u>(782,739)</u>	<u>(782,739)</u>	<u>-</u>
FUND BALANCE - ENDING (DEFICIT)	<u>\$ (969,465)</u>	<u>\$ (970,741)</u>	<u>\$ (1,117,597)</u>	<u>\$ (146,856)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 10 For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 4,000	\$ 4,000	\$ 4,618	\$ 618
EXPENDITURES				
Capital Outlay	1,000	1,000	710	290
Excess of revenues over expenditures	3,000	3,000	3,908	908
OTHER FINANCING USES				
Transfers out	-	-	(19,296)	(19,296)
Net Change in Fund Balance	3,000	3,000	(15,388)	(18,388)
FUND BALANCE - Beginning (DEFICIT)	(39,369)	(39,369)	(39,369)	-
FUND BALANCE - ENDING (DEFICIT)	<u>\$ (36,369)</u>	<u>\$ (36,369)</u>	<u>\$ (54,757)</u>	<u>\$ (18,388)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - DEVELOPMENT PROJECTS For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Public charges for services	\$ 40,000	\$ 40,000	\$ 217,377	\$ 177,377
Miscellaneous	-	-	1,410	1,410
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>218,787</u>	<u>178,787</u>
EXPENDITURES				
Current				
Public works	<u>40,000</u>	<u>40,000</u>	<u>245,318</u>	<u>(205,318)</u>
Net Change in Fund Balance	-	-	(26,531)	(26,531)
FUND BALANCE - Beginning (DEFICIT)	<u>(106,485)</u>	<u>(106,485)</u>	<u>(106,485)</u>	<u>-</u>
FUND BALANCE - ENDING (DEFICIT)	<u>\$ (106,485)</u>	<u>\$ (106,485)</u>	<u>\$ (133,016)</u>	<u>\$ (26,531)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 542,000	\$ 542,000	\$ 541,900	\$ (100)
Licenses and permits	-	-	12,914	12,914
Special assessments	-	-	7,845	7,845
Investment income	-	-	312	312
Miscellaneous	744,550	744,550	1	(744,549)
Total Revenues	1,286,550	1,286,550	562,972	(723,578)
EXPENDITURES				
Capital Outlay	4,590,239	4,725,798	3,044,173	1,681,625
Debt service				
Interest and fiscal charges	30,929	30,929	43,900	(12,971)
Total Expenditures	4,621,168	4,756,727	3,088,073	1,668,654
Excess (deficiency) of revenues over expenditures	(3,334,618)	(3,470,177)	(2,525,101)	945,076
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	3,123,854	3,123,854	2,440,000	(683,854)
Premium on debt	-	-	26,433	26,433
Transfers in	124,764	260,323	260,255	(68)
Transfers out	-	-	(30,065)	(30,065)
Total Other Financing Sources (Uses)	3,248,618	3,384,177	2,696,623	(687,554)
Net Change in Fund Balance	(86,000)	(86,000)	171,522	257,522
FUND BALANCE - Beginning	859,516	859,516	859,516	-
FUND BALANCE - ENDING	\$ 773,516	\$ 773,516	\$ 1,031,038	\$ 257,522

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY TRUST FUND For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income (loss)	\$ 10,000	\$ 10,000	\$ (323)	\$ (10,323)
Total Revenues	10,000	10,000	(323)	(10,323)
EXPENDITURES				
Current				
Culture, recreation, and education	10,000	10,000	-	10,000
Total Expenditures	10,000	10,000	-	10,000
Net Change in Fund Balance	-	-	(323)	(323)
FUND BALANCE - Beginning	385,567	385,567	385,567	-
FUND BALANCE - ENDING	\$ 385,567	\$ 385,567	\$ 385,244	\$ (323)

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS As of December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
TAX COLLECTION FUND				
Assets				
Cash and investments	\$ 30,157,180	\$ 29,445,294	\$ 30,157,180	\$ 29,445,294
Taxes receivable	<u>9,134,193</u>	<u>12,011,759</u>	<u>9,134,193</u>	<u>12,011,759</u>
TOTAL ASSETS	<u>\$ 39,291,373</u>	<u>\$ 41,457,053</u>	<u>\$ 39,291,373</u>	<u>\$ 41,457,053</u>
Liabilities				
Due to other governments	<u>\$ 39,291,373</u>	<u>\$ 41,457,053</u>	<u>\$ 39,291,373</u>	<u>\$ 41,457,053</u>
TOTAL LIABILITIES	<u>\$ 39,291,373</u>	<u>\$ 41,457,053</u>	<u>\$ 39,291,373</u>	<u>\$ 41,457,053</u>
MPSISC				
Assets				
Cash and investments	\$ 216,735	\$ 195	\$ -	\$ 216,930
Due from other governments	<u>-</u>	<u>32,265</u>	<u>-</u>	<u>32,265</u>
TOTAL ASSETS	<u>\$ 216,735</u>	<u>\$ 32,460</u>	<u>\$ -</u>	<u>\$ 249,195</u>
Liabilities				
Due to other governments	<u>\$ 216,735</u>	<u>\$ 32,460</u>	<u>\$ -</u>	<u>\$ 249,195</u>
TOTAL LIABILITIES	<u>\$ 216,735</u>	<u>\$ 32,460</u>	<u>\$ -</u>	<u>\$ 249,195</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 30,373,915	\$ 29,445,489	\$ 30,157,180	\$ 29,662,224
Taxes receivable	9,134,193	12,011,759	9,134,193	12,011,759
Due from other governments	<u>-</u>	<u>32,265</u>	<u>-</u>	<u>32,265</u>
TOTAL ASSETS	<u>\$ 39,508,108</u>	<u>\$ 41,489,513</u>	<u>\$ 39,291,373</u>	<u>\$ 41,706,248</u>
Liabilities				
Due to other governments	<u>\$ 39,508,108</u>	<u>\$ 41,489,513</u>	<u>\$ 39,291,373</u>	<u>\$ 41,706,248</u>
TOTAL LIABILITIES	<u>\$ 39,508,108</u>	<u>\$ 41,489,513</u>	<u>\$ 39,291,373</u>	<u>\$ 41,706,248</u>

CITY OF SUN PRAIRIE

**STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2015**

	<u>Community Development Authority</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Debt retired	\$ (1,705,000)
Interest paid	(417,942)
Interfund activity	(126,664)
Capital lease payments received	<u>1,705,368</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(544,238)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>417,942</u>
Net Change in Cash and Cash Equivalents	(126,296)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,272,835</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,146,539</u>
NONCASH ACTIVITIES	
Amortization of deferred charge on debt	<u>\$ 81,921</u>

CITY OF SUN PRAIRIE, WISCONSIN

Introduction to the Statistical Section

December 31, 2015

STATISTICAL SECTION

This part of the City's Comprehensive Annual Finance Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the City's overall financial health.

Page

Contents

Financial Trends – Schedules 1-4

These schedules contain trends information to help the reader understand how the City's financial performance and wellbeing have changed over time.

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Revenue Capacity – Schedules 5 – 8

These schedules contain information to help the reader assess the factors affecting the City's ability to generate the City's most significant one-source revenue, property taxes.

124 – 127

Debt Capacity – Schedules 9 - 14

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Demographic and Economic Information – Schedules 15 - 17

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

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Operating Information – Schedule 18

This schedule contains information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2015.

Schedule 1
City of Sun Prairie, Wisconsin
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities										
Net investment in capital assets	82,157,158	73,592,674	67,381,966	61,862,029	56,188,533	51,249,013	49,784,885	50,868,069	53,623,532	50,857,600
Restricted	7,325,552	5,918,918	9,236,302	5,646,556	5,284,114	5,458,596	5,932,372	5,890,532	6,362,032	6,019,823
Unrestricted (deficit)	<u>(5,401,666)</u>	<u>(6,985,148)</u>	<u>(9,936,972)</u>	<u>(4,684,083)</u>	<u>(8,632,515)</u>	<u>(5,756,470)</u>	<u>(6,534,870)</u>	<u>(5,552,769)</u>	<u>(11,210,511)</u>	<u>(10,301,943)</u>
Total governmental activities net position	\$ 84,081,044	\$ 72,526,444	\$ 66,681,296	\$ 62,824,502	\$ 52,840,132	\$ 50,951,139	\$ 49,182,387	\$ 51,205,832	\$ 48,775,053	\$ 46,575,480
Business-Type Activities										
Net investment in capital assets	124,869,023	121,342,794	116,921,998	118,394,172	116,526,970	115,039,700	115,377,212	111,618,315	110,244,709	106,850,429
Restricted	3,846,256	3,520,744	3,535,722	3,109,415	2,974,650	2,524,634	2,054,767	1,502,427	1,232,575	505,809
Unrestricted (deficit)	<u>19,261,881</u>	<u>18,264,906</u>	<u>18,035,454</u>	<u>14,966,284</u>	<u>14,391,500</u>	<u>12,672,275</u>	<u>11,381,637</u>	<u>12,118,004</u>	<u>10,763,996</u>	<u>8,236,599</u>
Total business-type activities net position	\$ 147,977,160	\$ 143,128,444	\$ 138,493,174	\$ 136,469,871	\$ 133,893,120	\$ 130,236,609	\$ 128,813,616	\$ 125,238,746	\$ 122,241,280	\$ 115,592,837
Primary Government										
Net investment in capital assets	207,026,181	194,935,468	184,303,964	180,256,201	172,715,503	166,288,713	165,162,097	162,486,384	163,868,241	157,708,029
Restricted	11,171,808	9,439,662	12,772,024	8,755,971	8,258,764	7,983,230	7,987,139	7,392,959	7,594,607	6,525,632
Unrestricted (deficit)	<u>13,860,215</u>	<u>11,279,758</u>	<u>8,098,482</u>	<u>10,282,201</u>	<u>5,758,985</u>	<u>6,915,805</u>	<u>4,846,767</u>	<u>6,565,235</u>	<u>(446,515)</u>	<u>(2,065,344)</u>
Total primary government activities net position	<u>\$ 232,058,204</u>	<u>\$ 215,654,888</u>	<u>\$ 205,174,470</u>	<u>\$ 199,294,373</u>	<u>\$ 186,733,252</u>	<u>\$ 181,187,748</u>	<u>\$ 177,996,003</u>	<u>\$ 176,444,578</u>	<u>\$ 171,016,333</u>	<u>\$ 162,168,317</u>

Schedule 2
City of Sun Prairie, Wisconsin
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

PRIMARY GOVERNMENT	2015	2014	2013	2012
EXPENSES				
Governmental activities				
General government	3,767,680	3,676,622	3,869,075	3,875,278
Public safety	8,463,874	9,492,560	9,554,009	9,240,152
Public works	7,404,845	8,473,109	7,687,487	6,382,496
Health and human services	23,500	-	-	-
Culture, recreation, and education	4,034,270	4,107,120	3,692,024	3,720,586
Conservation and development	1,052,201	747,165	637,646	1,167,660
Interest and fiscal charges	930,621	3,005,014	2,570,548	2,537,354
Total governmental activities expenses	\$ 25,676,991	\$ 29,501,590	\$ 28,010,789	\$ 26,923,526
Business-type activities				
Electric	25,129,204	25,011,083	24,453,874	23,794,207
Water	2,345,040	2,370,944	2,343,216	2,234,925
Telecommunications	374,325	443,138	353,206	342,225
Wastewater	3,457,368	3,310,861	3,285,324	3,156,687
Stormwater	1,652,579	1,599,257	1,504,995	1,423,332
Total business-type activities expenses	\$ 32,958,516	\$ 32,735,283	\$ 31,940,615	\$ 30,951,376
Total primary government expenses	\$ 58,635,507	\$ 62,236,873	\$ 59,951,404	\$ 57,874,902
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	124,009	119,593	118,037	191,015
Public safety	1,584,080	1,597,663	1,464,975	1,239,082
Public works	1,770,128	1,350,868	634,758	513,772
Culture, recreation, and education	888,192	900,544	865,096	833,364
Conservation and development	93,076	40,605	13,492	14,968
Operating grants and contributions	3,309,096	2,930,092	2,783,205	3,143,746
Capital grants and contributions	3,376,106	2,314,034	703,799	5,492,320
Total governmental activities program revenues	\$ 11,144,687	\$ 9,253,399	\$ 6,583,362	\$ 11,428,267
Business-type activities				
Charges for services				
Electric	26,741,334	26,245,287	25,049,749	24,438,763
Water	3,259,410	3,135,457	3,083,889	3,158,039
Telecommunications	512,036	450,214	454,866	435,669
Wastewater	3,771,488	3,762,049	3,617,686	3,463,542
Stormwater	1,680,540	1,616,450	1,472,646	1,394,284
Capital grants and contributions	2,947,172	2,540,194	1,111,652	1,445,721
Total business-type activities program revenues	\$ 38,911,980	\$ 37,749,651	\$ 34,790,488	\$ 34,336,018
Total primary government program revenues	\$ 50,056,667	\$ 47,003,050	\$ 41,373,850	\$ 45,764,285
NET (EXPENSE)/REVENUE				
Governmental activities	(14,532,304)	(20,248,191)	(21,427,427)	(15,495,259)
Business-type activities	5,953,464	5,014,368	2,849,873	3,384,642
Total primary government net (expense)/revenue	\$ (8,578,840)	\$ (15,233,823)	\$ (18,577,554)	\$ (12,110,617)
GENERAL REVENUES				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	13,008,194	12,741,648	12,675,499	12,515,534
Property taxes, levied for debt service	6,574,270	6,326,108	6,399,403	6,559,367
Property taxes, levied for TIF districts	2,699,069	2,787,227	2,303,381	2,611,460
Other taxes	62,636	172,644	160,760	160,657
Intergovernmental revenues not restricted	1,722,939	1,751,499	1,559,097	1,554,397
Public gifts and grants	-	709	-	7,328
Investment income	51,176	39,120	96,153	75,263
Miscellaneous	252,350	984,037	428,288	325,530
Transfers, internal	1,716,270	1,290,347	1,661,640	1,670,093
Total governmental activities general revenues	\$ 26,086,904	\$ 26,093,339	\$ 25,284,221	\$ 25,479,629
Business-type activities				
Investment income	674,625	783,757	825,150	813,149
Miscellaneous	92,040	127,492	9,920	49,053
Transfers, internal	(1,716,270)	(1,290,347)	(1,661,640)	(1,670,093)
Total business-type activities general revenues	\$ (949,605)	\$ (379,098)	\$ (826,570)	\$ (807,891)
Total primary government general revenue	\$ 25,137,299	\$ 25,714,241	\$ 24,457,651	\$ 24,671,738
CHANGE IN NET POSITION				
Governmental activities	11,554,600	5,845,148	3,856,794	9,984,370
Business-type activities	5,003,859	4,635,270	2,023,303	2,576,751
Total primary government change in net position	\$ 16,558,459	\$ 10,480,418	\$ 5,880,097	\$ 12,561,121

Schedule 2
City of Sun Prairie, Wisconsin
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
4,363,279	4,557,089	4,425,324	4,441,381	4,134,140	4,321,883
9,384,120	9,597,113	9,707,435	9,251,251	8,731,633	7,800,688
7,134,201	6,778,695	7,422,914	7,146,290	7,158,684	6,674,433
-	-	-	-	-	-
3,969,135	4,057,376	4,064,223	3,798,141	3,823,571	3,804,608
2,242,615	663,866	1,140,359	987,856	349,618	1,317,670
2,802,054	3,026,544	3,456,848	3,458,312	3,306,550	3,100,846
\$ 29,895,404	\$ 28,680,683	\$ 30,217,103	\$ 29,083,231	\$ 27,504,196	\$ 27,020,128
22,656,851	22,002,501	18,998,624	18,861,016	17,101,165	15,016,345
2,247,054	2,122,292	1,766,520	1,763,601	1,742,417	1,594,230
340,771	375,055	268,620	462,480	437,207	491,927
3,270,402	3,356,293	3,774,232	3,605,483	2,925,346	2,629,909
1,455,234	1,420,257	1,389,778	1,552,291	846,723	996,080
\$ 29,970,312	\$ 29,276,398	\$ 26,197,774	\$ 26,244,871	\$ 23,052,858	\$ 20,728,491
<u>\$ 59,865,716</u>	<u>\$ 57,957,081</u>	<u>\$ 56,414,877</u>	<u>\$ 55,328,102</u>	<u>\$ 50,557,054</u>	<u>\$ 47,748,619</u>
130,075	92,509	117,054	97,496	107,989	152,757
1,194,024	1,107,838	1,071,137	1,323,614	1,051,457	1,158,323
453,740	500,734	664,368	324,955	(4,856)	902,323
864,681	815,104	782,956	766,290	735,664	692,978
8,585	42,683	29,746	254,411	280,740	906,245
3,111,724	3,043,490	3,021,865	2,578,767	2,591,686	2,397,491
830,512	323,762	67,200	1,556,058	2,532,994	6,187,822
\$ 6,593,341	\$ 5,926,120	\$ 5,754,326	\$ 6,901,591	\$ 7,295,674	\$ 12,397,939
23,431,527	22,971,221	20,029,689	19,756,482	18,885,933	16,469,821
2,980,431	2,682,003	2,257,207	2,228,177	2,215,917	2,108,094
461,290	489,873	520,623	534,636	502,302	497,590
3,206,451	2,909,750	2,608,613	2,492,109	2,423,632	2,098,927
1,260,168	1,120,966	1,185,841	1,240,124	958,766	1,190,250
2,403,411	229,842	535,394	2,356,626	2,420,696	11,575,311
\$ 33,743,278	\$ 30,403,655	\$ 27,137,367	\$ 28,608,154	\$ 27,407,246	\$ 33,939,993
<u>\$ 40,336,619</u>	<u>\$ 36,329,775</u>	<u>\$ 32,891,693</u>	<u>\$ 35,509,745</u>	<u>\$ 34,702,920</u>	<u>\$ 46,337,932</u>
(23,302,063)	(22,754,563)	(24,462,777)	(22,181,640)	(20,208,522)	(14,622,189)
3,772,966	1,127,257	939,593	2,363,283	4,354,388	13,211,502
\$ (19,529,097)	\$ (21,627,306)	\$ (23,523,184)	\$ (19,818,357)	\$ (15,854,134)	\$ (1,410,687)
12,493,861	12,447,883	12,779,854	12,773,030	12,141,998	12,004,874
6,581,043	6,620,000	6,205,000	5,600,000	5,081,321	4,483,562
2,545,947	2,264,016	2,061,797	1,694,994	1,315,815	1,030,980
150,458	170,333	178,024	207,833	202,390	200,119
1,682,139	1,687,575	1,788,849	1,854,374	1,707,412	1,694,615
36,006	54,455	51,220	30,543	33,130	16,198
99,367	137,353	467,565	688,073	1,131,159	1,332,501
655,074	604,303	610,369	748,317	328,521	496,852
947,161	537,397	(1,703,346)	1,015,255	(707,596)	958,727
\$ 25,191,056	\$ 24,523,315	\$ 22,439,332	\$ 24,612,419	\$ 21,234,150	\$ 22,218,428
769,772	781,259	827,480	1,542,371	1,204,226	1,078,555
60,934	51,874	104,451	107,067	34,823	29,174
(947,161)	(537,397)	1,703,346	(1,015,255)	707,596	(958,727)
\$ (116,455)	\$ 295,736	\$ 2,635,277	\$ 634,183	\$ 1,946,645	\$ 149,002
<u>\$ 25,074,601</u>	<u>\$ 24,819,051</u>	<u>\$ 25,074,609</u>	<u>\$ 25,246,602</u>	<u>\$ 23,180,795</u>	<u>\$ 22,367,430</u>
1,888,993	1,768,752	(2,023,445)	2,430,779	1,025,628	7,596,239
3,656,511	1,422,993	3,574,870	2,997,466	6,301,033	13,360,504
\$ 5,545,504	\$ 3,191,745	\$ 1,551,425	\$ 5,428,245	\$ 7,326,661	\$ 20,956,743

Schedule 3
City of Sun Prairie, Wisconsin
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General fund										
Nonspendable	2,968,901	2,585,174	2,296,345	2,118,128	1,417,862	-	-	-	-	-
Restricted	142,000	-	-	-	-	-	-	-	-	-
Assigned	3,066,431	3,198,837	3,481,595	3,267,320	3,333,027	-	-	-	-	-
Unassigned (deficit)	4,352,338	3,710,361	3,182,687	3,241,713	2,460,710	-	-	-	-	-
Reserved	-	-	-	-	-	3,013,471	2,218,367	1,855,483	1,809,316	1,478,993
Unreserved	-	-	-	-	-	3,705,651	4,464,173	4,847,787	5,086,825	4,632,371
Total general fund	<u>\$ 10,529,670</u>	<u>\$ 9,494,372</u>	<u>\$ 8,960,627</u>	<u>\$ 8,627,161</u>	<u>\$ 7,211,599</u>	<u>\$ 6,719,122</u>	<u>\$ 6,682,540</u>	<u>\$ 6,703,270</u>	<u>\$ 6,896,141</u>	<u>\$ 6,111,364</u>
All other governmental funds										
Nonspendable	-	-	-	849,542	-	-	-	-	-	-
Restricted	6,531,919	6,308,683	10,517,410	5,889,754	5,882,542	-	-	-	-	-
Committed	585,008	329,841	-	-	-	-	-	-	-	-
Assigned	300,290	160,403	-	83,237	-	-	-	-	-	-
Unassigned (deficit)	(2,512,466)	(2,140,815)	(1,274,921)	(589,074)	(1,764,736)	-	-	-	-	-
Reserved	-	-	-	-	-	7,706,660	4,979,252	5,366,891	4,829,977	6,685,696
Unreserved	-	-	-	-	-	2,044,236	3,402,119	7,528,160	4,246,750	3,141,980
Total all other governmental funds	<u>\$ 4,904,751</u>	<u>\$ 4,658,112</u>	<u>\$ 9,242,489</u>	<u>\$ 6,233,459</u>	<u>\$ 4,117,806</u>	<u>\$ 9,750,896</u>	<u>\$ 8,381,371</u>	<u>\$ 12,895,051</u>	<u>\$ 9,076,727</u>	<u>\$ 9,827,676</u>

Note: The City implemented GASB Statement No. 54-Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement established new fund balance classifications, which are based primarily on the extent to which the City is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable to the fund balance categories used prior to 2011.

Schedule 4
City of Sun Prairie, Wisconsin
Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues				
Taxes	22,365,360	22,039,519	21,560,595	21,852,526
Intergovernmental	4,954,446	4,252,248	4,149,542	4,656,266
Licenses and permits	995,345	1,062,011	1,029,664	788,163
Fines, forfeitures, and penalties	192,788	212,879	214,561	171,760
Public charges for services	3,556,437	3,185,151	2,169,162	2,560,042
Special assessments	29,443	258,902	14,539	33,194
Investment income	50,301	37,841	85,329	60,841
Miscellaneous	<u>1,394,910</u>	<u>1,123,649</u>	<u>742,515</u>	<u>771,470</u>
Total Revenues	<u>\$ 33,539,030</u>	<u>\$ 32,172,200</u>	<u>\$ 29,965,907</u>	<u>\$ 30,894,262</u>
Expenditures				
Current				
General government	3,610,525	3,892,660	3,753,525	3,795,349
Public safety	9,800,779	9,172,518	8,631,991	8,525,872
Public works	5,454,197	5,564,755	5,520,561	5,120,995
Health and human services	23,500	-	-	-
Culture, recreation, and education	3,766,523	3,590,057	3,356,418	3,344,759
Conservation and development	889,837	521,258	616,640	542,336
Capital outlay	3,442,178	4,015,917	3,221,947	2,381,139
Debt service				
Principal	8,147,175	25,984,528 ^{a)}	6,601,458	12,792,367
Interest and fiscal charges	<u>1,464,947</u>	<u>2,389,089</u>	<u>2,170,462</u>	<u>2,497,627</u>
Total expenditures	<u>\$ 36,599,661</u>	<u>\$ 55,130,782</u>	<u>\$ 33,873,002</u>	<u>\$ 39,000,444</u>
Excess (deficiency) of revenues over expenditures	<u>(3,060,631)</u>	<u>(22,958,582)</u>	<u>(3,907,095)</u>	<u>(8,106,182)</u>
Other financing sources (uses)				
Sale of property	-	188,660	-	-
Long-term debt issued	2,815,000	19,991,705	12,715,000	12,310,000
Capital leases issued	-	-	-	-
Payments to refunding	-	-	(7,319,761)	(2,322,044)
Premium on debt issued	35,530	128,348	371,755	190,329
Debt issuance costs	-	(413,954)	(179,043)	(112,395)
Transfers in	3,015,099	2,605,974	1,881,987	2,865,469
Transfers out	<u>(1,523,061)</u>	<u>(1,163,461)</u>	<u>(220,347)</u>	<u>(1,293,962)</u>
Total other financing sources (uses)	<u>\$ 4,342,568</u>	<u>\$ 21,337,272</u>	<u>\$ 7,249,591</u>	<u>\$ 11,637,397</u>
Net change in fund balances	<u>\$ 1,281,937</u>	<u>\$ (1,621,310)</u>	<u>\$ 3,342,496</u>	<u>\$ 3,531,215</u>
Ratio of total debt service expenditures to total noncapital expenditures*	29.98%	56.04%	29.46%	43.88%

* Total noncapital expenditures includes reconciling items found on page 8 of CAFR.

a) For 2014, total Debt Service Principal Retirement and corresponding calculation of Ratio of Total Debt Service Expenditures to Non Capital Expenditures includes a one-time Capital Lease refunding of \$10,582,110. If that amount is excluded, Debt Service Principal Retirement totals \$15,402,418, with the corresponding Ratio to Total Debt Service Expenditures to Non Capital Expenditures recalculated to 30.42%.

Schedule 4
City of Sun Prairie, Wisconsin
Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
21,787,728	21,516,604	21,224,675	20,286,661	18,754,529	17,719,535
4,648,414	4,682,143	4,801,502	4,305,881	4,201,058	3,758,657
695,076	567,365	645,024	815,120	910,891	938,859
182,241	180,286	173,933	150,276	126,359	132,514
2,646,705	1,722,939	1,999,866	2,634,543	2,829,146	2,995,505
49,836	32,264	61,720	61,441	254,355	93,904
86,692	133,587	462,499	684,965	1,129,306	1,330,639
705,889	759,635	924,472	871,289	654,425	766,448
<u>\$ 30,802,581</u>	<u>\$ 29,594,823</u>	<u>\$ 30,293,691</u>	<u>\$ 29,810,176</u>	<u>\$ 28,860,069</u>	<u>\$ 27,736,061</u>
4,016,718	3,861,624	4,152,341	4,073,516	3,655,321	3,589,120
8,674,597	8,872,437	9,105,763	8,819,378	8,177,554	7,916,149
5,230,598	4,832,927	4,801,280	5,161,448	4,115,404	3,844,540
-	-	-	-	-	-
3,776,128	3,661,678	3,702,777	3,846,903	3,728,202	3,833,690
654,263	617,861	628,412	629,482	588,331	570,260
2,790,721	2,914,804	12,837,935	2,526,138	13,937,294	18,290,261
9,447,810	6,341,267	9,274,495	8,641,168	3,928,618	3,367,560
2,875,571	3,157,940	3,297,302	3,427,436	3,282,469	2,878,023
<u>\$ 37,466,406</u>	<u>\$ 34,260,538</u>	<u>\$ 47,800,305</u>	<u>\$ 37,125,469</u>	<u>\$ 41,413,193</u>	<u>\$ 44,289,603</u>
<u>(6,663,825)</u>	<u>(4,665,715)</u>	<u>(17,506,614)</u>	<u>(7,315,293)</u>	<u>(12,553,124)</u>	<u>(16,553,542)</u>
31,000	-	30,724	4,399,697	-	-
-	4,700,000	11,629,116	5,500,000	11,865,000	5,585,000
-	-	6,300,000	-	-	3,865,000
-	-	(6,083,907)	-	-	-
-	-	8,794	11,645	26,289	54,602
-	(16,851)	(130,060)	(99,262)	(102,264)	(167,931)
2,252,060	1,536,486	1,619,306	1,618,283	1,820,166	1,728,909
(759,848)	(147,813)	(401,769)	(489,617)	(1,022,239)	(770,182)
<u>\$ 1,523,212</u>	<u>\$ 6,071,822</u>	<u>\$ 12,972,204</u>	<u>\$ 10,940,746</u>	<u>\$ 12,586,952</u>	<u>\$ 10,295,398</u>
<u>\$ (5,140,613)</u>	<u>\$ 1,406,107</u>	<u>\$ (4,534,410)</u>	<u>\$ 3,625,453</u>	<u>\$ 33,828</u>	<u>\$ (6,258,144)</u>
36.51%	30.91%	35.96%	35.61%	26.25%	24.02%

Schedule 5
City of Sun Prairie
Assessed and Equalized Value of Taxable Property
Last Ten Fiscal Years
(dollars in thousands)

Levy Year	Fiscal Year	Real Property					Personal Property	Total Assessed Value ¹	Total Equalized Value ²	Total Direct Tax Rate	Ratio of Assessed to Equalized ³
		Residential	Commercial	Manufacturing	Agricultural	Other					
2015	2016	\$ 1,772,455	\$ 660,085	\$ 53,479	\$ 222	\$ 240	\$ 60,348	\$ 2,546,829	\$ 2,566,184	\$ 8.3437	99.23%
2014	2015	1,681,513	623,248	54,822	235	443	53,562	2,413,823	2,413,489	8.4869	99.60%
2013	2014	1,655,163	607,151	53,407	246	473	53,772	2,370,212	2,368,669	8.4182	100.82%
2012	2013	1,717,453	594,293	54,751	253	459	43,942	2,411,151	2,353,843	8.2202	102.13%
2011	2012	1,709,388	585,652	54,264	256	613	48,198	2,398,371	2,455,734	8.3022	97.49%
2010	2011	1,771,335	618,921	51,062	264	567	53,852	2,496,001	2,475,211	7.9791	99.18%
2009	2010	1,766,738	617,060	48,961	256	624	52,701	2,486,340	2,608,948	7.9786	95.30%
2008	2009	1,816,991	645,796	45,848	212	758	52,767	2,562,372	2,597,981	7.7449	98.36%
2007	2008	1,770,871	593,570	43,931	251	919	44,997	2,454,539	2,479,381	7.7449	99.00%
2006	2007	1,693,767	557,956	44,655	234	919	40,078	2,337,609	2,296,728	7.6703	101.78%
2005	2006	1,390,458	461,690	39,035	335	2,128	38,286	1,931,932	2,125,567	8.6692	90.89%

Source: Statement of Assessment for the City of Sun Prairie

1 - Total assessed values do not include exempt properties. The City of Sun Prairie Assessor's Office does not assess property classified as exempt. Assessed values are established by City Assessor on all property except manufacturing property as of January 1 of each year. The Wisconsin Department of Revenue determines manufacturing property assessed values as of January 1 of each year. A revaluation of all property was completed in 2006, 2008, 2010, 2012 and 2014.

2 - Equalized values are determined by the Wisconsin Department of Revenue.

3 - Assessment ratio is calculated by the State of Wisconsin Equalization Board

Schedule 6
City of Sun Prairie
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Levy Year	Budget Year	City Direct Rates							Overlapping Rates					Net Tax Rate
		General Fund	Refuse Fund	Debt Service Fund	Capital Projects Fund	TIF Districts	County Specials	Total Direct	Sun Prairie School District ¹	Dane County	State of Wisconsin	Madison College	State School Credit	
2015	2016	5.3189	-	2.6106	-	0.4141	-	8.3436	\$ 12.8377	\$ 3.1710	\$ 0.1710	\$ 0.9344	(2.0901)	23.3676
2014	2015	5.3889	-	2.7236	-	0.3745	-	8.4870	12.8035	3.1166	0.1697	0.9336	(1.9503)	23.5601
2013	2014	5.3757	-	2.6690	-	0.3734	-	8.4181	13.1369	3.1149	0.1696	1.8400	(1.9632)	24.7163
2012	2013	5.1741	-	2.6541	0.0829	0.3091	-	8.2202	12.4712	2.9331	0.1657	1.7725	(1.9299)	23.6328
2011	2012	5.1053	-	2.7349	0.1130	0.3489	-	8.3021	12.9202	2.9372	0.1738	1.7503	(1.9163)	24.1673
2010	2011	5.0055	-	2.6366	-	0.3369	-	7.9790	12.0214	2.6930	0.1683	1.4623	(1.8852)	22.4388
2009	2010	5.0065	-	2.6625	-	0.3050	0.0045	7.9785	11.7934	2.6688	0.1781	1.3778	(1.7819)	22.2147
2008	2009	4.9992	-	2.4216	-	0.2826	0.0416	7.7450	10.6804	2.4001	0.1721	1.2283	(1.6892)	20.5367
2007	2008	4.9200	0.2939	2.2815	-	0.2489	0.0007	7.7450	10.1350	2.4007	0.1714	1.2111	(1.5126)	20.1506
2006	2007	5.1942	-	2.1737	-	0.2078	0.0946	7.6703	9.5413	2.3802	0.1725	1.1911	(1.3205)	19.6349
2005	2006	6.1522	-	2.3208	-	0.1943	0.0019	8.6692	10.9798	2.7673	0.2064	1.3936	(1.1478)	22.8685

Source: Annual City of Sun Prairie Adopted Operating Budget

1 - This rate is only for the Sun Prairie School District

Schedule 7
City of Sun Prairie
Principal Property Taxpayers
2015 and Nine Years Prior

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Fedler Connery Umbrella	\$ 42,941,700	1	1.69%			
General Casualty Co of WI	30,995,200	2	1.22%	\$ 45,445,600	1	2.35%
Woodman's Food Market Inc	20,002,800	3	0.79%			
Costco Wholesale Corporation	14,790,100	4	0.58%			
Wal-Mart Realty Co	14,570,400	5	0.57%			
Sp Real Estate LLC	13,431,000	6	0.53%			
Sodarock Properties LLC	13,374,900	7	0.53%			
Revere Apartments	12,594,800	8	0.49%			
Stag IV Sun Prairie LLC	9,712,400	9	0.38%			
Target Corporation	9,303,800	10	0.37%			
Campbell Properties				23,072,500	2	1.19%
Wisconsin Cheeseman				11,317,000	3	0.59%
Sun Prairie Apartments LLC				9,198,300	4	0.48%
Hunters Creek				8,922,500	5	0.46%
WDI Limited Partnership				8,766,700	6	0.45%
Prairie Senior, LLC				7,324,900	7	0.38%
Pan-o-Gold Bakery				7,303,700	8	0.38%
Wingra Building Group				6,697,600	9	0.35%
Hickory Grove IV LLC				6,575,100	10	0.34%
Total	<u>\$ 138,775,400</u>		<u>5.45%</u>	<u>\$ 134,623,900</u>		<u>6.97%</u>

Source: City of Sun Prairie Assessor's Office

Schedule 8
City of Sun Prairie
Property Tax Levies and Collections
Last Ten Fiscal Years

Levy Year	Budget Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections of the Levy in Subsequent Years	Total Collections to Date ¹	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2015	\$ 20,485,969	\$ 20,460,372	99.88%	\$ -	\$ 20,460,372	99.88%
2013	2014	19,952,811	19,931,026	99.89%	10,943	19,941,969	99.95%
2012	2013	19,820,155	19,814,376	99.97%	(511)	19,813,865	99.97%
2011	2012	19,911,656	19,889,219	99.89%	18,311	19,907,530	99.98%
2010	2011	19,915,893	19,891,705	99.88%	6,166	19,897,871	99.91%
2009	2010	19,837,543	19,792,690	99.77%	22,676	19,815,366	99.89%
2008	2009	19,845,409	19,797,711	99.76%	37,416	19,835,127	99.95%
2007	2008	19,010,256	18,988,612	99.89%	17,588	19,006,200	99.98%
2006	2007	17,930,185	17,887,631	99.76%	27,467	17,915,098	99.92%
2005	2006	16,748,225	16,739,965	99.95%	5,775	16,744,963	99.98%

Source: City of Sun Prairie Finance Department

1 - All delinquent real estate taxes are purchased 100% by Dane County.

Schedule 9
City of Sun Prairie
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Note Anticipation Notes	Capital Leases	General Obligation Bonds/Notes	Sun Prairie Utility Revenue Bonds/Notes	Wastewater Revenue Bonds			
2015	\$ 39,428,650		\$ 14,223,562	\$ 4,154,000	\$ 9,325,000	\$ 9,222,387	\$ 76,353,599	7.36%	\$ 2,400
2014	42,838,692		15,990,695	3,120,000	10,245,000	10,031,542	82,225,929	8.18%	2,635
2013	48,389,345		18,865,000	1,650,000	7,980,000	10,822,003	87,706,348	9.19%	2,885
2012	47,810,803		20,130,000	1,485,000	8,780,000	11,594,201	89,800,004	9.97%	3,009
2011	49,358,170		21,300,000	1,680,000	6,585,000	12,348,559	91,271,729	10.92%	3,101
2010	57,565,980		22,540,000	1,875,000	7,280,000	13,085,488	102,346,468	12.59%	3,487
2009	58,082,247		23,665,000	2,005,000	7,945,000	13,805,392	105,502,639	14.42%	4,042
2008	51,132,626	3,700,000	24,195,000	-	8,510,000	14,508,663	102,046,289	12.88%	3,954
2007	49,843,794	7,700,000	24,625,000	-	5,440,000	15,195,686	102,804,480	12.96%	3,996
2006	49,417,412		24,815,000	-	5,960,000	14,729,283	94,921,695	12.58%	3,770

Source: City of Sun Prairie Finance Department

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

Schedule 10
City of Sun Prairie
Ratios of Outstanding Debt To Equalized Value
Last Ten Fiscal Years

Fiscal Year	General Outstanding Debt	Restricted Debt Service	Net General Obligation Debt	Equalized Valuation ¹	Percent of Debt to Equalization	Estimated Population	Debt Per Capita
2015	\$ 43,582,650	\$ 10,332	\$ 43,572,318	\$ 2,566,183,900	1.70%	31,810	1,370
2014	45,958,692	31,614	45,927,078	2,413,488,900	1.90%	31,210	1,473
2013	50,039,345	4,234,362	45,804,983	2,368,668,500	1.93%	30,400	1,646
2012	49,295,803	-	49,295,803	2,353,842,900	2.09%	29,840	1,652
2011	51,038,170	865,680	50,172,490	2,455,733,700	2.04%	29,430	1,734
2010	59,440,980	3,932,195	55,508,785	2,475,211,200	2.24%	29,350	2,025
2009	60,087,247	1,085,200	59,002,047	2,608,947,700	2.26%	26,100	2,302
2008	54,832,626	604,501	54,228,125	2,597,980,500	2.09%	25,810	2,124
2007	57,543,794	596,676	56,947,118	2,479,381,200	2.30%	25,730	2,236
2006	49,417,412	510,634	48,906,778	2,296,727,600	2.13%	25,180	1,963

Source: City of Sun Prairie Finance Department

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

1 - Wisconsin uses equalized value for calculating legal debt limit. Equalized value is set at January 1 of the calendar year.

Schedule 11
City of Sun Prairie
Computation of Direct and Overlapping Debt
December 31, 2015

Jurisdiction	Debt ¹ Outstanding	Percent Applicable to City of Sun Prairie ²	Amount Applicable to City of Sun Prairie
Direct Debt			
City of Sun Prairie ³	\$ 53,652,212	100%	\$ 53,652,212
Overlapping Debt			
Sun Prairie School District	145,680,000	62.19%	90,598,392
DeForest School District	38,530,000	16.09%	6,199,477
Madison College	182,498,799	3.39%	6,189,460
Dane County	<u>330,740,000</u>	4.76%	<u>15,741,770</u>
Total Overlapping Debt	<u>697,448,799</u>		<u>118,729,099</u>
Total Direct and Overlapping Debt	<u><u>\$ 751,101,011</u></u>		<u><u>\$ 172,381,311</u></u>

Source: City of Sun Prairie Finance Department

¹ Does not include assets in Debt Service Funds.

² The percent applicable to the city is calculated by dividing the City's equalized value into the total equalized value of the indirect debt entity.

³ This amount excludes general obligation debt for business-type activities.

Schedule 12
City of Sun Prairie
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Equalized Value ¹	\$ 2,566,183,900	\$ 2,413,488,900	\$ 2,368,668,500	\$ 2,353,842,900	\$ 2,455,733,700	\$ 2,475,211,200	\$ 2,608,947,700	\$ 2,597,980,500	\$ 2,479,381,200	\$ 2,296,727,600
Debt Limit ²	128,309,195	120,674,445	118,433,425	117,692,145	122,786,685	123,760,560	130,447,385	129,899,025	123,969,060	114,836,380
Total General Obligation Debt	43,582,650	45,958,690	50,039,345	49,295,803	51,038,170	59,440,980	60,087,247	54,832,626	57,543,794	49,417,412
Amount of Debt Applicable to Debt Limitation										
Total Debt Applicable to Debt Limit	43,582,650	45,958,690	50,039,345	49,295,803	51,038,170	59,440,980	60,087,247	54,832,626	57,543,794	49,417,412
Less: Assets in Debt Service Fund Available for Payment of Principal	30	30	4,192,304	-	858,698	3,931,035	1,084,209	602,501	586,220	472,229
Net Debt Applicable to Debt Limit	43,582,620	45,958,660	45,847,041	49,295,803	50,179,472	55,509,945	59,003,038	54,230,125	56,957,574	48,945,183
Remaining Legal Debt Margin	84,726,575	74,715,785	72,586,384	68,396,342	72,607,213	68,250,615	71,444,347	75,668,900	67,011,486	65,891,197
Total Debt Applicable to the Limit as a Percentage of Debt Limit	33.97%	38.08%	38.71%	41.89%	40.87%	44.85%	45.23%	41.75%	45.94%	42.62%

1 - Source - Department of Revenue

2 - In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of the taxable property within the City's jurisdiction.

Schedule 13
City of Sun Prairie
Sun Prairie Utility Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Direct Operating Revenues	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2015	\$ 30,512,780	\$ 25,277,906	\$ 5,234,874	\$ 920,000	\$ 325,970	\$ 1,245,970	4.20
2014	29,830,958	25,043,349	4,787,609	935,000	266,853	1,201,853	3.98
2013	28,588,504	24,383,439	4,205,065	800,000	247,311	1,047,311	4.02
2012	28,032,471	23,750,861	4,281,610	725,000	295,327	1,020,327	4.20
2011	26,873,248	22,919,699	3,953,549	695,000	311,262	1,006,262	3.93
2010	26,143,097	22,209,538	3,933,559	665,000	343,236	1,008,236	3.90
2009	22,807,519	19,198,754	3,608,765	565,000	357,145	922,145	3.91
2008	22,519,295	19,066,917	3,452,378	530,000	221,997	751,997	4.59
2007	21,604,152	17,355,860	4,248,292	520,000	238,026	758,026	5.60
2006	19,075,505	14,960,135	4,115,370	585,000	279,652	864,652	4.76

Source: City of Sun Prairie Finance Department

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

Sun Prairie Utility Revenue Bonds are backed by electric, water and telecommunication rates.

¹ - Includes total operating expenses less depreciation.

Schedule 14
City of Sun Prairie
Sun Prairie Water Pollution Control Facility Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Direct Operating Revenues	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2015	\$ 3,771,488	\$ 1,851,183	\$ 1,920,305	\$ 809,155	\$ 227,678	\$ 1,036,833	1.85
2014	3,762,049	1,703,770	2,058,279	790,461	246,593	1,037,054	1.98
2013	3,617,686	1,660,267	1,957,419	772,198	265,072	1,037,270	1.89
2012	3,463,542	1,524,816	1,938,726	754,358	283,123	1,037,481	1.87
2011	3,206,451	1,622,152	1,584,299	736,930	300,758	1,037,688	1.53
2010	2,909,750	1,689,646	1,220,104	719,904	317,985	1,037,889	1.18
2009	2,608,613	2,117,858	490,755	703,271	334,787	1,038,058	0.47
2008	2,492,109	1,932,830	559,279	687,023	352,895	1,039,918	0.54
2007	2,423,632	1,587,535	836,097	-	-	-	-
2006	2,098,927	1,546,921	552,006	-	-	-	-

Source: City of Sun Prairie Finance Department

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.
Water Pollution Control Facility Revenue Bonds are backed by wastewater rates.

¹ - Includes total operating expenses less depreciation.

Schedule 15
City of Sun Prairie
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Sun Prairie		Per Capita Personal Income ²			Unemployment Rates ³		
	Population ¹	Personal Income ²	City of Sun Prairie	Dane County	State of Wisconsin	City of Sun Prairie	Dane County	State of Wisconsin
2015	31,810	\$ 1,036,745,314	\$ 32,592	\$ 35,425	\$ 28,085	3.20%	3.20%	4.60%
2014	31,210	1,005,420,020	32,215	34,798	27,624	3.90%	3.80%	5.50%
2013	30,400	954,451,850	31,396	33,922	26,963	5.50%	4.70%	6.80%
2012	29,840	900,876,400	30,190	32,092	26,271	5.60%	4.90%	7.00%
2011	29,430	835,963,540	28,405	30,295	24,942	6.40%	5.30%	7.80%
2010	29,350	812,643,537	27,688	29,506	25,565	7.00%	5.90%	8.70%
2009	26,100	731,494,418	28,027	28,460	23,211	7.50%	5.80%	8.60%
2008	25,810	792,287,203	30,697	29,876	24,329	4.30%	3.40%	4.90%
2007	25,730	793,540,387	30,841	30,319	24,374	4.20%	3.50%	4.90%
2006	25,180	754,817,665	29,977	29,321	23,845	3.90%	3.30%	4.70%

1- U.S. Census Bureau

2- Wisconsin Department of Revenue, Division of Research and Policy except for 2015 City of Sun Prairie, Dane County and State of Wisconsin, which are estimates based on the prior nine years of growth.

3- Wisconsin Department of Workforce Development

Schedule 16
City of Sun Prairie
Principal Employers
2015 and Nine Years Prior

Taxpayer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sun Prairie School District	1,054	1	9.41%	850	1	7.23%
General Casualty Co of WI	781	2	6.97%	749	3	6.37%
Prairie Athletic Club	295	3	2.63%			
Frontier	250	4	2.23%			
Veyance Technologies	241	5	2.15%			
Woodman's Food Market	226	6	2.02%			
Wisconsin Distributors	225	7	2.01%			
City of Sun Prairie	213	8	1.90%	506	4	4.30%
Copp's Grocery	212	9	1.89%			
Walmart	210	10	1.88%			
Wisconsin Cheeseman/Scott's Candy				750	2	6.38%
Goodyear Tire and Rubber				309	5	2.63%
Verizon				300	6	2.55%
Wisconsin Porcelain Company				275	7	2.34%
Famous Footwear				250	8	2.13%
Royle Communications Group				180	9	1.53%
Sentry Food Store				175	10	1.49%
Total	<u>3,707</u>		<u>33.09%</u>	<u>4,344</u>		<u>36.95%</u>

Source: City Economic Development Division

Schedule 17
City of Sun Prairie
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/ program	Full Time Equivalent Employees									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety										
Fire*	7.0	6.0	2.0	2.0	2.0	2.0	2.0	-	-	-
Police	72.4	72.8	71.8	70.4	73.0	73.0	74.0	73.5	73.6	72.6
EMS	14.5	14.5	14.5	14.5	14.5	14.5	15.5	15.5	15.5	15.5
Elected officials										
Common council	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Mayor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Municipal court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General government										
Administration	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.6	4.6	3.6
Attorney	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor	4.3	4.3	4.5	4.5	4.9	4.9	5.3	5.3	6.2	6.3
Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	4.5	4.5	4.5	4.5	4.5	5.0	5.0	3.9	3.9	3.4
Information technology	4.6	4.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Human resources	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.4	2.4	2.4
Building maintenance	2.0	1.5	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning/ community Dev.	3.8	3.8	4.0	4.3	5.0	5.0	5.0	5.0	5.0	5.0
Economic development	2.0	1.0	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Building inspection	3.9	3.9	3.9	3.9	5.0	5.0	6.0	6.0	6.0	6.0
Public works										
Public works	10.0	14.5	14.5	14.5	14.5	14.5	14.5	13.8	14.8	15.0
Refuse & recycling	0.5	-	-	-	-	-	-	-	0.7	-
Fleet inservice fund***	4.0	-	-	-	-	-	-	-	-	-
Parks and forestry	6.5	6.5	6.5	6.5	-	-	-	-	-	-
Stormwater utility	4.3	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Parks, rec, and forestry**	-	-	-	-	11.0	10.9	12.0	12.0	12.0	12.6
Engineering	6.5	6.3	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
WWTP	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0	9.0
Sun prairie utilities	30.8	31.9	30.9	30.4	30.8	31.5	32.0	30.7	31.5	32.2
Recreation programs	3.0	3.0	3.0	3.0	-	-	-	-	-	-
Library	23.0	23.8	22.7	22.4	22.4	22.2	22.1	22.1	22.1	22.2
Media center	4.7	4.7	4.7	3.8	3.8	4.6	4.5	4.5	4.5	4.5
Total	234.7	235.1	232.0	229.2	236.4	238.1	242.9	238.8	243.3	242.8

*The Fire Department is a separate 501c3 volunteer fire department. The schedule only shows the full-time employee hours and does not include the volunteer hours.

**In 2012, the Parks, Rec, and Forestry department was divided by moving Parks and Forestry to Public Works and Recreation became a single department.

*** The Fleet Inservice Fund was created in 2015. Prior to this the fleet department was included in Public Works.

Source: City of Sun Prairie Finance Department

Schedule 18
City of Sun Prairie
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Police										
Arrests	509	548	686	773	781	627	583	633	524	638
Citations	2,385	2,452	2,635	2,217	2,303	2,588	2,558	2,135	1,789	2,046
Warnings	2,863	3,596	3,465	3,816	4,118	4,581	3,566	2754	2848	4359
Fire Department										
Total Calls	1,020	1,003	815	809	635	725	775	673	682	582
Fire Calls	64	103	54	81	64	43	67	54	75	84
Fire Stations	2	2	2	2	2	2	2	2	2	1
Fire Apparatus	11	11	11	11	11	11	11	11	11	11
EMS										
Calls	2,391	2,205	2,096	2,070	1,998	2,009	2,157	2,117	2,000	1,860
En route Time (minutes)	1.22	1.25	1.35	2.21	2.13	2.19	1.25	N/A	N/A	N/A
To Scene (minutes)	4.2	4.41	4.35	4.32	5.57	5.24	4.37	N/A	N/A	N/A
Public Works										
Refuse/ Recycling										
Units Collected	9,627	9,519	9,451	9,356	9,249	9,223	9,121	8,775	8,702	9,408
Recycle Cost per Unit	\$ 3.32	\$ 3.25	\$ 3.17	\$ 3.10	\$ 3.00	\$ 2.92	\$ 2.83	\$ 2.75	\$ 2.36	\$ 2.29
Recycling Tonnage	2,763	2,758	2,834	2,382	2,646	2,759	2,669	2,959	2,728	2,628
Refuse Tonnage	7,250	6,736	6,628	5,818	6,444	6,483	6,161	6,674	6,997	7,340
Refuse Cost per Unit	\$ 8.13	\$ 7.94	\$ 7.73	\$ 7.58	\$ 7.43	\$ 6.63	\$ 6.44	\$ 6.25	\$ 6.19	\$ 6.13
Recreation										
Shelter/ Gazebo Reservations	401	301	309	321	345	N/A	N/A	N/A	N/A	N/A
Athletic Field Reservations	593	621	894	866	451	N/A	N/A	N/A	N/A	N/A
Program Enrollments	7,400	8,196	9,296	8,825	8,978	N/A	N/A	N/A	N/A	N/A
Open Swim Attendance	30,051	23,281	29,484	39,480	38,971	37,991	37,202	45,037	40,723	
Library										
Circulation	634,628	644,178	684,622	670,133	634,924	625,052	601,840	540,272	495,715	480,244
Visits	219,893	221,615	276,068	306,592	289,380	295,620	276,384	271,447	263,006	263,006
Registered Borrowers	22,921	22,649	22,282	25,945	23,578	19,500	19,898	18,961	18,096	17,223
Internet/ Computer Use	218,385	185,909	180,436	84,866	121,418	88,937	92,713	N/A	N/A	N/A
Volumes	130,286	112,962	110,310	107,562	102,921	98,308	99,853	100,864	100,092	104,936
WWTP										
Wastewater Treatment (thousands of gallons)	1,093,819	1,228,833	1,352,134	946,102	1,287,546	1,374,796	1,373,625	1,657,084	1,435,613	964,859
Sun Prairie Utilities										
Water Main Breaks	12	15	12	7	14	23	17	13	16	10
Water Mains Added (miles)	2.9	2.2	0.3	1.0	1.3	0.0	0.4	1.4	1.2	9.5
Water Mains Replaced (miles)	1.3	1.7	0.8	0.7	0.3	1.2	1.6	0.0	0.3	0.7
Pumpage (Gallons) (thousands)	923,654	894,825	865,997	921,000	848,303	848,632	876,259	881,455	932,501	899,094
Electric Customers	14,660	14,733	13,960	13,779	13,652	13,528	13,384	13,304	12,995	12,610
Electric Meters	15,014	15,304	15,127	14,793	14,573	14,461	14,452	14,217	14,155	13,957
Electric Meters Added	146	177	334	220	112	9	235	62	198	800
Current Distribution (miles)	282	200	198	215	209	209	171	171	166	163
Miles Added	7	4	1	8	-	3	4	5	6	9
Miles Retired	1	-	1	2	-	3	4	-	3	2
Energy Used (kWh)	269,676,644	264,912,000	261,123,000	255,757,000	248,594,000	248,504,000	234,960,000	243,093,000	247,355,000	220,312,000
Peak Demand (kW)	57,530	58,125	6,082	62,770	60,603	56,617	54,747	51,607	54,567	57,016

Source: Department annual reports