

CITY OF
SUN PRAIRIE
Wisconsin

**Comprehensive Annual
Financial Report**

**As of and for the year ended
December 31, 2016**



CITY OF SUN PRAIRIE

Sun Prairie, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended
December 31, 2016

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, 2017

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

The City of Sun Prairie (the City) 2016 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 Funds, Capital Project Funds, Internal Service Fund 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, 2016 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 –

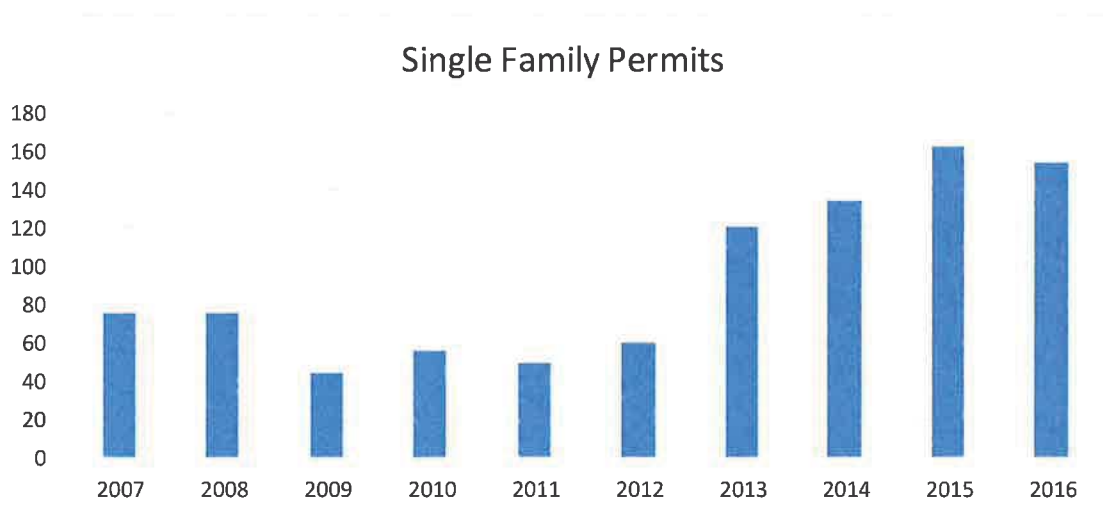
- The boundaries of Sun Prairie encompass an area approximately 12 square miles with an estimated population of 32,613.
- The City of Sun Prairie has historically been one of the fastest growing cities over 20,000 in Wisconsin--a trend that continues today. This is also reflected in the fact that the 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 home to the capital of the State of Wisconsin and the 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, a successful redevelopment area in the City. This area includes the City’s popular events, including but not limited to the annual Groundhog Day Prognostication, Taste of Sun Prairie, and Fall Fest.
- 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 700 people.
- Several major employers have their headquarters here in Sun Prairie, including 2G Engineering, Flexion, Continental Mapping, Compeer Financial, Hallman Lindsay Paints, i3 Product Development, ProActive Engineering, Wisconsin Distributors, Trachte Building Systems 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 is home to Sun Prairie’s annual Sweet Corn Festival.

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 2016 include:

- Menards purchased land and signed a development agreement to construct a new retail store on the west side of the City. Construction began in May 2017.
- A Hilton Garden Inn hotel and restaurant purchased land and began construction in May 2017 for an opening date in 2018.
- Two large luxury apartment complexes will begin construction on the City's west side in 2017.
- Current employer, Royle Printing, has begun the construction of a new warehouse facility in the City's Industrial Park.
- The City annexed land and created TIF District #12 to expand the City's industrial park. Riddell, Inc. DBA "Kollege Town Sports" has completed construction in TIF district #12 of its new facility and commenced operations in Sun Prairie as of May 2017.
- Redevelopment of the City's Main Street corridor has begun with the construction of a multi-family project and small retail center with at least two other major redevelopment sites in active negotiations for potential projects in 2017.



Overall property valuation increased by 8.0% for 2016. This is the third year in a row that the City's tax base has increased. The City has regained the losses sustained during the great recession. 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 2016 the City had net new construction growth of 2.94% or \$75.3 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 favorable to the state and national average rates of 4.1% and 4.7% 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 that incorporated the City's Parks and Open Space Plan and the Safe Routes to School Plan. In 2016, the City began the process of updating the Parks and Open Space 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 2016 and started the process for a five year financial management plan.

The Common Council approved the closing 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. The City has created TIF District #12 north of TIF District #7 to expand the Business Park. The success of TIF District #7 will allow the TIF to Close in 2017, five years early.

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 Council members 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Sun Prairie
Wisconsin**

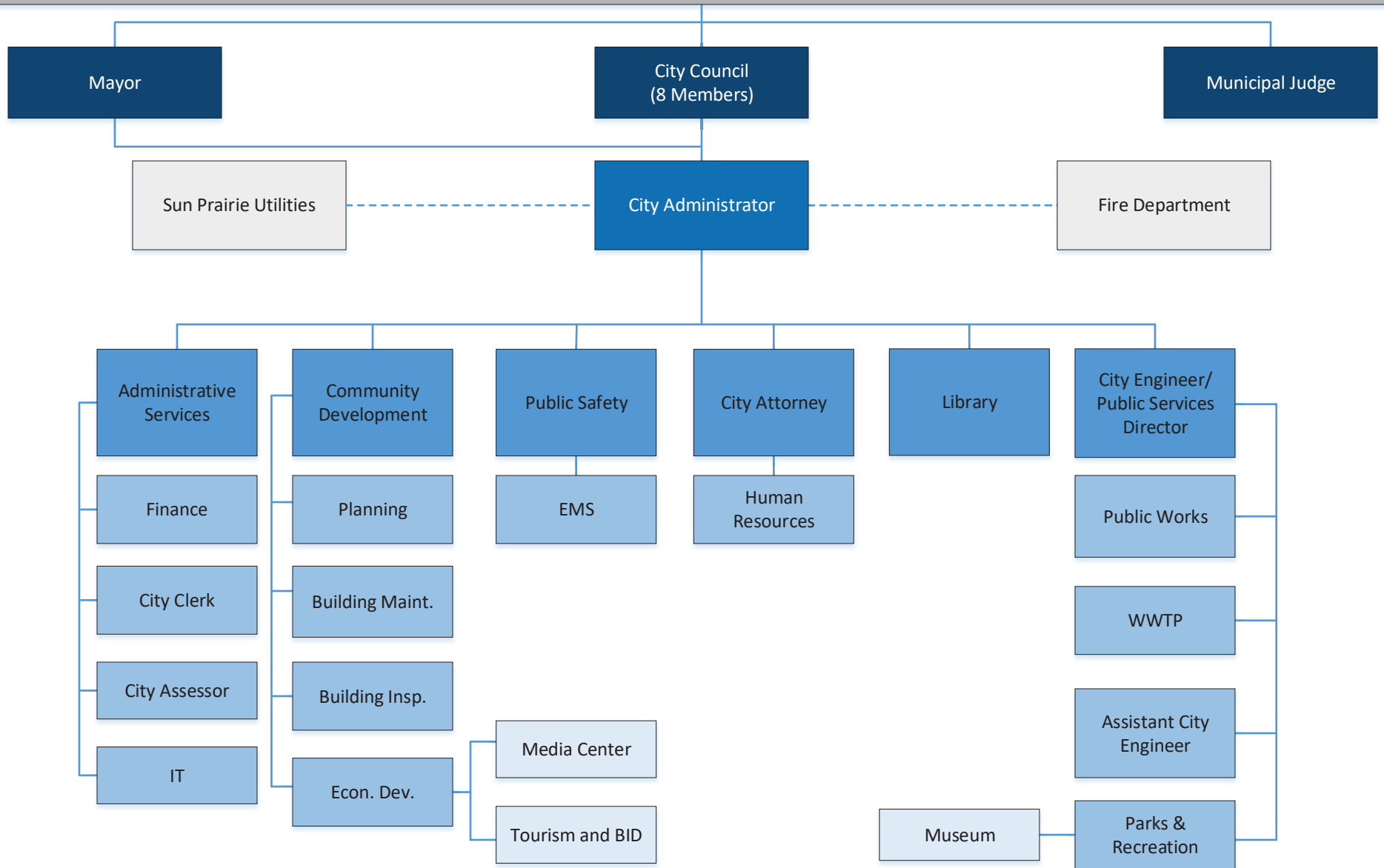
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

A handwritten signature in black ink, reading "Jeffrey R. Enev".

Executive Director/CEO

Citizens of Sun Prairie
Population: 32,613



CITY OF SUN PRAIRIE
DIRECTORY OF OFFICIALS
December 31, 2016

MAYOR

Paul T. Esser

COUNCIL PRESIDENT

Al Guyant

COUNCIL MEMBERS

District 1 – Emily Lindsey
District 1 – Steve Stocker
District 2 – Bill Connors
District 2 – Jon Freund
District 3 – Michael Jacobs
District 3 – Maureen Crombie
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	Elena Hilby
Director of Public Services/City Engineer	Adam Schleicher
Director of Community Development	Scott Kugler
Sun Prairie Media Center Director	Jeffrey Robbins
Director of Building Inspection	Brian Flannery
Director of Public Works	Lee Igl
Director of Economic Development	Neil Stechschulte
EMS Director	Vacant
Human Resources Director	Brenda Sukenik
Information Technology Director	Paul Watkins
Library Director	Svetha Hetzler
Recreation Director	Vacant
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, 2016, 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, 2016 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.

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.

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, 2017

Management's Discussion and Analysis (Unaudited)

CITY OF SUN PRAIRIE MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2016

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, 2016. 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 4.7% in 2016 to \$243.1 million. The city's net investment in capital assets was \$206.9 million at the end of 2016. An additional \$11.3 million was held for restricted purposes with \$24.8 million in unrestricted net position.
- At the end of 2016, the city's governmental activities reported a positive balance in unrestricted net position of \$1.8 million. This is an increase of \$3.6 million from the previous year due to the current year operating results.
- The city's general fund had an increase in fund balance of \$647,869 for 2016. The general fund's unassigned fund balance at the end of 2016 was \$4.3 million. The unassigned fund balance amount at the end of 2016 is at 19% 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 continues to experience an increase of property values in 2016. Equalized value increased by 8.0% in 2016 following an increase of 6.3% in 2015. The total property tax levy for the 2016-2017 tax year was \$22,204,039 an increase of 4.5% compared to the prior year.
- The city adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application* and GASB Statement No. 77, *Tax Abatement Disclosures*, effective January 1, 2016.

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.

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

Management's Discussion and Analysis (Unaudited)

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.

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.

Management's Discussion and Analysis (Unaudited)

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, General Debt Service Fund, and General Capital Projects 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 the 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, 2016 and 2015 are summarized in the table below.

The City's net position increased by \$11.0 million or 4.7% during the current fiscal year due in large part to the operating results of both the governmental and business-type activities. Additionally, the net difference between projected and actual earnings for the Wisconsin Retirement System (WRS) increased the net position of the City.

The net investment in capital assets accounts for 85.2% 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.

Management's Discussion and Analysis (Unaudited)

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 2016 and 2015:

CITY OF SUN PRAIRIE NET POSITION						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 47,778,113	\$ 43,429,625	\$ 37,224,121	\$ 27,558,239	\$ 85,002,234	\$ 70,987,864
Capital assets	<u>123,954,482</u>	<u>121,551,025</u>	<u>149,824,239</u>	<u>146,686,434</u>	<u>273,778,721</u>	<u>268,237,459</u>
Total assets	171,732,595	164,980,650	187,048,360	174,244,673	358,780,955	339,225,323
Deferred outflows	3,449,451	1,157,393	159,392	254,787	3,608,843	1,412,180
Non-current liabilities	45,181,458	46,988,752	29,059,249	21,402,170	74,240,707	68,390,922
Current and other liabilities	<u>11,917,798</u>	<u>10,587,195</u>	<u>5,834,151</u>	<u>5,010,535</u>	<u>17,751,949</u>	<u>15,597,730</u>
Total Liabilities	57,099,256	57,575,947	34,893,400	26,412,705	91,992,656	83,988,652
Deferred inflows	27,282,337	24,481,052	45,855	109,595	27,328,192	24,590,647
Net position:						
Invested in capital assets,						
net of related debt	81,638,011	82,157,158	125,335,883	124,869,023	206,973,894	207,026,181
Restricted	7,346,609	7,325,552	3,983,396	3,846,256	11,330,005	11,171,808
Unrestricted (deficit)	<u>1,815,833</u>	<u>(5,401,666)</u>	<u>22,949,218</u>	<u>19,261,881</u>	<u>24,765,051</u>	<u>13,860,215</u>
Total net position	<u>\$ 90,800,453</u>	<u>\$ 84,081,044</u>	<u>\$ 152,268,497</u>	<u>\$ 147,977,160</u>	<u>\$ 243,068,950</u>	<u>\$ 232,058,204</u>

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 \$11.3 million as of December 31, 2016.

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 \$24.7 million at the end of the year. It is important to note that \$22.9 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.

Management's Discussion and Analysis (Unaudited)

Governmental activities unrestricted net position increased to a balance of \$1.8 million due to operating results during the year. Additionally, in previous years the city had 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, 2016, TID No. 8 had an equalized value increment of \$71,633,100. 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.

Change in Net Position

The City's combined net position increased by \$11.0 million from fiscal year 2015 to 2016, an increase of 4.7%. Of this increase, the net position of the city's governmental activities increased by 8.0%, or \$6.7 million. The net position of the business-type activities increased 2.9%, or \$4.3 million.

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

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

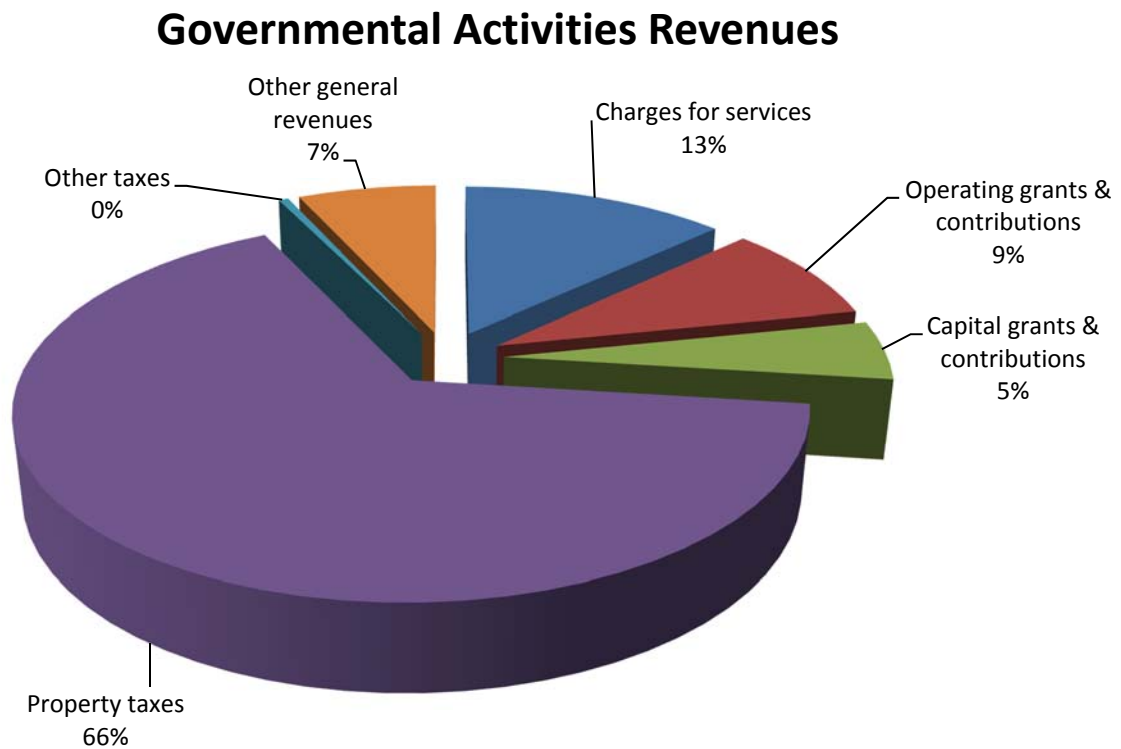
CITY OF SUN PRAIRIE CHANGE IN NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 4,658,330	\$ 4,459,485	\$ 37,195,218	\$ 35,964,808	\$ 41,853,548	\$ 40,424,293
Operating grants & contributions	3,093,256	3,309,096	-	-	3,093,256	3,309,096
Capital grants & contributions	1,847,780	3,376,106	2,088,200	2,947,172	3,935,980	6,323,278
General revenues					-	-
Property taxes	23,391,589	22,281,533	-	-	23,391,589	22,281,533
Other taxes	172,708	62,636	-	-	172,708	62,636
Other general revenues	<u>2,431,540</u>	<u>2,026,465</u>	<u>931,233</u>	<u>766,665</u>	<u>3,362,773</u>	<u>2,793,130</u>
Total revenues	35,595,203	35,515,321	40,214,651	39,678,645	75,809,854	75,193,966
Expenses						
General government	4,403,914	3,767,680	-	-	4,403,914	3,767,680
Public safety	11,119,610	8,463,874	-	-	11,119,610	8,463,874
Public works	8,290,581	7,404,845	-	-	8,290,581	7,404,845
Health and human services	54,500	23,500	-	-	54,500	23,500
Culture, recreation, and education	4,121,380	4,034,270	-	-	4,121,380	4,034,270
Conservation and development	1,120,518	1,052,201	-	-	1,120,518	1,052,201
Interest and fiscal charges	1,553,363	930,621	-	-	1,553,363	930,621
Electric Utility	-	-	25,644,446	25,129,204	25,644,446	25,129,204
Water Utility	-	-	2,295,240	2,345,040	2,295,240	2,345,040
Telecommunications Utility	-	-	451,698	374,325	451,698	374,325
Wastewater Utility	-	-	3,657,592	3,457,368	3,657,592	3,457,368
Stormwater Utility	<u>-</u>	<u>-</u>	<u>2,086,266</u>	<u>1,652,579</u>	<u>2,086,266</u>	<u>1,652,579</u>
Total expenses	30,663,866	25,676,991	34,135,242	32,958,516	64,799,108	58,635,507
Increase in net position						
before transfers	4,931,337	9,838,330	6,079,409	6,720,129	11,010,746	16,558,459
Transfers	<u>1,788,072</u>	<u>1,716,270</u>	<u>(1,788,072)</u>	<u>(1,716,270)</u>	<u>-</u>	<u>-</u>
Change in net position	6,719,409	11,554,600	4,291,337	5,003,859	11,010,746	16,558,459
Net position - beginning of the year	<u>84,081,044</u>	<u>72,526,444</u>	<u>147,977,160</u>	<u>142,973,301</u>	<u>232,058,204</u>	<u>215,499,745</u>
Net position - end of the year	<u>\$ 90,800,453</u>	<u>\$ 84,081,044</u>	<u>\$ 152,268,497</u>	<u>\$ 147,977,160</u>	<u>\$ 243,068,950</u>	<u>\$ 232,058,204</u>

Management'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 \$30.7 million in governmental activities revenues in 2016. This was an increase of \$80,000 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 65.7% of the total in 2016. 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 18.6%, while charges for services and all other sources account for 15.6% of total governmental activity resources.



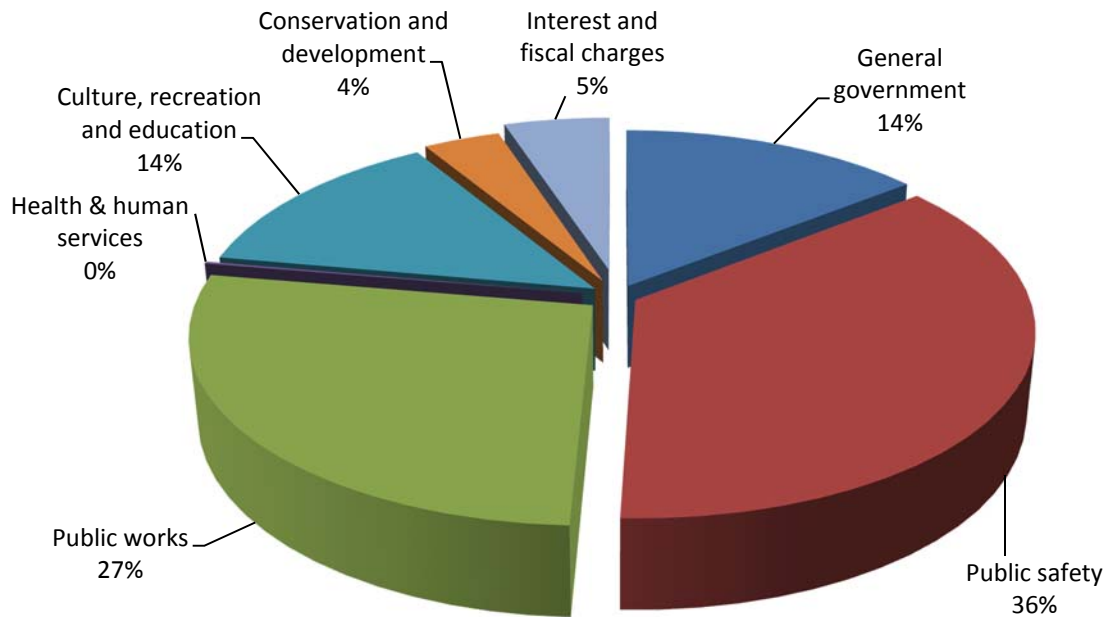
The City experienced very little change in revenues from 2015 to 2016. The primary changes are as follows:

- The City experienced a reduction in capital grants and contributions of \$1.5 due primarily to a reduction in developer contributions of streets, sidewalks and bikepaths.
- The council approved an increase in the property tax levy (\$1.1 million) primarily corresponding to the additional equalized value resulting from increased development in 2015.

Management's Discussion and Analysis (Unaudited)

Total governmental activities expenses were \$30.7 million in 2016. Public safety (including police, emergency medical services, building inspection, and fire services) accounts for the largest share of city expenses at 36.3%. This is followed by public works with 27.0%, general government with 14.4%, culture, recreation and education with 13.4%, and conservation and development at 3.71%. Interest & fiscal charges make up the remaining 5.1%.

Governmental Activities Expenses

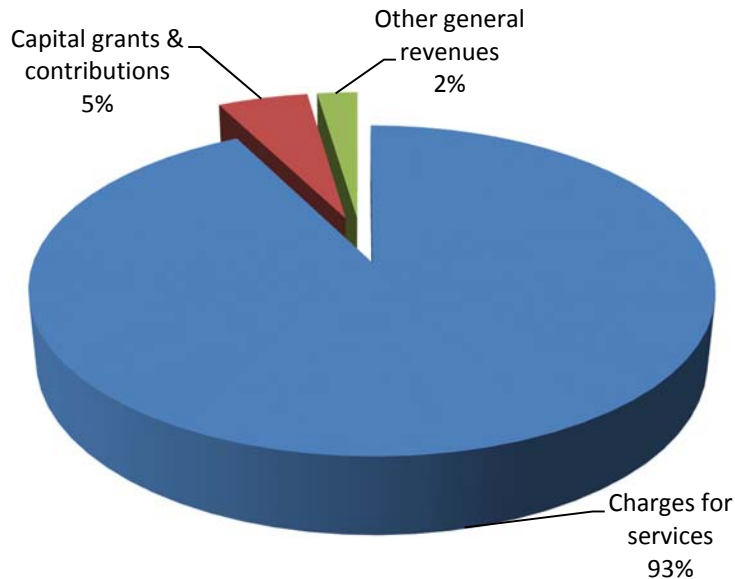


Management's Discussion and Analysis (Unaudited)

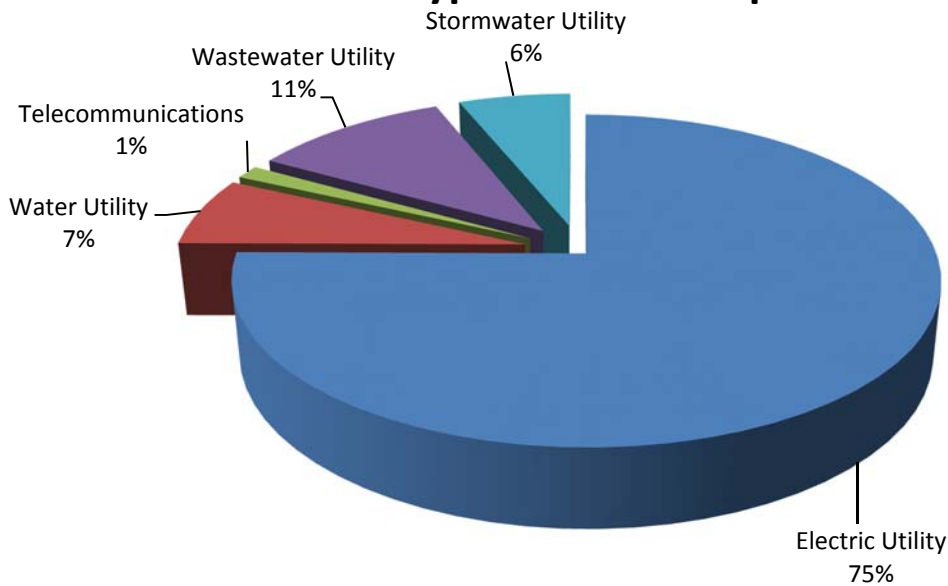
Business-type Activities

Business-type activities include the city's water, electric and telecommunications, wastewater, and storm water utilities. In 2016, revenue for business-type activities totaled \$40.2 million. Charges for services were the largest revenue source for these operations, representing 92.5% of business-type activity revenues. Capital grants and contributions accounted for 5.2% of revenues with other general revenues representing 2.3%.

Business-Type Activities Revenues



Business-Type Activities Expenses



Management's Discussion and Analysis (Unaudited)

The net position of Sun Prairie Utilities increased by \$2.6 million, which represents a 4.0% increase over 2015. Combined operating revenues for the utility increased by 3.2%, or \$982,700. Operating expenses for the utility increased by \$415,000, or 1.5% from 2015.

The net position of the wastewater utility increased by \$1.4 million, which represents a 3.4% increase from 2015. Wastewater utility operating revenues increased by \$119,600 in 2016. Operating expenses of the utility increased by \$129,800, or 3.4%, from 2015.

The net position of the storm water utility increased by \$233,000 during 2016, an increase of 0.5%. Storm water utility operating revenues increased by \$128,000, or 7.6% while operating expenses increased by \$329,800, or 20.6%.

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 July 2, 2016.
- Water rates were effective as of January 6, 2016.
- 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, 2016. The City Council approved an increase effective 7/1/2017.

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

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, which excludes the non-spendable and restricted fund balances, may serve as a useful measure of a government's net resources available for spending at each fiscal year end.

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 2016, the combined fund balances for the city's governmental funds were \$17.7 million, as detailed below:

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

CITY OF SUN PRAIRIE GOVERNMENTAL FUND BALANCES (DEFICITS)

	2016	2015
Nonspendable	\$ 2,937,607	\$ 2,968,901
Restricted, reported in:		
General Fund	434,645	142,000
Special revenue funds	3,582,009	3,300,014
Debt service funds	10,723	10,332
Capital project funds	4,213,502	2,835,329
Permanent funds	409,574	386,244
Committed to:		
Special revenue funds	738,189	585,008
Assigned, reported in:		
General Fund	3,513,829	3,066,431
Capital project funds	-	300,290
Unassigned, reported in:		
General Fund	4,292,708	4,352,338
Special revenue funds	-	-
Debt service funds	(106,714)	(104,963)
Capital project funds	<u>(2,277,614)</u>	<u>(2,407,503)</u>
Total Fund Balance	<u>\$ 17,748,458</u>	<u>\$ 15,434,421</u>

General Fund: The general fund is the primary operating fund of the city. Total fund balance as of December 31, 2016 was \$11.2 million, of which \$2.9 million was nonspendable. Included in this amount is \$2.3 million representing advances to TIF District funds. Assigned fund balance comprised another \$3.5 million of the total fund balance. The 2016 payment in lieu of taxes due to the general fund from the electric and water utility represents \$1.79 million of the assigned fund balance. Unassigned fund balance in the general fund at the end of 2016 was \$4.3 million, which represents 19% 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.

General Capital Projects Fund: The general capital projects fund is used to account for major capital improvement projects relating to city-owned capital assets. The fund balance at the end of 2016 was \$1.4 million.

Proprietary Funds

Sun Prairie Utilities (SPU) (Electric, Water and Telecommunications): The SPU's operating income was \$3,467,723 in 2016, with net income before transfers and contributions of \$3,881,463.

Management's Discussion and Analysis (Unaudited)

This is an increase of \$515,216 over 2015. This is a result of stable operating expenses for the utility.

Wastewater Utility: The Wastewater Utility's operating income was \$556,409 in 2016, with net income before transfers and contributions of \$326,702. This is a result of stable operating expenses for the utility.

Storm Water Utility: The Storm Water Utility had operating loss of \$115,568 in 2016, with a net loss before contributions and transfers of \$216,956 and an increase in net position of \$233,067. The Storm water utility continues to require significant infrastructure improvements. A modest increase in the rate was implemented on July 1, 2016. A 20% rate increase was approved to take effect on July 1, 2017. This rate increase is a result of the future purchase of land and the construction of a regional storm water facility. The City is currently experiencing consistent growth. The increase in net position is primarily a result of \$450,023 of capital contributions due to development.

GENERAL FUND BUDGETARY ANALYSIS

The general fund budget is adopted at the department level of expenditure. In 2016, the general fund experienced a net increase in fund balance of \$647,869.

Total general fund revenues exceeded the budget by \$250,465. Significant revenue variances for 2016 are noted below:

- **Intergovernmental Revenues: Deficit \$86,247**

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 a decrease in exempt computer aids by \$80,368. The remaining surplus is an accumulation of minor variances in various local and state aid payments.

- **Public Charges for Services: Surplus \$ 94,872**

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 2016 exceeded the budget by \$70,357 due to increased call volume. In addition, Family Aquatic Center fees exceeded the budget by \$18,241 due to a warm summer season.

- **Investment Income: Surplus \$ 17,032**

Investment income exceeded the 2015 budget by \$17,032 due to higher interest rates on short-term investments.

- **Miscellaneous Revenues: Surplus \$ 229,093**

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 2016, the City was reimbursed for \$227,747 in additional engineering charges due to the increase in capital projects the City completed throughout the City. Additionally the city received a surplus of \$33,080 from the sale of equipment and materials.

Management's Discussion and Analysis (Unaudited)

Total general fund expenditures were \$835,664 under budget in 2016. Areas that experienced significant variances from the budget are noted below:

- **Police Department: Surplus \$ 166,709**

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

- **Information Technology Department: Surplus \$ 116,610**

The Information Technology Department had a vacancy for a portion of the year. The savings was an accumulation of the wages and benefits as well as corresponding uncompleted budgeted projects due to a reduced number of employees.

- **Risk Management: Deficit \$ 111,719**

The risk department experienced an increase in workers compensation insurance as well as a write off for a portion of the City's original investment in the Wisconsin Municipal Insurance Company.

- **Public Works Department: Surplus \$369,720**

The Public Works Department had a surplus primarily due to the unanticipated change of street capital projects completed during the year. The scheduled street maintenance was reduced as some of the streets planned to be maintained, underwent the street rehabilitation process due to unforeseen utility repairs. Additionally, the Department experienced a significant savings on healthcare insurance due to the start of a transition to a high deductible health insurance plan.

- **Library: Surplus \$ 108,138**

The Library Department experienced a savings of \$47,700 due to the delay in building maintenance projects. The projects are currently scheduled for 2017. Additionally, the Library experience salary savings due to unexpected retirements and healthcare savings due to the transition to a high deductible plan starting in 2015.

- **Parks and Recreation: Surplus \$75,652**

The Parks and Recreation Department experienced a savings of \$21,000 due to a reduction in routine maintenance and repair requirements for the maintenance of the parks. The department also had reduced staffing and operating costs while maintaining the recreation programming provided in previous years.

BUDGETARY ANALYSIS

The City's 2016 General Fund adopted expenditure budget totaled \$22,176,805. The Common Council approved departmental 2015 carryover requests of 2015 unspent operating funds of \$278,900. The City ended 2016 with a total fund balance increase of \$647,869 and an unassigned fund balance decrease from 2015 of \$59,630.

Actual general fund revenue was \$250,465 (1.2%) over budget. The City experienced a positive variance in Taxes (\$14,292), Charges for Services (\$94,872), Investment Income (17,032) and Miscellaneous Revenues (\$143,540) while Intergovernmental Revenues (\$86,247) Licenses and Permits (\$3,025), Fines, Forfeitures and Penalties (\$8,986), and Special Assessments (\$6,566) experienced negative variances.

Management's Discussion and Analysis (Unaudited)

General fund expenditures finished 2016 with a favorable budget variance of \$835,664 (3.77%) primarily due to savings from vacancies and healthcare costs. The operating functions that experienced positive variances included General Government (\$113,986), Public Safety (\$214,787), Public Works (\$341,548), Culture, Recreation, and Education (\$202,870) and Conservation and Development (\$24,238). Debt Service (\$61,765) was the only function that experienced a negative variance. Statements highlighting budget versus actual variances can be found on pages 81 through 84.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the city of Sun Prairie had an investment in capital assets of \$273.8 million, net of accumulated depreciation, for all governmental and business-type activities of the city. This represents an increase of 2.1% from the end of 2015.

Major capital asset improvements within the city's governmental activities included \$3.1 million for street additions and reconstruction and \$887,000 for bike paths and sidewalks. The city also purchased \$1.0 million in machinery and equipment public works and parks maintenance vehicles, police squad cars and a down payment on a Fire ladder truck.

In the city's business-type activities, major capital additions (prior to depreciation) include \$2.3 million for the electric distribution plant, \$1.4 million for water infrastructure and \$2.5 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		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Land/right-of-ways	\$ 43,559,873	\$ 43,067,783	\$ 8,519,557	\$ 8,519,557	\$ 52,079,430	\$ 51,587,340
Land improvements	3,822,449	3,608,296	-	-	3,822,449	3,608,296
Buildings	28,591,745	28,428,728	-	-	28,591,745	28,428,728
Equipment	15,793,829	14,790,121	-	-	15,793,829	14,790,121
Infrastructure	89,806,864	85,479,475	-	-	89,806,864	85,479,475
Electric system	-	-	45,163,933	42,861,411	45,163,933	42,861,411
Water system	-	-	44,006,123	42,650,873	44,006,123	42,650,873
Telecommunications system	-	-	3,383,769	2,119,405	3,383,769	2,119,405
Wastewater system	-	-	58,826,085	58,320,992	58,826,085	58,320,992
Stormwater system	-	-	44,919,518	42,434,804	44,919,518	42,434,804
Construction in progress	-	32,565	665,801	1,881,735	665,801	1,914,300
Total capital assets	181,574,760	175,406,968	205,484,786	198,788,777	387,059,546	374,195,745
Less: Accumulated depreciation	(57,620,278)	(53,855,943)	(55,660,547)	(52,102,343)	(113,280,825)	(105,958,286)
Capital assets net of depreciation	\$ 123,954,482	\$ 121,551,025	\$ 149,824,239	\$ 146,686,434	\$ 273,778,721	\$ 268,237,459

Management's Discussion and Analysis (Unaudited)

Additional detail about the changes in capital assets can be found in Note IV.D on pages 43 through 46 of the financial statements.

Long Term Debt

The city's outstanding general obligation debt as of December 31, 2016 totaled \$53.1 million. In addition, the city had revenue debt outstanding of \$16.8 million that is guaranteed by revenues generated from the City's electric, water, and wastewater utilities. There were also outstanding capital leases in the amount of \$12.4 million that are supported from revenues from the city's tax increment finance districts.

The city issued \$21.24 million of long-term general obligation debt in 2016. Of this amount, \$4.8 million was used to refund prior years' debt for interest savings. The remaining \$16.445 million was used to finance 2016 capital project expenditures.

City Capital Projects	\$6,105,000
Wastewater Projects	385,000
Stormwater Projects	5,820,000
Electric System Projects	480,000
Water System Projects	2,955,000
Telecommunications Projects	<u>700,000</u>
Total	\$16,445,000

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 October 19, 2016 rating analysis, Moody's stated that factors contributing to the city's high rating include "large tax base adjacent to the City of Madison and sound financial operations and healthy 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 2016 equalized valuation of \$2.77 billion the city's statutory debt limit is \$138,612,290. The city was at 38.3% of its legal debt limit as of December 31, 2016.

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

CITY OF SUN PRAIRIE OUTSTANDING DEBT

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
General obligation bonds and notes	\$ 39,113,875	\$ 39,428,650	\$ 13,999,000	\$ 4,154,000	\$ 53,112,875	\$ 43,582,650
Revenue bonds	-	-	16,784,096	18,547,387	16,784,096	18,547,387
Capital leases	<u>12,361,797</u>	<u>14,223,562</u>	<u>-</u>	<u>-</u>	<u>12,361,797</u>	<u>14,223,562</u>
Total	<u>\$ 51,475,672</u>	<u>\$ 53,652,212</u>	<u>\$ 30,783,096</u>	<u>\$ 22,701,387</u>	<u>\$ 82,258,768</u>	<u>\$ 76,353,599</u>

Management's Discussion and Analysis (Unaudited)

More detail regarding the City's outstanding debt can be found in Note IV (F) on Pages 50 through 54 of this report.

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, 2016, the population is estimated at 32,613. This is an increase of 3,263 since 2010. During this period, the city's population has grown by 11.1% making it one of the fastest growing municipalities in the State of Wisconsin. Major development projects in the city include an expansion to the 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 redevelopment of the downtown area includes the construction of new apartment complexes and a retail center. The Westside commercial center continues to grow with the addition of a Hilton Gardens Hotel, Menards retail store, and two apartment complexes. Construction of these projects start in 2017.

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 an 8.0% increase in equalized property valuation for 2016 to a total of \$2.8 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 2.9% in 2016, below the state and federal rates of 4.1% and 4.7% respectively.

The Sun Prairie City Council approved the 2017 budget, which authorized general fund expenditures of \$22,823,771. The combined property tax levy was \$22,204,039, which is an increase of 4.49%. The City's portion of the mill rate increased by 1.6% to \$8.48 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 8.0% in 2016. Commercial property increased by 8.25% and residential property increased by 7.70%. New construction decreased from \$82.7 million in 2015 to \$75.3 million in 2016.

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, 2016

	Governmental Activities	Business-type Activities	Totals	CDA
ASSETS				
Cash and investments	\$ 16,138,666	\$ 14,182,101	\$ 30,320,767	\$ -
Receivables (net)				
Taxes	26,015,569	-	26,015,569	-
Delinquent personal property taxes	7,665	-	7,665	-
Accounts	413,581	2,836,131	3,249,712	-
Special assessments	241,779	6,122	247,901	-
Delinquent special assessments	31,477	-	31,477	-
Accrued interest	3,838	23,413	27,251	136,199
Ambulance	204,600	-	204,600	-
Loans	37,851	-	37,851	-
Other	-	490,022	490,022	-
Due from other governments	138,439	-	138,439	-
Internal balances	1,179,720	(1,179,720)	-	-
Due from primary government	-	-	-	126,729
Capital leases receivable from primary government	-	-	-	12,361,797
Prepaid items and inventories	804,161	894,556	1,698,717	-
Investment in mutual insurance company	309,366	-	309,366	-
Restricted cash and investments				
Restricted cash and investments	2,251,401	10,942,313	13,193,714	2,146,510
Other assets	-	9,029,183	9,029,183	-
Capital Assets				
Land	43,559,873	8,519,557	52,079,430	-
Construction in progress	-	665,801	665,801	-
Other capital assets, net of depreciation	80,394,609	140,638,881	221,033,490	-
Total Assets	<u>171,732,595</u>	<u>187,048,360</u>	<u>358,780,955</u>	<u>14,771,235</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	103,953	8,368	112,321	368,647
Pension related amounts	3,345,498	151,024	3,496,522	-
Total Deferred Outflows of Resources	<u>3,449,451</u>	<u>159,392</u>	<u>3,608,843</u>	<u>368,647</u>
LIABILITIES				
Accounts payable and accrued expenses	2,188,501	2,894,787	5,083,288	136,199
Deposits	173,066	3,637	176,703	-
Due to other governments	148,727	-	148,727	-
Due to component unit	126,729	-	126,729	-
Noncurrent Liabilities				
Due within one year	9,280,775	2,935,727	12,216,502	1,895,000
Due in more than one year	45,181,458	29,059,249	74,240,707	12,740,000
Total Liabilities	<u>57,099,256</u>	<u>34,893,400</u>	<u>91,992,656</u>	<u>14,771,199</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for next period	26,020,379	-	26,020,379	-
Pension related amounts	1,261,958	45,855	1,307,813	-
Total Deferred Inflows of Resources	<u>27,282,337</u>	<u>45,855</u>	<u>27,328,192</u>	<u>-</u>

See accompanying notes to financial statements.

	Governmental Activities	Business-type Activities	Totals	CDA
NET POSITION				
Net investment in capital assets	\$ 81,638,011	\$125,335,883	\$206,973,894	\$ -
Restricted for				
Park improvement	1,001,328	-	1,001,328	-
Economic development	149,904	-	149,904	-
Impact fees	2,297,946	-	2,297,946	-
Grants	265,832	-	265,832	-
Library	77,749	-	77,749	-
TIF districts	2,709,631	-	2,709,631	-
Trusts	409,574	-	409,574	-
Equipment replacement	-	2,618,574	2,618,574	-
Debt service	434,645	1,364,822	1,799,467	-
Unrestricted	<u>1,815,833</u>	<u>22,949,218</u>	<u>24,765,051</u>	<u>368,683</u>
TOTAL NET POSITION	<u>\$ 90,800,453</u>	<u>\$152,268,497</u>	<u>\$243,068,950</u>	<u>\$ 368,683</u>

CITY OF SUN PRAIRIE

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 4,403,914	\$ 157,680	\$ 47,670	\$ -
Public safety	11,119,610	1,549,065	288,517	-
Public works	8,290,581	1,907,877	2,285,796	1,745,855
Health and human services	54,500	-	-	-
Culture, recreation and education	4,121,380	933,945	471,273	101,925
Conservation and development	1,120,518	109,763	-	-
Interest and fiscal charges	1,553,363	-	-	-
Total Governmental Activities	<u>30,663,866</u>	<u>4,658,330</u>	<u>3,093,256</u>	<u>1,847,780</u>
Business-type Activities				
Electric	25,644,446	27,390,414	-	236,954
Water	2,295,240	3,495,738	-	307,543
Telecommunications	451,698	609,350	-	17,048
Wastewater	3,657,592	3,891,120	-	1,076,632
Stormwater	2,086,266	1,808,596	-	450,023
Total Business-type Activities	<u>34,135,242</u>	<u>37,195,218</u>	<u>-</u>	<u>2,088,200</u>
Total Primary Government	<u>\$ 64,799,108</u>	<u>\$ 41,853,548</u>	<u>\$ 3,093,256</u>	<u>\$ 3,935,980</u>
Component Unit				
Community Development Authority	<u>\$ 418,850</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

Public gifts and grants

Investment income

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year

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
\$ (4,198,564)	\$ -	\$ (4,198,564)	\$ -
(9,282,028)	-	(9,282,028)	-
(2,351,053)	-	(2,351,053)	-
(54,500)	-	(54,500)	-
(2,614,237)	-	(2,614,237)	-
(1,010,755)	-	(1,010,755)	-
(1,553,363)	-	(1,553,363)	-
(21,064,500)	-	(21,064,500)	-
-	1,982,922	1,982,922	-
-	1,508,041	1,508,041	-
-	174,700	174,700	-
-	1,310,160	1,310,160	-
-	172,353	172,353	-
-	5,148,176	5,148,176	-
(21,064,500)	5,148,176	(15,916,324)	-
-	-	-	(418,850)
13,546,267	-	13,546,267	-
6,648,847	-	6,648,847	-
3,196,475	-	3,196,475	-
172,708	-	172,708	-
1,694,011	50,000	1,744,011	-
9,966	-	9,966	-
123,106	859,736	982,842	335,965
604,457	21,497	625,954	1,000
1,788,072	(1,788,072)	-	-
27,783,909	(856,839)	26,927,070	336,965
6,719,409	4,291,337	11,010,746	(81,885)
84,081,044	147,977,160	232,058,204	450,568
<u>\$ 90,800,453</u>	<u>\$ 152,268,497</u>	<u>\$ 243,068,950</u>	<u>\$ 368,683</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2016

	<u>General Fund</u>	<u>General Debt Service Fund</u>	<u>General Capital Projects Fund</u>
ASSETS			
Cash and investments	\$ 12,119,482	\$ 30	\$ 4
Receivables (net)			
Taxes	14,306,002	6,619,638	-
Delinquent personal property taxes	7,665	-	-
Accounts	133,276	1,220	-
Special assessments	1,091	17,467	223,221
Delinquent special assessments	26,245	-	-
Accrued interest	2,212	-	-
Ambulance	204,600	-	-
Loans	-	-	-
Due from other governments	-	-	-
Due from other funds	3,083,627	12,206	2,063,680
Prepaid items and inventories	301,161	-	-
Investment in mutual insurance company	309,366	-	-
Advances to other funds	2,291,920	-	-
Restricted cash and investments	284,645	-	-
TOTAL ASSETS	<u>\$ 33,071,292</u>	<u>\$ 6,650,561</u>	<u>\$ 2,286,905</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 745,343	\$ 1,513	\$ 613,062
Accrued liabilities	314,462	-	-
Deposits	166,233	-	1,833
Due to other governments	143,897	-	-
Due to other funds	5,930,141	-	14,550
Due to component unit	126,729	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>7,426,805</u>	<u>1,513</u>	<u>629,445</u>
Deferred Inflows of Resources			
Property taxes levied for next period	14,310,889	6,619,638	-
Unavailable revenues	156,059	18,687	223,221
Total Deferred Inflows of Resources	<u>14,466,948</u>	<u>6,638,325</u>	<u>223,221</u>
Fund Balances			
Nonspendable	2,936,357	-	-
Restricted	434,645	10,723	1,522,223
Committed	-	-	-
Assigned	3,513,829	-	-
Unassigned (deficit)	4,292,708	-	(87,984)
Total Fund Balances	<u>11,177,539</u>	<u>10,723</u>	<u>1,434,239</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 33,071,292</u>	<u>\$ 6,650,561</u>	<u>\$ 2,286,905</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 4,019,150	\$ 16,138,666
5,089,929	26,015,569
-	7,665
278,346	412,842
-	241,779
5,232	31,477
1,626	3,838
-	204,600
37,851	37,851
113,369	113,369
1,743,871	6,903,384
1,250	302,411
-	309,366
-	2,291,920
<u>1,966,756</u>	<u>2,251,401</u>
<u>\$ 13,257,380</u>	<u>\$ 55,266,138</u>

\$ 54,779	\$ 1,414,697
5,168	319,630
5,000	173,066
4,830	148,727
352,528	6,297,219
-	126,729
<u>2,291,920</u>	<u>2,291,920</u>
<u>2,714,225</u>	<u>10,771,988</u>

5,089,929	26,020,456
<u>327,269</u>	<u>725,236</u>
<u>5,417,198</u>	<u>26,745,692</u>

1,250	2,937,607
6,682,862	8,650,453
738,189	738,189
-	3,513,829
<u>(2,296,344)</u>	<u>1,908,380</u>
<u>5,125,957</u>	<u>17,748,458</u>

<u>\$ 13,257,380</u>	<u>\$ 55,266,138</u>
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CITY OF SUN PRAIRIE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2016

Total Fund Balances - Governmental Funds	\$ 17,748,458
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.	119,261,753
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.	246,661
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.	478,575
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	3,345,498
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,261,958)
Internal service funds are reported in the statement of net position as governmental activities.	4,317,924
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.	(53,440,411)
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>103,953</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 90,800,453</u>

CITY OF SUN PRAIRIE

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

For the Year Ended December 31, 2016

	General Fund	General Debt Service Fund	General Capital Projects Fund
REVENUES			
Taxes	\$ 13,685,710	\$ 6,648,847	\$ -
Intergovernmental	3,821,053	-	-
Licenses and permits	533,275	-	19,045
Fines, forfeitures and penalties	191,014	-	-
Public charges for services	1,397,422	-	25,020
Special assessments	4,434	-	40,479
Investment income	57,032	-	1,791
Miscellaneous	697,512	41,664	105,000
Total Revenues	<u>20,387,452</u>	<u>6,690,511</u>	<u>191,335</u>
EXPENDITURES			
Current			
General government	4,298,261	-	-
Public safety	10,288,497	-	-
Public works	2,656,667	-	-
Health and human services	54,500	-	-
Culture, recreation and education	3,245,894	-	-
Conservation and development	740,297	-	-
Capital Outlay	-	-	3,965,440
Debt Service			
Principal	61,765	6,015,731	-
Interest and fiscal charges	-	718,723	46,659
Total Expenditures	<u>21,345,881</u>	<u>6,734,454</u>	<u>4,012,099</u>
Excess (deficiency) of revenues over expenditures	<u>(958,429)</u>	<u>(43,943)</u>	<u>(3,820,764)</u>
OTHER FINANCING SOURCES (USES)			
Sale of property	-	-	-
Long-term debt issued	-	-	4,195,000
Refunding debt issued	-	3,735,000	-
Premium on debt issued	-	251,158	221,298
Payments to escrow agent	-	(4,145,668)	-
Transfers in	1,998,837	203,844	11,511
Transfers out	(392,539)	-	(203,844)
Total Other Financing Sources (Uses)	<u>1,606,298</u>	<u>44,334</u>	<u>4,223,965</u>
Net Change in Fund Balances	647,869	391	403,201
FUND BALANCES - Beginning of Year	<u>10,529,670</u>	<u>10,332</u>	<u>1,031,038</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,177,539</u>	<u>\$ 10,723</u>	<u>\$ 1,434,239</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 3,248,402	\$ 23,582,959
640,950	4,462,003
430,573	982,893
-	191,014
2,060,892	3,483,334
3,605	48,518
63,168	121,991
<u>158,245</u>	<u>1,002,421</u>
<u>6,605,835</u>	<u>33,875,133</u>
1,147	4,299,408
11,869	10,300,366
2,213,758	4,870,425
-	54,500
571,444	3,817,338
222,358	962,655
917,221	4,882,661
1,964,044	8,041,540
<u>569,272</u>	<u>1,334,654</u>
<u>6,471,113</u>	<u>38,563,547</u>
<u>134,722</u>	<u>(4,688,414)</u>
201,325	201,325
200,000	4,395,000
1,375,000	5,110,000
95,521	567,977
(914,255)	(5,059,923)
392,539	2,606,731
<u>(222,276)</u>	<u>(818,659)</u>
<u>1,127,854</u>	<u>7,002,451</u>
1,262,576	2,314,037
<u>3,863,381</u>	<u>15,434,421</u>
<u>\$ 5,125,957</u>	<u>\$ 17,748,458</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, 2016

Net change in fund balances - total governmental funds	\$ 2,314,037
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	4,882,661
Some items reported as capital outlay were not capitalized	(256,700)
Some items reported as operating expenses in the fund financial statements, are capitalized in the government-wide statements.	247,382
Depreciation is reported in the government-wide financial statements	(4,042,417)
Net book value of assets retired	(146,777)
Contributed capital assets are reported as revenues in the governmental activities.	1,455,516
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.	22,168
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	(9,505,000)
Principal repaid	12,866,540
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	85,764
Current year premium	(567,977)
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	126,758
Other postemployment benefits	1,071
Accrued interest on debt	58,835
Amortization of deferred charge on refunding	(103,952)
Net pension liability (asset)	(1,493,413)
Deferred outflows of resources related to pensions	2,396,010
Deferred inflows of resources related to pensions	(1,261,958)
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	(359,139)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 6,719,409

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2016

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
ASSETS					
Current Assets					
Cash and investments	\$ 5,830,557	\$ 486,174	\$ 1,508,897	\$ 7,825,628	\$ -
Receivables					
Accounts	2,416,400	304,978	114,753	2,836,131	739
Accrued interest	7,397	16,016	-	23,413	-
Other	479,791	10,231	-	490,022	-
Due from other governments	-	-	-	-	25,070
Due from other funds	69,936	27,926	1,481,443	1,579,305	573,555
Prepaid items	21,262	268	-	21,530	501,750
Inventories	873,026	-	-	873,026	-
Restricted Assets					
Cash and investments	788,175	1,173,785	3,382,317	5,344,277	-
Total Current Assets	10,486,544	2,019,378	6,487,410	18,993,332	1,101,114
Noncurrent Assets					
Restricted Assets					
Cash and investments	2,979,462	2,618,574	-	5,598,036	-
Capital Assets					
Land	681,795	194,278	7,643,484	8,519,557	-
Construction in progress	611,720	-	54,081	665,801	-
Other capital assets	92,553,825	58,826,085	44,919,518	196,299,428	9,390,198
Less: Accumulated depreciation	(29,366,181)	(16,150,883)	(10,143,483)	(55,660,547)	(4,697,469)
Other Assets					
Cash and investments	-	6,356,473	-	6,356,473	-
Property held for future use	16,854	-	-	16,854	-
Lift station fees receivable	-	79,984	-	79,984	-
Special assessments receivable	-	6,122	-	6,122	-
Non-utility property	52,651	-	-	52,651	-
Investment in ATC	8,879,694	-	-	8,879,694	-
Total Noncurrent Assets	76,409,820	51,930,633	42,473,600	170,814,053	4,692,729
Total Assets	86,896,364	53,950,011	48,961,010	189,807,385	5,793,843
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	8,368	-	-	8,368	-
Pension related amounts	151,024	-	-	151,024	-
Total Deferred Outflows of Resources	159,392	-	-	159,392	-

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	\$ 2,137,656	\$ 94,615	\$ 191,344	\$ 2,423,615	\$ 20,232
Other accrued liabilities	284,020	22,311	58,320	364,651	14,372
Deposits	3,637	-	-	3,637	-
Due to other funds	1,879,797	879,228	-	2,759,025	-
Current portion of general obligation debt	247,846	195,000	695,000	1,137,846	140,000
Liabilities Payable From Restricted Assets					
Revenue bonds payable	950,000	847,881	-	1,797,881	-
Accrued interest	73,434	33,087	-	106,521	-
Total Current Liabilities	<u>5,576,390</u>	<u>2,072,122</u>	<u>944,664</u>	<u>8,593,176</u>	<u>174,604</u>
Noncurrent Liabilities					
Long-Term Debt					
Revenue bonds payable	7,701,830	7,581,305	-	15,283,135	-
General obligation debt	4,511,154	1,000,000	7,619,104	13,130,258	1,260,712
Net pension liability	100,927	-	-	100,927	-
Compensated absences	445,234	98,198	1,497	544,929	40,603
Total Noncurrent Liabilities	<u>12,759,145</u>	<u>8,679,503</u>	<u>7,620,601</u>	<u>29,059,249</u>	<u>1,301,315</u>
Total Liabilities	<u>18,335,535</u>	<u>10,751,625</u>	<u>8,565,265</u>	<u>37,652,425</u>	<u>1,475,919</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	<u>45,855</u>	-	-	<u>45,855</u>	-
Total Deferred Inflows of Resources	<u>45,855</u>	-	-	<u>45,855</u>	-
NET POSITION					
Net investment in capital assets	54,058,159	33,735,911	37,541,813	125,335,883	3,792,017
Restricted for					
Debt service	714,741	650,081	-	1,364,822	-
Equipment replacement	-	2,618,574	-	2,618,574	-
Unrestricted	<u>13,901,466</u>	<u>6,193,820</u>	<u>2,853,932</u>	<u>22,949,218</u>	<u>525,907</u>
TOTAL NET POSITION	<u>\$ 68,674,366</u>	<u>\$ 43,198,386</u>	<u>\$ 40,395,745</u>	<u>\$ 152,268,497</u>	<u>\$ 4,317,924</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, 2016

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
OPERATING REVENUES	<u>\$ 31,495,502</u>	<u>\$ 3,891,120</u>	<u>\$ 1,808,596</u>	<u>\$ 37,195,218</u>	<u>\$ 848,226</u>
OPERATING EXPENSES					
Operation and maintenance	25,496,910	1,969,646	981,434	28,447,990	623,559
Depreciation	<u>2,530,869</u>	<u>1,365,065</u>	<u>942,730</u>	<u>4,838,664</u>	<u>567,278</u>
Total Operating Expenses	<u>28,027,779</u>	<u>3,334,711</u>	<u>1,924,164</u>	<u>33,286,654</u>	<u>1,190,837</u>
Operating Income (Loss)	<u>3,467,723</u>	<u>556,409</u>	<u>(115,568)</u>	<u>3,908,564</u>	<u>(342,611)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	769,769	80,819	9,148	859,736	-
Intergovernmental grants	-	-	50,000	50,000	25,070
Gain (loss) on sale of property	-	(81,860)	-	(81,860)	(17,916)
Debt issuance costs	(42,435)	(14,160)	(82,410)	(139,005)	(13,180)
Interest and amortization expense	(321,170)	(226,861)	(79,692)	(627,723)	(10,502)
Miscellaneous	<u>7,576</u>	<u>12,355</u>	<u>1,566</u>	<u>21,497</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>413,740</u>	<u>(229,707)</u>	<u>(101,388)</u>	<u>82,645</u>	<u>(16,528)</u>
Income (Loss) Before Contributions and Transfers	<u>3,881,463</u>	<u>326,702</u>	<u>(216,956)</u>	<u>3,991,209</u>	<u>(359,139)</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	561,545	1,076,632	450,023	2,088,200	-
Transfers in (out)	<u>(1,788,072)</u>	<u>-</u>	<u>-</u>	<u>(1,788,072)</u>	<u>-</u>
Total Contributions and Transfers	<u>(1,226,527)</u>	<u>1,076,632</u>	<u>450,023</u>	<u>300,128</u>	<u>-</u>
Change in Net Position	<u>2,654,936</u>	<u>1,403,334</u>	<u>233,067</u>	<u>4,291,337</u>	<u>(359,139)</u>
NET POSITION - Beginning 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>
NET POSITION - END OF YEAR	<u>\$ 68,674,366</u>	<u>\$ 43,198,386</u>	<u>\$ 40,395,745</u>	<u>\$152,268,497</u>	<u>\$ 4,317,924</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2016

	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	\$ 31,089,571	\$ 3,876,365	\$ 1,801,766	\$ 36,767,702	\$ 721,808
Received from (paid to) municipality for services	361,668	(271,985)	(1,131,308)	(1,041,625)	-
Paid to suppliers for goods and services	(23,981,949)	(1,351,830)	(793,228)	(26,127,007)	(824,279)
Paid to employees for services	(1,228,459)	(594,161)	(165,855)	(1,988,475)	(294,710)
Net Cash Flows From Operating Activities	<u>6,240,831</u>	<u>1,658,389</u>	<u>(288,625)</u>	<u>7,610,595</u>	<u>(397,181)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	513,197	69,402	10,974	593,573	-
Investments sold and matured	777,418	754,330	490,000	2,021,748	-
Investment in ATC	(366,519)	-	-	(366,519)	-
Investments purchased	(733,997)	(2,006,664)	-	(2,740,661)	-
Net Cash Flows From Investing Activities	<u>190,099</u>	<u>(1,182,932)</u>	<u>500,974</u>	<u>(491,859)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to municipality for tax equivalent	(1,734,503)	-	-	(1,734,503)	-
Net Cash Flows From Noncapital Financing Activities	<u>(1,734,503)</u>	<u>-</u>	<u>-</u>	<u>(1,734,503)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt issued	4,135,000	385,000	5,820,000	10,340,000	1,185,000
Debt retired	(935,000)	(988,291)	(315,000)	(2,238,291)	-
Interest paid	(306,414)	(234,097)	(59,341)	(599,852)	(10,502)
Debt premium net of debt issue costs	88,126	(7,895)	146,155	226,386	47,532
Special assessments received	-	5,149	-	5,149	-
Acquisition and construction of capital assets	(5,398,685)	(446,112)	(2,337,570)	(8,182,367)	(864,669)
Capital contribution received	222,577	806,574	-	1,029,151	-
Grant received	-	-	50,000	50,000	-
Net Cash Flows From Capital and Related Financing Activities	<u>(2,194,396)</u>	<u>(479,672)</u>	<u>3,304,244</u>	<u>630,176</u>	<u>357,361</u>
Net Change in Cash and Cash Equivalents	2,502,031	(4,215)	3,516,593	6,014,409	(39,820)
CASH AND CASH EQUIVALENTS - Beginning 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>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,864,197</u>	<u>\$ 6,884,500</u>	<u>\$ 4,891,214</u>	<u>\$ 20,639,911</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
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 3,467,723	\$ 556,409	\$ (115,568)	\$ 3,908,564	\$ (342,611)
Nonoperating revenue	7,576	12,355	-	19,931	25,070
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	2,530,869	1,365,065	942,730	4,838,664	567,278
Depreciation charged to clearing and other funds	182,787	-	-	182,787	-
Changes in assets, deferred outflows, liabilities, and deferred inflows					
Accounts receivable	28,785	(14,763)	(6,830)	7,192	-
Other accounts receivable	(166,370)	510	-	(165,860)	2,025
Due to/from other funds	53,539	(283,154)	(1,131,308)	(1,360,923)	(153,513)
Accounts payable	460	5,927	19,610	25,997	11,513
Deposits	(345)	(1,688)	-	(2,033)	-
Other current liabilities	(7,210)	524	1,969	(4,717)	9,060
Compensated absences	32,347	17,331	(312)	49,366	(14,253)
Prepaid items	(5,291)	(127)	1,084	(4,334)	(501,750)
Inventories	166,247	-	-	166,247	-
Pension related amounts	(50,286)	-	-	(50,286)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 6,240,831</u>	<u>\$ 1,658,389</u>	<u>\$ (288,625)</u>	<u>\$ 7,610,595</u>	<u>\$ (397,181)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments	\$ 5,830,557	\$ 486,174	\$ 1,508,897	\$ 7,825,628	\$ -
Restricted cash and investments					
Redemption account	788,175	683,168	-	1,471,343	-
Replacement account	-	2,618,574	-	2,618,574	-
Reserve account	733,997	-	-	733,997	-
Construction account	2,245,465	490,617	3,382,317	6,118,399	-
Other assets - cash and investments	-	6,356,473	-	6,356,473	-
Total Cash and Investments	9,598,194	10,635,006	4,891,214	25,124,414	-
Less: Noncash equivalents	(733,997)	(3,750,506)	-	(4,484,503)	-
CASH AND CASH EQUIVALENTS	<u>\$ 8,864,197</u>	<u>\$ 6,884,500</u>	<u>\$ 4,891,214</u>	<u>\$ 20,639,911</u>	<u>\$ -</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest charged to construction	\$ 10,261	\$ -	\$ -		\$ -
Advance debt refunding	\$ -	\$ 110,000	\$ 120,000		\$ -
Amortization	\$ -	\$ 3,922	\$ -		\$ -
Capital contributions	\$ 410,814	\$ 281,840	\$ 450,023		\$ -
Dividends reinvested in ATC	\$ 246,689	\$ -	\$ -		\$ -

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION FIDUCIARY FUNDS As of December 31, 2016

	Utilities Pension Trust Fund	Agency Funds
CURRENT ASSETS		
Cash and investments	\$ -	\$ 29,800,058
Taxes receivable	-	14,092,894
Due from other governments	-	142,861
NONCURRENT ASSETS		
Restricted Assets		
Investments	2,935,100	-
TOTAL ASSETS	<u>2,935,100</u>	<u>44,035,813</u>
LIABILITIES		
Due to other governments	-	44,035,813
NET POSITION		
Restricted for pensions	<u>\$ 2,935,100</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, 2016

	Utilities Pension Trust Fund
ADDITIONS	
Employer contributions	\$ 201,596
Investment income	<u>223,358</u>
Total Additions	<u>424,954</u>
DEDUCTIONS	
Benefits and refunds	284,856
Investment management fees	<u>22,084</u>
Total Deductions	<u>306,940</u>
CHANGE IN NET POSITION	118,014
NET POSITION - Beginning of Year	<u>2,817,086</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,935,100</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, 2016

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, 2016

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.I. 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, 2016. The CDA does not issue separate financial statements.

Business Improvement District

The government-wide financial statements include the Business Improvement District ("BID") as a component unit. 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 2016 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 February 2015, the GASB issued statement No. 72 - *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

In August 2015, the GASB issued Statement No. 77 - *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. This standard was implemented January 1, 2016.

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, 2016

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, 2016

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

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	Grant Funds
Wisconsin Development Fund	Library Fund
Transportation Impact Fee Fund	Sun Prairie Media Center
Refuse and Recycling	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. 11
Tax Incremental District (TID) No. 8	Tax Incremental District (TID) No. 12
Tax Incremental District (TID) No. 9	Development Projects
Tax Incremental District (TID) No. 10	

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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 and enterprise 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 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, 2016

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, 2016, 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, 2016

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, 2016

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 are 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, 2016

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 methods and inputs as outlined in Note IV. A. 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, 2016, 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 - 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax sale - 2016 delinquent real estate taxes	October 2019

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016

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. \$10,261 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, 2016

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, 2016.

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 in the wastewater utility is designated for future capital projects and additions of equipment, as determined by the council. The balance at December 31, 2016 was \$639,594.

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, 2016, was \$4,492,102.

The interceptor account in the wastewater utility is designated for future construction and debt service of wastewater collection interceptors. The balance of this account as of December 31, 2016, was \$1,224,777.

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, 2016

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, 2016, 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, 2016

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 \$9,872,978, 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, 2016

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, 2016

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 \$4,292,708, or 19%, which represents unassigned general fund balance.

See Note IV. H. for further information.

12. Pension

For purposes of measuring the net pension liability, 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.

13. Basis for Existing Rates

Sun Prairie Utilities

Current electric rates were approved by the PSCW on June 16, 2016, effective as of July 2, 2016.

Current water rates were approved by the PSCW on December 3, 2015, and effective as of January 6, 2016.

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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.)

13. Basis for Existing Rates (cont.)

Stormwater Utility

Current stormwater rates were approved by the city council effective July 1, 2016.

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	\$	37,773,875
Capital leases		12,361,797
Compensated absences		1,399,096
Net pension liability		597,256
Accrued interest		419,493
Unamortized debt premium		844,508
Other postemployment benefits		<u>44,386</u>
Combined Adjustment for Long-Term Liabilities	\$	<u><u>53,440,411</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, capital projects funds, and certain permanent funds. A budget has not been formally adopted for 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, 2016

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	\$ 6,688,652	\$ 10,880,122	\$ 4,191,470
TID No. 8 - capital project	2,552,684	3,274,887	722,203
TID No. 10 - capital project	4,150	4,842	692
TID No. 12 - capital project	17,650	155,012	137,362
Sun Prairie Media Center - special revenue	372,738	378,409	5,671
Development projects - capital project	40,763	209,610	168,847

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, 2016, the following individual nonmajor funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TID No. 6 - debt service	\$ 106,714	Excess expenditures over revenues
TID No. 8 - capital project	1,126,283	Excess expenditures over revenues
TID No. 9 - capital project	885,129	Excess expenditures over revenues
TID No. 11 - capital project	78,355	Excess expenditures over revenues
Development projects - capital project	99,863	Timing of recording revenue for the chargeback of expenditures

TID 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, 2016

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	\$ 52,864,282	\$ 52,793,100	Custodial credit risk
US agencies - implicitly guaranteed	516,639	516,639	Credit risk, custodial credit risk, interest rate risk
US agencies - explicitly guaranteed	251,913	251,913	Custodial credit risk, interest rate risk
Mutual funds - other than bond funds	3,343,674	3,343,674	N/A
LGIP	19,260,921	19,260,921	Credit risk
Petty cash	12,210	-	N/A
Total Deposits and Investments	<u>\$ 76,249,639</u>	<u>\$ 76,166,247</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 30,320,767		
Restricted cash and investments	13,193,714		
Per statement of net position - fiduciary funds			
Pension Trust Fund	2,935,100		
Agency Funds	<u>29,800,058</u>		
Total Deposits and Investments	<u>\$ 76,249,639</u>		

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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. \$768,552 of the city's investments are covered by SIPC.

The city maintains collateral agreements with its banks. At December 31, 2016, the banks had pledged various government securities in the amount of \$5,344,538 to secure the city's deposits.

The city categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- > Quoted market pricing for identical assets
- > Yield scales and bond evaluation models for similar assets that have recently traded

Investment Type	December 31, 2016			
	Level 1	Level 2	Level 3	Total
US agencies - implicitly guaranteed	\$ -	\$ 516,639	\$ -	\$ 516,639
US agencies - explicitly guaranteed	-	251,913	-	251,913
Mutual funds - other than bond funds	3,343,674	-	-	3,343,674
Total	<u>\$ 3,343,674</u>	<u>\$ 768,552</u>	<u>\$ -</u>	<u>\$ 4,112,226</u>

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

As of December 31, 2016, \$4,417,826 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>4,417,826</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.

As of December 31, 2016, 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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2016, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)
		1-4
US agencies - implicitly guaranteed	\$ 516,639	\$ 516,639
US agencies - explicitly guaranteed	251,913	251,913
Totals	<u>\$ 768,552</u>	<u>\$ 768,552</u>

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

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	General Capital Projects	Nonmajor Funds	Totals
Receivables					
Gross receivables	\$ 14,859,885	\$ 6,638,325	\$ 223,221	\$ 5,412,984	\$ 27,134,415
Less: Allowance for uncollectibles	<u>(178,794)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(178,794)</u>
Net Total Receivables	<u>\$ 14,681,091</u>	<u>\$ 6,638,325</u>	<u>\$ 223,221</u>	<u>\$ 5,412,984</u>	<u>\$ 26,955,621</u>
Amounts not expected to be collected within one year	<u>\$ 33,910</u>	<u>\$ 17,467</u>	<u>\$ 223,221</u>	<u>\$ 43,083</u>	<u>\$ 317,681</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

B. RECEIVABLES (cont.)

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:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 26,020,456	\$ -
Special assessments not yet due	-	246,661
Developer chargebacks	-	69,757
Ambulance revenue	-	135,029
Grants	-	113,369
Accounts receivable - noncurrent	-	160,420
	<u> </u>	<u> </u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 26,020,456</u>	<u>\$ 725,236</u>

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2016:

	Governmental Activities	Business-type Activities
Reserve account	\$ 284,645	\$ 733,997
Replacement account	-	2,618,574
Construction account	-	6,118,399
Redemption account	-	1,471,343
Impact fee account	1,810,622	-
Future capital projects (construction)	156,134	-
	<u>\$ 2,251,401</u>	<u>\$ 10,942,313</u>
Total		

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land and non-depreciable improvements	\$ 41,407,388	\$ 569,754	\$ 77,664	\$ 41,899,478
Construction in progress - internal service	32,565	-	32,565	-
Easements	1,660,395	-	-	1,660,395
Total Capital Assets Not Being Depreciated	<u>43,100,348</u>	<u>569,754</u>	<u>110,229</u>	<u>43,559,873</u>
Capital assets being depreciated				
Land improvements	3,608,296	214,153	-	3,822,449
Buildings	25,994,620	163,017	-	26,157,637
Buildings - internal service	2,434,108	-	-	2,434,108
Machinery and equipment	8,492,816	384,209	39,286	8,837,739
Machinery and equipment - internal service	6,297,305	924,196	265,411	6,956,090
Streets	70,072,393	3,802,454	670,338	73,204,509
Sidewalks	10,544,077	810,104	-	11,354,181
Signals	1,319,268	307,999	-	1,627,267
Bike paths	3,543,737	77,170	-	3,620,907
Total Capital Assets Being Depreciated	<u>132,306,620</u>	<u>6,683,302</u>	<u>975,035</u>	<u>138,014,887</u>
Total Capital Assets	<u>175,406,968</u>	<u>7,253,056</u>	<u>1,085,264</u>	<u>181,574,760</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Land improvements	\$ (2,211,164)	\$ (150,626)	\$ -	\$ (2,361,790)
Buildings	(10,004,208)	(654,251)	-	(10,658,459)
Buildings - internal service	(815,297)	(50,854)	-	(866,151)
Machinery and equipment	(6,058,492)	(553,913)	37,206	(6,575,199)
Machinery and equipment - internal service	(3,519,743)	(516,424)	204,849	(3,831,318)
Streets	(26,785,049)	(2,194,135)	603,305	(28,375,879)
Sidewalks	(2,018,304)	(227,084)	-	(2,245,388)
Signals	(338,435)	(81,363)	-	(419,798)
Bike paths	(2,105,251)	(181,045)	-	(2,286,296)
Total Accumulated Depreciation	<u>(53,855,943)</u>	<u>(4,609,695)</u>	<u>845,360</u>	<u>(57,620,278)</u>
Net Capital Assets Being Depreciated	<u>78,450,677</u>	<u>2,073,607</u>	<u>129,675</u>	<u>80,394,609</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$121,551,025</u>	<u>\$ 2,643,361</u>	<u>\$ 239,904</u>	<u>\$123,954,482</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 208,087
Public safety	456,429
Public works	3,381,383
Culture, recreation and education	551,425
Conservation and development	<u>12,371</u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,609,695</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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/amortized				
Construction in progress - electric	\$ 1,268,467	\$ 391,497	\$ 1,052,469	\$ 607,495
Construction in progress - water	130	1,392,497	1,392,627	-
Construction in progress - telecommunications	543,857	78,009	617,641	4,225
Construction in progress - stormwater	69,281	351,216	366,416	54,081
Land - electric	616,708	-	-	616,708
Land - water	65,087	-	-	65,087
Land - wastewater	194,278	-	-	194,278
Land - stormwater	7,643,484	-	-	7,643,484
Total Capital Assets Not Being Depreciated/Amortized	<u>10,401,292</u>	<u>2,213,219</u>	<u>3,429,153</u>	<u>9,185,358</u>
Capital assets being depreciated/amortized				
Electric system	42,861,411	2,978,952	676,430	45,163,933
Water system	42,650,873	1,439,412	84,162	44,006,123
Telecommunications	2,119,405	1,312,217	47,853	3,383,769
Wastewater system	58,320,992	693,035	187,942	58,826,085
Stormwater	42,434,804	2,952,523	467,809	44,919,518
Total Capital Assets Being Depreciated/Amortized	<u>188,387,485</u>	<u>9,376,139</u>	<u>1,464,196</u>	<u>196,299,428</u>
Total Capital Assets	<u>198,788,777</u>	<u>11,589,358</u>	<u>4,893,349</u>	<u>205,484,786</u>
Less: Accumulated depreciation/amortization for				
Electric system	(17,152,590)	(1,662,347)	779,349	(18,035,588)
Water system	(9,646,137)	(990,359)	117,957	(10,518,539)
Telecommunications	(708,236)	(151,671)	47,853	(812,054)
Wastewater system	(14,926,818)	(1,365,065)	141,000	(16,150,883)
Stormwater	(9,668,562)	(942,730)	467,809	(10,143,483)
Total Accumulated Depreciation/Amortization	<u>(52,102,343)</u>	<u>(5,112,172)</u>	<u>1,553,968</u>	<u>(55,660,547)</u>
Net Capital Assets Being Depreciated/Amortized	<u>136,285,142</u>	<u>4,263,967</u>	<u>(89,772)</u>	<u>140,638,881</u>
Business-type Capital Assets, Net of Accumulated Depreciation/Amortization	<u>\$146,686,434</u>	<u>\$ 6,477,186</u>	<u>\$ 3,339,381</u>	<u>\$149,824,239</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Electric	\$ 1,499,887
Water	879,312
Telecommunications	151,670
Wastewater	1,365,065
Stormwater	<u>942,730</u>

Total Business-type Activities Depreciation Expense	<u><u>\$ 4,838,664</u></u>
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Depreciation expense is different from accumulated depreciation additions and capital asset deletions are different from accumulated depreciation deletions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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:

Receivable Fund	Payable Fund	Amount
Sun Prairie Utilities	General capital projects	\$ 14,550
General	Sun Prairie Utilities	1,851,871
Wastewater utility	Sun Prairie Utilities	27,926
Grant	General	155,648
Transportation impact fee	General	485,698
Sun Prairie media center	General	282,711
Street trees	General	141,950
General debt service	General	12,206
TID No. 7	General	587,289
Fleet	General	573,555
Wisconsin development	General	1,346
Sun Prairie Utilities	General	55,386
Stormwater utility	General	1,481,443
General	Refuse and recycling	274,723
Park improvement	General	89,229
General	Development projects	77,805
General	Wastewater utility	879,228
General capital projects	General	<u>2,063,680</u>
Total - Fund Financial Statements		9,056,244
Less: Fund eliminations		(4,200,211)
Less: Government-wide eliminations		<u>(3,676,313)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 1,179,720</u></u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 2,731,099
Business-type Activities	Governmental Activities	<u>(1,551,379)</u>
Total Government-Wide Financial Statements		<u><u>\$ 1,179,720</u></u>

All amounts are due within one year.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Interfund Receivables/Payables (cont.)

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.

Advances

The general fund is advancing funds to TID No. 6, TID No. 8, TID No. 9, TID No. 11 and TID No. 12. 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 - debt service	\$ 106,683	\$ 106,683
General	TID No. 8 - capital project	1,125,520	1,125,520
General	TID No. 9 - capital project	960,122	960,122
General	TID No. 11 - capital project	78,355	78,355
General	TID No. 12 - capital project	<u>21,240</u>	<u>21,240</u>
Total - Fund Financial Statements		2,291,920	
Less: Fund eliminations		<u>(2,291,920)</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, 2016

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>
General debt service	General capital projects	\$ 203,844	Debt service
General	Sun Prairie Utilities	1,788,072	Payment in lieu of taxes
General	Park improvement	91,404	Reimbursement
Grants	General	184,363	Reimbursement
Refuse and recycling	General	152,755	Reimbursement
General	Sun Prairie media center	13,789	Reimbursement
General capital projects	Transportation impact fee	11,511	Reimbursement
General	TID No. 6	400	Reimbursement
General	TID No. 7	31,204	Reimbursement
General	TID No. 8	14,095	Reimbursement
General	TID No. 9	23,854	Reimbursement
General	TID No. 11	36,019	Reimbursement
TID No. 10	General	<u>55,421</u>	Fund closeout
Total - Fund Financial Statements		2,606,731	
Less: Fund eliminations		<u>(818,659)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 1,788,072</u>	

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 39,273,650	\$ 9,505,000	\$ 11,004,775	\$ 37,773,875	\$ 6,457,956
General obligation debt - internal service	155,000	1,185,000	-	1,340,000	140,000
(Discounts)/Premiums	362,295	567,977	85,764	844,508	151,354
(Discounts)/Premiums - internal service	-	60,712	-	60,712	-
Sub-totals	<u>39,790,945</u>	<u>11,318,689</u>	<u>11,090,539</u>	<u>40,019,095</u>	<u>6,749,310</u>
Other Liabilities					
Vested compensated absences	1,525,854	1,093,226	1,219,984	1,399,096	636,465
Vested compensated absences - internal service	54,856	-	14,253	40,603	-
Capital leases	14,223,562	-	1,861,765	12,361,797	1,895,000
Other postemployment benefits	45,457	-	1,071	44,386	-
Net pension liability (asset)	<u>(896,157)</u>	<u>1,493,413</u>	<u>-</u>	<u>597,256</u>	<u>-</u>
Total Other Liabilities	<u>14,953,572</u>	<u>2,586,639</u>	<u>3,097,073</u>	<u>14,443,138</u>	<u>2,531,465</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 54,744,517</u>	<u>\$ 13,905,328</u>	<u>\$ 14,187,612</u>	<u>\$ 54,462,233</u>	<u>\$ 9,280,775</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 4,154,000	\$ 10,550,000	\$ 705,000	\$ 13,999,000	\$ 1,137,846
Revenue bonds	18,547,387	-	1,763,291	16,784,096	1,797,881
(Discounts)/Premiums	<u>212,777</u>	<u>385,392</u>	<u>32,145</u>	<u>566,024</u>	<u>-</u>
Sub-totals	<u>22,914,164</u>	<u>10,935,392</u>	<u>2,500,436</u>	<u>31,349,120</u>	<u>2,935,727</u>
Other Liabilities					
Vested compensated absences	493,814	167,889	116,774	544,929	-
Net pension liability	<u>232,485</u>	<u>-</u>	<u>131,558</u>	<u>100,927</u>	<u>-</u>
Total Other Liabilities	<u>726,299</u>	<u>167,889</u>	<u>248,332</u>	<u>645,856</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 23,640,463</u>	<u>\$ 11,103,281</u>	<u>\$ 2,748,768</u>	<u>\$ 31,994,976</u>	<u>\$ 2,935,727</u>

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, 2016, was \$138,612,290. Total general obligation debt outstanding at year end was \$53,112,875.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

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, 2016
Bonds	7/15/09	4/1/24	2.00-4.25%	\$ 6,730,000	\$ 900,000
Notes	12/15/09	12/28/19	-	99,116	29,734
State trust fund loan	12/23/09	3/15/19	4.50	600,000	229,141
Notes	11/9/10	4/1/20	0.60-2.35	4,700,000	3,080,000
Notes	5/8/12	4/1/22	0.4-2.0	7,085,000	5,620,000
Notes	7/2/13	2/1/23	1.5-2.0	8,580,000	6,185,000
Refunding bonds	11/19/13	2/1/18	2.0-3.0	4,135,000	980,000
Notes	7/8/14	2/1/24	1.0-3.0	4,255,000	4,170,000
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	2,915,000
Notes	10/26/16	4/1/26	2.0-3.0	10,690,000	<u>10,690,000</u>

Total Governmental Activities - General Obligation Debt \$ 39,113,875

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
Notes	7/15/09	4/1/19	2.00-4.25%	\$ 1,000,000	\$ 215,000
Notes	7/15/09	4/1/19	2.00-4.25	1,005,000	210,000
Notes	7/2/13	2/1/23	1.5-2.0	365,000	260,000
Notes	7/8/14	2/1/24	1.0-3.0	1,385,000	1,115,000
Notes	7/8/14	2/1/24	1.0-3.0	330,000	265,000
Notes	7/7/15	2/1/25	2.0-2.25	835,000	760,000
Bonds	11/3/15	11/1/25	2.625	624,000	624,000
Notes	10/26/16	4/1/26	2.0-3.0	475,000	475,000
Notes	10/26/16	4/1/36	2.0-3.0	5,820,000	5,820,000
Notes	10/26/16	4/1/19	2.0-3.0	120,000	120,000
Notes	10/26/16	4/1/36	2.543	3,435,000	3,435,000
Notes	12/28/16	3/15/36	3.5	700,000	<u>700,000</u>

Total Business-type Activities - General Obligation Debt \$ 13,999,000

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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
2017	\$ 6,597,956	\$ 803,412	\$ 1,137,846	\$ 328,288
2018	6,066,242	700,560	979,610	353,630
2019	4,744,677	588,978	945,540	324,911
2020	4,845,000	481,693	746,447	302,381
2021	3,705,000	384,264	777,511	281,955
2022-2026	12,595,000	724,060	3,879,359	1,072,424
2027-2031	560,000	10,360	2,560,492	645,469
2032-2036	-	-	2,972,195	235,395
Totals	<u>\$ 39,113,875</u>	<u>\$ 3,693,327</u>	<u>\$ 13,999,000</u>	<u>\$ 3,544,453</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 in 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 9% of net revenues. The total principal and interest remaining to be paid on the bonds is \$10,425,635. Principal and interest paid for the current year and total customer net revenues were \$1,235,026 and \$6,439,788, 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 22% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$9,318,350. Principal and interest paid for the current year and total customer gross revenues were \$1,036,607 and \$4,766,731, respectively.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2016, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
<u>Sun Prairie Utilities</u>					
Revenue bonds	11/6/08	4/1/23	4.38-5.13%	\$ 3,600,000	\$ 2,060,000
Revenue bonds	11/15/12	4/1/32	1.50-3.20	2,800,000	2,440,000
Revenue bonds	11/15/12	4/1/18	0.85-1.65	2,155,000	890,000
Revenue bonds	6/16/14	4/1/34	3.25-4.30	3,200,000	<u>3,000,000</u>
				Total Sun Prairie Utilities	<u>8,390,000</u>
<u>Wastewater Utility</u>					
Revenue bonds	6/8/05	5/1/25	2.365%	15,844,256	<u>8,394,096</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 16,784,096</u></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>
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	1,545,981	280,803
2022-2026	6,209,369	773,023
2027-2031	1,725,000	293,192
2032-2034	<u>735,000</u>	<u>38,628</u>
Totals	<u><u>\$ 16,784,096</u></u>	<u><u>\$ 2,959,889</u></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, 2016

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 2016 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.

Advance Refunding

On October 26, 2016, the city issued \$4,795,000 in general obligation notes with an average coupon rate of 3% to advance refund \$5,055,000 of outstanding bonds with an average coupon rate of 4%. The net proceeds along with existing funds of the city were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded debt prior to the advance refunding was \$7,475,306 from 2016 through 2024. The cash flow requirements on the 2016 refunding bonds are \$6,820,270 from 2017 through 2024. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$364,690.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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.

The future minimum lease obligation and the net present value on the minimum lease payments as of December 31, 2016, are as follows:

Years	Governmental Activities		
	Principal	Interest	Totals
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	1,885,000	157,215	2,042,215
2022-2024	2,631,797	215,663	2,847,460
Totals	<u>\$ 12,361,797</u>	<u>\$ 1,423,215</u>	<u>\$ 13,785,012</u>

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2016, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 41,899,478
Easements	1,660,395
Other capital assets, net of accumulated depreciation	80,394,609
Less: Long-term debt outstanding	(39,113,875)
Plus: Unspent capital related debt proceeds	1,678,356
Plus: Noncapital debt proceeds	8,282,112
Less: Capital leases	(12,361,797)
Less: Premium on debt	(905,220)
Plus: Unamortized deferred charge on refunding	103,953
Total Net Investment in Capital Assets	<u>\$ 81,638,011</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016, include the following:

	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Funds	Totals
Fund Balances					
Nonspendable:					
Delinquent items	\$ 33,910	\$ -	\$ -	\$ -	\$ 33,910
Prepaid items and inventories	301,161	-	-	1,250	302,411
Investment in mutual insurance company	309,366	-	-	-	309,366
Advances	2,291,920	-	-	-	2,291,920
Restricted for:					
Debt service	-	10,723	-	-	10,723
Future capital projects	-	-	1,522,223	-	1,522,223
Park improvements	-	-	-	923,906	923,906
Economic development	-	-	-	130,405	130,405
Impact fees	-	-	-	2,297,486	2,297,486
Grants	-	-	-	152,463	152,463
Library	-	-	-	77,749	77,749
TIF Related projects	-	-	-	2,691,279	2,691,279
Sun Prairie Ice, Inc	434,645	-	-	-	434,645
Trusts	-	-	-	409,574	409,574
Committed to:					
Sun Prairie media center	-	-	-	370,362	370,362
Street trees	-	-	-	141,950	141,950
Refuse and recycling	-	-	-	225,877	225,877
Assigned to:					
Subsequent years' budget	293,432	-	-	-	293,432
Signs	7,474	-	-	-	7,474
Replacement funds	558,865	-	-	-	558,865
Tax equivalent	1,788,072	-	-	-	1,788,072
Self insurance	200,000	-	-	-	200,000
Carryovers	96,260	-	-	-	96,260
Youth and family	3,060	-	-	-	3,060
EMS	22,106	-	-	-	22,106
Library	154,829	-	-	-	154,829
Sick accrual	389,731	-	-	-	389,731
Unassigned (deficit):	<u>4,292,708</u>	<u>-</u>	<u>(87,984)</u>	<u>(2,296,344)</u>	<u>1,908,380</u>
Total Fund Balances	<u><u>\$ 11,177,539</u></u>	<u><u>\$ 10,723</u></u>	<u><u>\$ 1,434,239</u></u>	<u><u>\$ 5,125,957</u></u>	<u><u>\$17,748,458</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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	665,801
Other capital assets, net of depreciation	140,638,881
Less: Long-term debt outstanding	(30,783,096)
Plus: Unspent capital related debt proceeds	6,852,396
Plus: Unamortized loss on refunding	8,368
Less: Unamortized debt premium	<u>(566,024)</u>
Total Net Investment in Capital Assets	<u>\$ 125,335,883</u>

I. 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/Masurement Focus

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

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Mutual funds - other than bond funds	<u>\$ 2,146,510</u>	<u>\$ 2,146,510</u>	N/A

The CDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- > Quoted market prices for identical assets

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

I. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

b. Deposits and Investments (cont.)

Investment Type	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Mutual funds - other than bond funds	<u>\$ 2,146,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,146,510</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 \$2,146,510 at December 31, 2016, 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 2006 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 \$16,058,212. Principal and interest paid for the current year and total customer net revenues were \$2,218,850 and \$335,965, 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, 2016

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

I. 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.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
2006 Series: Issued 3/28/06; Interest rates of 3.5 - 4.25%; Final maturity 8/1/16;	\$ 175,000	\$ -	\$ 175,000	\$ -	\$ -
2009 Series: Issued 8/4/09; Interest rates of 1.2 - 4.5%; Final maturity 2/1/22;	3,895,000	-	535,000	3,360,000	570,000
2014 Series: Issued 6/24/14; Interest rates of 0.4 - 2.4%; Final maturity 8/1/24;	<u>12,365,000</u>	<u>-</u>	<u>1,090,000</u>	<u>11,275,000</u>	<u>1,325,000</u>
Totals	<u>\$ 16,435,000</u>	<u>\$ -</u>	<u>\$ 1,800,000</u>	<u>\$ 14,635,000</u>	<u>\$ 1,895,000</u>

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2017	\$ 1,895,000	\$ 316,617	\$ 2,211,617
2018	1,955,000	284,263	2,239,263
2019	1,985,000	246,292	2,231,292
2020	2,010,000	203,163	2,213,163
2021	1,885,000	157,214	2,042,214
2022-2024	<u>4,905,000</u>	<u>215,663</u>	<u>5,120,663</u>
Totals	<u>\$14,635,000</u>	<u>\$ 1,423,212</u>	<u>\$16,058,212</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, 2016

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, 2016, the annual money-weighted rate of return on the Plan's investments was (7.42%). 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, 2016, the date of the latest actuarial valuation, consisted of:

Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to, but not yet receiving benefits	1
Active plan members	17
Actives suspended accruals due to change to defined contribution plan	4
Total	<u>23</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016:

Total pension liability	\$ 3,036,027
Fiduciary net position	<u>2,935,100</u>
Net Pension Liability	<u>\$ 100,927</u>
Fiduciary Net Position as Percentage of Total Pension Liability	<u>96.7%</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, 2016 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, 2016

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 liability (asset)	\$775,023	\$100,927	(\$418,766)

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%
Alternatives	5-15%	4.0%
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

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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, 2016

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
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
2015	2.9	2

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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 \$360,240 in contributions from the city.

Contribution rates as of December 31, 2016 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2016, the city reported a liability of \$597,256 for its proportionate share of the net pension liability. 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, 2014 rolled forward to December 31, 2015. 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 liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the city's proportion was 0.03675468%, which was an increase of 0.00028000% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the city recognized pension expense of \$725,156.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

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

At December 31, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,039	\$ 1,256,916
Changes in assumptions	417,867	-
Net differences between projected and actual earnings on pension plan investments	2,445,339	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,587	5,042
Employer contributions subsequent to the measurement date	361,666	-
Totals	<u>\$ 3,345,498</u>	<u>\$ 1,261,958</u>

\$361,666 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 liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 775,418	\$ 305,396
2018	775,418	305,396
2019	775,418	305,396
2020	644,211	305,396
2021	13,367	40,374

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability	December 31, 2015
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% - 5.6%
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, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5	22	8.5	5.6
Fixed Income	27.5	37	4.4	1.6
Inflation Sensitive Assets	10	20	4.2	1.4
Real Estate	7	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.7	3.8
Total Core Fund	107	120	7.4	4.5
Variable Fund Asset Class				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

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

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.

Sensitivity of the city's proportionate share of the net pension liability to changes in the discount rate. The following presents the city's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension liability 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 liability (asset)	\$4,189,168	\$597,256	\$(2,208,091)

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://etf.wi.gov/publications/cafr.htm>.

At December 31, 2016, the city reported a payable to the pension plan of \$82,329, 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 2016 was \$441,632. The total covered payroll for the year ended December 31, 2016 was \$7,116,927. Total contributions for the years ended December 31, 2015 and 2014 were \$426,947 and \$461,572, 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, 2016

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 2016 were \$201,596, which is equal to the required contribution. The annual required contribution for the current year was determined as part of the December 31, 2015 actuarial valuation using the aggregate cost method. The 2016 contribution as calculated by the actuary were made as of December 31, 2016. 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, 2016, the utilities reported a pension liability of \$100,927. The net pension liability was measured as of December 31, 2016, 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, 2016, the utilities recognized pension expense of \$151,308.

	<u>2016</u>
Total pension liability	
Service cost	\$ 99,255
Interest	150,912
Differences between expected and actual experience	21,145
Benefit payments, including refunds of member contributions	<u>(284,856)</u>
Net change in total pension liability	(13,544)
Total pension liability - beginning	<u>3,049,571</u>
Total pension liability - ending (a)	<u><u>\$ 3,036,027</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

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

	<u>2016</u>
Plan fiduciary net position	
Employer contributions	\$ 201,596
Net investment income (loss)	223,358
Benefit payments, including refunds of member contributions	(284,856)
Administration	<u>(22,084)</u>
Net change in plan fiduciary net position	118,014
Plan fiduciary net position - beginning	<u>2,817,086</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 2,935,100</u></u>
Net pension liability - ending (a) - (b)	<u><u>\$ 100,927</u></u>
Plan fiduciary net position as a percentage of the total pension liability	96.68%
Covered-employee payroll	\$ 1,398,380
Net pension liability as a percentage of covered-employee payroll	7.22%

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, 2016, 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	\$ 19,507	\$ 45,855
Net differences between projected and actual earnings on pension plan	<u>131,517</u>	<u>-</u>
Totals	<u><u>\$ 151,024</u></u>	<u><u>\$ 45,855</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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>
2017	\$ 49,309	\$ 4,364
2018	49,309	4,364
2019	49,309	4,364
2020	(9,856)	4,364
2021	1,638	4,364
Thereafter	<u>11,315</u>	<u>24,035</u>
Totals	<u>\$ 151,024</u>	<u>\$ 45,855</u>

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 \$48,350 for 2016 compensation were made in 2017.

All employees hired on or after January 1, 2017, will be required to participate in the Wisconsin Retirement System, and all existing retirement plans will be closed to new participants.

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 called 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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

C. RISK MANAGEMENT (cont.)

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.

The initial investment in WMIC is refundable upon withdrawal from the commission. The initial investment period is being amortized over a 10-year period beginning in 2016. The remaining balance is \$309,366 and is reported 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 been recorded for this liability, as well as for claims incurred but not reported at December 31, 2016. A total liability of approximately \$78,706 at December 31, 2016, was recorded as claims payable in the general fund. Changes in the fund's claims loss liability follow:

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2016	\$ -	\$ 406,983	\$ 328,277	\$ 78,706

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

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 State of Wisconsin. 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.

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 2015, a majority of WPPI Energy members ratified an eighteen year extension to their existing contracts. All but two of the remaining members ratified the same extension in 2016. The new contract expires at midnight on December 31, 2055.

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 \$411 million as of December 31, 2016.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

D. COMMITMENTS AND CONTINGENCIES (cont.)

Other Commitments

The city has entered into multiple agreements to purchase land for future development. The city is committed to purchase land in TID No. 12 in the amount of \$3,899,444 on July 21, 2017. In addition, the city has committed to purchase land in the amount of \$3,689,075 with general funds on July 1, 2018.

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.

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

F. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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 plan, and changes in the city's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	17,825
Interest on net OPEB obligation		2,259
Adjustment to annual required contribution		<u>(3,141)</u>
Annual OPEB cost		16,943
Contributions made		<u>(18,273)</u>
Decrease in Net OPEB obligation		(1,330)
Net OPEB Obligation - Beginning of Year		<u>56,476</u>
Net OPEB Obligation - End of Year*	\$	<u><u>55,146</u></u>

* The other postemployment benefits liability of \$44,386 is included in the noncurrent liabilities due in more than one year of the Governmental Activities on the Statement of Net Position. The remaining \$10,760 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 2016 and the two preceding years 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, 2014	\$ 18,898	67.29 %	\$ 57,369
December 31, 2015	13,816	106.46	56,476
December 31, 2016	16,943	107.85	55,146

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

F. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The funded status of the plan as of January 1, 2016, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 112,192
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 112,192</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 10,191,700
UAAL as a percentage of covered payroll	1.10%

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, 2016 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 5.5% initially, to an ultimate rate of 4.5% 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, 2016, was 30 years.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

G. SUBSEQUENT EVENTS

On March 31, 2017, the city purchased land for future use and development in the amount of \$2,609,932. The general government will own \$921,152 of the land, which will be funded with a Wisconsin State Trust Fund loan. The remaining portion of land, \$1,688,780, will be owned by the Stormwater utility and will be paid for using general obligation notes that will be abated by stormwater user fees. Additionally, the City paid \$100,000 in escrow for a future land purchase to be made by July 1, 2018, in the amount of \$3,689,075.

On April 4, 2017, the Common Council approved the dissolution of TID No. 7.

On April 11, 2017, the Sun Prairie Common Council approved an asset purchase agreement between the Sun Prairie Utilities and TDS Metrocom, LLC. The agreement calls for TDS to pay \$2.88 million to Sun Prairie Utilities for the purchase of the telecommunication assets defined in the agreement as well as extinguishment of its telecommunication-related debt. The closing of the transaction took place on May 8, 2017, and therefore, the December 31, 2017 statements will be the final statements of the City of Sun Prairie to include the telecommunication activities as a part of the Sun Prairie Utilities enterprise fund.

On April 14, 2017, the City purchased land in the amount of \$1,406,452 for the construction of a regional stormwater facility. This land will be funded using general obligation notes that will be abated with stormwater user fees.

On May 16, 2017, the Common Council approved a State Trust Fund Loan in the amount of \$4,931,000 for the purchase of land.

All employees hired on or after January 1, 2017, will be required to participate in the Wisconsin Retirement System, and all existing retirement plans will be closed to new participants.

In June 2017 the city issued general obligation promissory notes in the amount of \$4,920,000 with an interest rate of 1.75%. This amount will be used to fund capital projects. Final maturity is scheduled in 2027.

H. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The city is disclosing all abatement agreements individually.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

H. TAX ABATEMENT (cont.)

The city through its TIDs has entered into tax abatement agreements with certain developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers have committed to the construction of improvements. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

Agreement Description	Calculation Method	2016 Payments
11/009 Downtown Phase III - New Perspective Senior Living	Excess property taxes over assessed value from 2014 - 2025	\$ 111,955
13/158 G&C Holdings LLC - 2G Engineering Firm	Set dollar amount of \$112,000	-
14/009 - Prairie Lakes - TID No. 9 Expansion	Up to \$1.5 million over 3 years	-
14/034 - B&G Realty LLC (Marcus Theaters)	Up to \$75,000 per year from 2016 - 2018	62,385
14/049 - Cabela's Wholesale, Inc.	Up to \$260,000 paid over three years based on assessed value	-
15/187 - Equity Resources and Investments (Madison-Kipp)	Qualified expenses not to exceed \$274,000	-
16/041 - Jennings and Woldt Remodeling, Inc.	90% of tax increment up to \$181,500 over 12 years	18,000
16/147 - Riddell, Inc. / Scannell Properties #279 LLC	100% of tax increment up to \$1.3 million from 2017 - 2024	-
16/212 - Iowa Machine Shed Co.	One time payment of \$4,100,000 based on assessed value	-
16/247 - TMA Lands, Inc.	\$225,000 for 12 years not to exceed \$2,500,000 based on assessed value	225,000

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE V - OTHER INFORMATION (cont.)

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

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

- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 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. 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 No. 67, No. 68, and No. 73*
- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
General property taxes	\$ 13,546,268	\$ 13,546,268	\$ 13,535,746	\$ (10,522)
Room taxes	17,150	17,150	22,628	5,478
Payments in lieu of taxes	106,500	106,500	106,794	294
Interest on taxes	1,500	1,500	1,341	(159)
Other taxes	-	-	19,201	19,201
Total Taxes	<u>13,671,418</u>	<u>13,671,418</u>	<u>13,685,710</u>	<u>14,292</u>
INTERGOVERNMENTAL				
Police school liaison	166,964	166,964	148,529	(18,435)
State shared revenues	690,658	690,658	691,403	745
Fire insurance tax (2% fire dues)	89,000	89,000	103,188	14,188
State expenditure restraint	570,852	570,852	570,852	-
State aid - road allotment	1,514,344	1,514,344	1,513,602	(742)
State aid - connecting streets	54,509	54,509	53,960	(549)
State aid - exempt computer	370,000	370,000	289,632	(80,368)
State aid - EMS	4,000	4,000	-	(4,000)
State aid - police	9,000	22,855	25,723	2,868
County aid - libraries	424,118	424,118	424,164	46
Total Intergovernmental	<u>3,893,445</u>	<u>3,907,300</u>	<u>3,821,053</u>	<u>(86,247)</u>
LICENSES AND PERMITS				
Liquor and malt beverage licenses	28,000	28,000	47,145	19,145
Operators' license	13,360	13,360	18,192	4,832
Cigarette licenses	3,040	3,040	2,750	(290)
Dog and cat licenses	9,000	9,000	11,006	2,006
Building permits	155,000	155,000	118,098	(36,902)
Occupancy permits	8,000	8,000	8,925	925
Plumbing permits	65,000	65,000	57,082	(7,918)
Electrical permits	70,000	70,000	64,572	(5,428)
Heating and air conditioning permits	70,000	70,000	64,433	(5,567)
Street openings	15,000	15,000	22,600	7,600
Zoning permits and fees	35,000	35,000	43,110	8,110
Other permits	58,900	58,900	64,859	5,959
Other licenses	6,000	6,000	10,503	4,503
Total Licenses and Permits	<u>536,300</u>	<u>536,300</u>	<u>533,275</u>	<u>(3,025)</u>
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	150,000	150,000	142,454	(7,546)
Parking violations	50,000	50,000	48,560	(1,440)
Total Fines, Forfeitures and Penalties	<u>200,000</u>	<u>200,000</u>	<u>191,014</u>	<u>(8,986)</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, 2016

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
PUBLIC CHARGES FOR SERVICES				
Clerk's fees	\$ 35,000	\$ 35,000	\$ 41,167	\$ 6,167
General government	100	100	38	(62)
Police department fees	14,000	14,000	17,239	3,239
Miscellaneous public works	7,180	7,180	19,545	12,365
Ambulance fees	775,000	775,000	845,357	70,357
Sewage inspection	4,000	4,000	5,700	1,700
Animal pound	250	250	120	(130)
Engineer review fees	8,000	8,000	7,610	(390)
Family aquatic center	192,000	192,000	210,241	18,241
Township EMS fees	58,020	58,020	58,020	-
Miscellaneous building inspection	7,500	7,500	5,690	(1,810)
Miscellaneous park fees	15,000	15,000	16,475	1,475
Summer recreation fees	125,000	125,000	100,339	(24,661)
Winter recreation fees	60,500	60,500	69,881	9,381
Miscellaneous engineering	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total Public Charges for Services	<u>1,302,550</u>	<u>1,302,550</u>	<u>1,397,422</u>	<u>94,872</u>
SPECIAL ASSESSMENTS				
Street improvements	-	-	1,343	1,343
Interest on special assessments	1,000	1,000	1,115	115
Delinquent special assessments held by county	<u>10,000</u>	<u>10,000</u>	<u>1,976</u>	<u>(8,024)</u>
Total Special Assessments	<u>11,000</u>	<u>11,000</u>	<u>4,434</u>	<u>(6,566)</u>
INVESTMENT INCOME				
Investment income	<u>40,000</u>	<u>40,000</u>	<u>57,032</u>	<u>17,032</u>
MISCELLANEOUS				
Payment from utilities	234,059	234,059	234,059	-
Sale of materials and equipment	-	-	33,080	33,080
Insurance dividends	35,000	35,000	74,441	39,441
Donations	1,000	1,000	2,359	1,359
Human resources chargebacks	5,000	5,000	5,000	-
Engineering chargebacks	85,360	85,360	227,747	142,387
Other miscellaneous	<u>108,000</u>	<u>108,000</u>	<u>120,826</u>	<u>12,826</u>
Total Miscellaneous	<u>468,419</u>	<u>468,419</u>	<u>697,512</u>	<u>229,093</u>
Total Revenues	<u>20,123,132</u>	<u>20,136,987</u>	<u>20,387,452</u>	<u>250,465</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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor	\$ 38,837	\$ 38,837	\$ 38,070	\$ 767
Council	68,001	68,001	65,762	2,239
Municipal court	103,980	103,980	103,040	940
City attorney	228,366	228,366	270,986	(42,620)
Clerk	236,410	285,580	274,645	10,935
Elections	125,862	130,602	120,854	9,748
Administrator	271,093	261,093	251,829	9,264
Human resources	304,702	304,702	275,770	28,932
Finance	678,464	571,164	575,026	(3,862)
Building maintenance	501,100	486,100	444,793	41,307
Information technology	1,083,728	1,146,210	1,029,600	116,610
Risk management	408,512	388,512	500,231	(111,719)
Assessment of property	399,100	399,100	347,655	51,445
Total General Government	4,448,155	4,412,247	4,298,261	113,986
PUBLIC SAFETY				
Building inspection	418,300	418,300	412,562	5,738
Police	7,289,507	7,414,162	7,247,453	166,709
Crossing guards	95,170	101,554	95,985	5,569
Emergency medical services	1,604,171	1,610,107	1,587,256	22,851
Fire protection	910,770	952,161	944,264	7,897
Emergency government	7,000	7,000	977	6,023
Total Public Safety	10,324,918	10,503,284	10,288,497	214,787
PUBLIC WORKS				
Public works	2,366,326	2,381,269	2,011,549	369,720
Engineering	616,946	616,946	645,118	(28,172)
Total Public Works	2,983,272	2,998,215	2,656,667	341,548
HEALTH AND HUMAN SERVICES				
Social services	45,000	45,000	45,000	-
Cemetery	9,500	9,500	9,500	-
Total Health and Human Services	54,500	54,500	54,500	-
CULTURE, RECREATION, AND EDUCATION				
Library	1,739,734	1,802,217	1,694,079	108,138
Museum administration	47,647	47,647	35,652	11,995
Economic development	170,000	170,000	170,000	-
Youth and family commission	2,670	2,670	2,249	421
Parks and recreation	1,145,571	1,145,630	1,069,978	75,652
Family aquatic center	280,600	280,600	273,936	6,664
Total Culture, Recreation, and Education	3,386,222	3,448,764	3,245,894	202,870

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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
CONSERVATION AND DEVELOPMENT				
Planning	\$ 365,060	\$ 365,060	\$ 345,698	\$ 19,362
Forestry	74,849	197,811	197,762	49
Urban development	<u>201,664</u>	<u>201,664</u>	<u>196,837</u>	<u>4,827</u>
Total Conversation and Development	<u>641,573</u>	<u>764,535</u>	<u>740,297</u>	<u>24,238</u>
DEBT SERVICE				
Principal	<u>-</u>	<u>-</u>	<u>61,765</u>	<u>(61,765)</u>
Total Expenditures	<u>21,838,640</u>	<u>22,181,545</u>	<u>21,345,881</u>	<u>835,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,715,508)</u>	<u>(2,044,558)</u>	<u>(958,429)</u>	<u>1,086,129</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,053,673	2,053,673	1,998,837	(54,836)
Transfers out	<u>(338,165)</u>	<u>(338,165)</u>	<u>(392,539)</u>	<u>(54,374)</u>
Total Other Financing Sources (Uses)	<u>1,715,508</u>	<u>1,715,508</u>	<u>1,606,298</u>	<u>(109,210)</u>
Net Change in Fund Balance	-	(329,050)	647,869	976,919
FUND BALANCE - Beginning of Year	<u>10,529,670</u>	<u>10,529,670</u>	<u>10,529,670</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 10,529,670</u>	<u>\$ 10,200,620</u>	<u>\$ 11,177,539</u>	<u>\$ 976,919</u>

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

CITY OF SUN PRAIRIE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2016

<u>Fiscal Year Ended</u>	<u>Proportion of the Net Pension Liability/ (Asset)</u>	<u>Proportionate Share of the Net Pension Liability/(Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/16	0.03675468%	\$ 597,256	\$ 3,791,999	15.75%	98.20%
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, 2016

<u>Fiscal Year Ended</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>
12/31/16	\$ 361,666	\$ 361,666	\$ -	\$ 3,811,012	9.49%
12/31/15	360,240	360,240	-	3,791,999	9.50%

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, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	\$ 99,255	\$ 112,240	\$ 119,397
Interest	150,912	165,812	176,220
Differences between expected and actual experience	21,145	(56,342)	(153,688)
Benefit payments, including refunds of member contributions	<u>(284,856)</u>	<u>(694,422)</u>	<u>(45,496)</u>
Net change in total pension liability	(13,544)	(472,711)	96,435
Total pension liability - beginning	<u>3,049,571</u>	<u>3,522,283</u>	<u>3,425,850</u>
Total pension liability - ending (a)	<u>\$ 3,036,027</u>	<u>\$ 3,049,572</u>	<u>\$ 3,522,285</u>
Plan fiduciary net position			
Employer contributions	\$ 201,596	\$ 285,586	\$ 281,155
Net investment income (loss)	223,358	(115,100)	117,384
Benefit payments, including refunds of member contributions	(284,856)	(694,422)	(45,496)
Administration	<u>(22,084)</u>	<u>(26,118)</u>	<u>(24,766)</u>
Net change in plan fiduciary net position	118,014	(550,052)	328,281
Plan fiduciary net position - beginning	<u>2,817,086</u>	<u>3,367,140</u>	<u>3,038,863</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,935,100</u>	<u>\$ 2,817,088</u>	<u>\$ 3,367,144</u>
Net pension liability - ending (a) - (b)	<u>\$ 100,927</u>	<u>\$ 232,484</u>	<u>\$ 155,141</u>
Plan fiduciary net position as a percentage of the total pension liability	96.68%	92.38%	95.60%
Covered-employee payroll	\$ 1,398,380	\$ 1,488,604	\$ 1,753,037
Net pension liability as a percentage of covered-employee payroll	7.22%	15.62%	8.85%

Changes in benefit terms: There were no changes of benefit terms.

Changes in assumption: There were no changes in the assumptions.

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, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 201,596	\$ 285,586	\$ 281,155
Contributions in relation to the actuarially determined contribution	<u>201,596</u>	<u>285,586</u>	<u>281,155</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,398,378	\$ 1,488,604	\$ 1,753,037
Contributions as a percentage of covered-employee payroll	14.42%	19.18%	16.04%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of December 31, 2016.

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, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	7.42%	-4.78%	2.85%

CITY OF SUN PRAIRIE

SCHEDULE OF FUNDED STATUS - OTHER POSTEMPLOYMENT BENEFITS For the Year Ended December 31, 2016

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
1/1/2016	\$ -	\$ 112,192	\$ 112,192	0.0%	\$ 10,191,700	1.10%
1/1/2014	-	107,303	107,303	0.0%	8,666,153	1.24%
1/1/2012	-	125,486	125,486	0.0%	N/A	N/A

The most recent actuarial valuation date of the plan was as of January 1, 2016.

CITY OF SUN PRAIRIE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2016

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 \$655,125. 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 and occurred within the fiscal year.

The city is required to present the last ten 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 - BUDGET AND ACTUAL - GENERAL DEBT SERVICE FUND (MAJOR FUND) For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 6,648,847	\$ 6,648,847	\$ 6,648,847	\$ -
Miscellaneous	39,805	39,805	41,664	1,859
Total Revenues	6,688,652	6,688,652	6,690,511	1,859
EXPENDITURES				
Debt service				
Principal	6,017,732	6,015,732	6,015,731	1
Interest and fiscal charges	670,920	672,920	718,723	(45,803)
Total Expenditures	6,688,652	6,688,652	6,734,454	(45,802)
Excess (deficiency) of revenues over expenditures	-	-	(43,943)	(43,943)
OTHER FINANCING SOURCES (USES)				
Refunding debt issued	-	-	3,735,000	3,735,000
Premium on debt issued	-	-	251,158	251,158
Payments to escrow agent	-	-	(4,145,668)	(4,145,668)
Transfers in	-	-	203,844	203,844
Total Other Financing Sources (Uses)	-	-	44,334	44,334
Net Change in Fund Balance	-	-	391	391
FUND BALANCE - Beginning	10,332	10,332	10,332	-
FUND BALANCE - ENDING	\$ 10,332	\$ 10,332	\$ 10,723	\$ 391

GENERAL CAPITAL PROJECTS FUND

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND (MAJOR FUND) For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 19,045	\$ 19,045
Special assessments	-	-	40,479	40,479
Investment income	-	-	1,791	1,791
Charges for services	-	-	25,020	25,020
Miscellaneous	826,843	826,843	105,000	(721,843)
Total Revenues	826,843	826,843	191,335	(635,508)
EXPENDITURES				
Capital Outlay	5,514,800	5,968,659	3,965,440	2,003,219
Debt service				
Interest and fiscal charges	80,700	80,700	46,659	34,041
Total Expenditures	5,595,500	6,049,359	4,012,099	2,037,260
Excess (deficiency) of revenues over expenditures	(4,768,657)	(5,222,516)	(3,820,764)	1,401,752
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	4,116,059	4,181,435	4,195,000	13,565
Premium on debt	-	-	221,298	221,298
Transfers in	141,551	266,887	11,511	(255,376)
Transfers out	-	-	(203,844)	(203,844)
Total Other Financing Sources (Uses)	4,257,610	4,448,322	4,223,965	(224,357)
Net Change in Fund Balance	(511,047)	(774,194)	403,201	1,177,395
FUND BALANCE - Beginning	1,031,038	1,031,038	1,031,038	-
FUND BALANCE - ENDING	\$ 519,991	\$ 256,844	\$ 1,434,239	\$ 1,177,395

NONMAJOR GOVERNMENTAL FUNDS

CITY OF SUN PRAIRIE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2016

	Special Revenue Funds			
	Park Improvement Fund	Wisconsin Development Fund	Transporta- tion Impact Fee Fund	Grant Funds
ASSETS				
Cash and investments	\$ 853,140	\$ 129,059	\$ -	\$ -
Receivables				
Taxes	-	-	-	-
Accounts	77,422	-	-	12,315
Accrued interest	-	-	1,626	-
Loans	-	19,499	-	-
Delinquent special assessments	-	-	-	-
Due from other funds	89,229	1,346	485,698	155,648
Due from other governments	-	-	-	113,369
Restricted cash and investments	-	-	1,810,622	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 1,019,791</u>	<u>\$ 149,904</u>	<u>\$ 2,297,946</u>	<u>\$ 281,332</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 13,463	\$ -	\$ -	\$ 10,670
Accrued liabilities	-	-	-	-
Deposits	5,000	-	-	-
Due to other governments	-	-	-	4,830
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>18,463</u>	<u>-</u>	<u>-</u>	<u>15,500</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	<u>77,422</u>	<u>19,499</u>	<u>460</u>	<u>113,369</u>
Total Deferred Inflows of Resources	<u>77,422</u>	<u>19,499</u>	<u>460</u>	<u>113,369</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	923,906	130,405	2,297,486	152,463
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	<u>923,906</u>	<u>130,405</u>	<u>2,297,486</u>	<u>152,463</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,019,791</u>	<u>\$ 149,904</u>	<u>\$ 2,297,946</u>	<u>\$ 281,332</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
\$ 75,971	\$ -	\$ 502,731	\$ -	\$ -	\$ 2,048,675	\$ -
-	-	1,187,811	-	139,198	983,771	1,757,962
1,778	93,971	105	-	22,998	-	917
-	-	-	-	-	-	-
-	-	-	-	-	18,352	-
-	-	5,232	-	-	-	-
-	282,711	-	141,950	-	587,289	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,250	-	-	-	-	-
<u>\$ 77,749</u>	<u>\$ 377,932</u>	<u>\$ 1,695,879</u>	<u>\$ 141,950</u>	<u>\$ 162,196</u>	<u>\$ 3,638,087</u>	<u>\$ 1,758,879</u>
\$ -	\$ 1,110	\$ 2,098	\$ -	\$ 31	\$ 155	\$ 763
-	5,135	33	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	274,723	-	-	-	-
-	-	-	-	106,683	-	1,125,520
-	6,245	276,854	-	106,714	155	1,126,283
-	-	1,187,811	-	139,198	983,771	1,757,962
-	75	5,337	-	22,998	18,352	917
-	75	1,193,148	-	162,196	1,002,123	1,758,879
-	1,250	-	-	-	-	-
77,749	-	-	-	-	2,635,809	-
-	370,362	225,877	141,950	-	-	-
-	-	-	-	(106,714)	-	(1,126,283)
<u>77,749</u>	<u>371,612</u>	<u>225,877</u>	<u>141,950</u>	<u>(106,714)</u>	<u>2,635,809</u>	<u>(1,126,283)</u>
<u>\$ 77,749</u>	<u>\$ 377,932</u>	<u>\$ 1,695,879</u>	<u>\$ 141,950</u>	<u>\$ 162,196</u>	<u>\$ 3,638,087</u>	<u>\$ 1,758,879</u>

CITY OF SUN PRAIRIE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2016

	Capital Projects Funds			
	TID No. 9	TID No. 11	TID No. 12	Development Projects
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables				
Taxes	970,519	50,668	-	-
Accounts	-	-	-	68,840
Accrued interest	-	-	-	-
Loans	-	-	-	-
Delinquent special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash and investments	75,374	-	80,760	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 1,045,893</u>	<u>\$ 50,668</u>	<u>\$ 80,760</u>	<u>\$ 68,840</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 381	\$ -	\$ 4,050	\$ 22,058
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	77,805
Advances from other funds	960,122	78,355	21,240	-
Total Liabilities	<u>960,503</u>	<u>78,355</u>	<u>25,290</u>	<u>99,863</u>
Deferred Inflows of Resources				
Unearned revenues	970,519	50,668	-	-
Unavailable revenues	-	-	-	68,840
Total Deferred Inflows of Resources	<u>970,519</u>	<u>50,668</u>	<u>-</u>	<u>68,840</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	-	55,470	-
Committed	-	-	-	-
Unassigned (deficit)	(885,129)	(78,355)	-	(99,863)
Total Fund Balances (deficit)	<u>(885,129)</u>	<u>(78,355)</u>	<u>55,470</u>	<u>(99,863)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,045,893</u>	<u>\$ 50,668</u>	<u>\$ 80,760</u>	<u>\$ 68,840</u>

<u>Permanent Funds</u>		Total Nonmajor Governmental Funds
<u>Ashley Trust Fund</u>	<u>Library Trust Fund</u>	
\$ 1,000	\$ 408,574	\$ 4,019,150
-	-	5,089,929
-	-	278,346
-	-	1,626
-	-	37,851
-	-	5,232
-	-	1,743,871
-	-	113,369
-	-	1,966,756
-	-	<u>1,250</u>
<u>\$ 1,000</u>	<u>\$ 408,574</u>	<u>\$ 13,257,380</u>

\$ -	\$ -	\$ 54,779
-	-	5,168
-	-	5,000
-	-	4,830
-	-	352,528
-	-	<u>2,291,920</u>
-	-	<u>2,714,225</u>

-	-	5,089,929
-	-	<u>327,269</u>
-	-	<u>5,417,198</u>

-	-	1,250
1,000	408,574	6,682,862
-	-	738,189
-	-	<u>(2,296,344)</u>
<u>1,000</u>	<u>408,574</u>	<u>5,125,957</u>

<u>\$ 1,000</u>	<u>\$ 408,574</u>	<u>\$ 13,257,380</u>
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CITY OF SUN PRAIRIE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2016

	Special Revenue Funds			
	Park Improvement Fund	Wisconsin Development Fund	Transporta- tion Impact Fee Fund	Grant Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 51,927
Intergovernmental	-	-	-	453,422
Licenses and permits	60,885	-	-	-
Public charges for services	115,921	-	222,560	207,679
Special assessments	-	-	-	-
Investment income	3,712	1,944	15,134	548
Miscellaneous	780	14,705	-	26,072
Total Revenues	<u>181,298</u>	<u>16,649</u>	<u>237,694</u>	<u>739,648</u>
EXPENDITURES				
Current				
General government	-	-	-	1,147
Public safety	-	-	-	11,869
Public works	-	-	-	819,647
Culture, recreation and education	106,859	-	-	15,357
Conservation and development	-	-	-	30,387
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>106,859</u>	<u>-</u>	<u>-</u>	<u>878,407</u>
Excess (deficiency) of revenues over expenditures	<u>74,439</u>	<u>16,649</u>	<u>237,694</u>	<u>(138,759)</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	-	-
Long-term debt issued	-	-	-	-
Refunding debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Payments to escrow agent	-	-	-	-
Transfers in	-	-	-	184,363
Transfers out	(91,404)	-	(11,511)	-
Total Other Financing Sources (Uses)	<u>(91,404)</u>	<u>-</u>	<u>(11,511)</u>	<u>184,363</u>
Net Change in Fund Balances	(16,965)	16,649	226,183	45,604
FUND BALANCES (DEFICIT) - Beginning of Year	<u>940,871</u>	<u>113,756</u>	<u>2,071,303</u>	<u>106,859</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 923,906</u>	<u>\$ 130,405</u>	<u>\$ 2,297,486</u>	<u>\$ 152,463</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
\$ -	\$ -	\$ -	\$ -	\$ 135,270	\$ 864,494	\$ 1,655,417
-	-	45,404	-	1,242	37,666	93,100
-	369,688	-	-	-	-	-
64,837	-	1,121,047	66,653	-	-	20,215
-	-	3,605	-	-	-	-
-	1,128	3,097	-	-	8,820	-
29,486	28,273	29,190	542	28,314	-	100
<u>94,323</u>	<u>399,089</u>	<u>1,202,343</u>	<u>67,195</u>	<u>164,826</u>	<u>910,980</u>	<u>1,768,832</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,184,453	-	-	-	48
79,155	364,620	-	-	-	-	-
-	-	-	104,089	-	-	-
4,644	-	-	-	3,110	12,058	738,055
-	-	-	-	139,044	415,000	1,350,000
-	-	-	-	24,023	122,815	258,434
<u>83,799</u>	<u>364,620</u>	<u>1,184,453</u>	<u>104,089</u>	<u>166,177</u>	<u>549,873</u>	<u>2,346,537</u>
<u>10,524</u>	<u>34,469</u>	<u>17,890</u>	<u>(36,894)</u>	<u>(1,351)</u>	<u>361,107</u>	<u>(577,705)</u>
-	-	-	-	-	201,325	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,375,000
-	-	-	-	-	-	85,041
-	-	-	-	-	-	(914,255)
-	-	152,755	-	-	-	-
-	(13,789)	-	-	(400)	(31,204)	(14,095)
-	(13,789)	152,755	-	(400)	170,121	531,691
10,524	20,680	170,645	(36,894)	(1,751)	531,228	(46,014)
<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>\$ 77,749</u>	<u>\$ 371,612</u>	<u>\$ 225,877</u>	<u>\$ 141,950</u>	<u>\$ (106,714)</u>	<u>\$ 2,635,809</u>	<u>\$ (1,126,283)</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2016

	Capital Projects Funds			
	TID No. 9	TID No. 10	TID No. 11	TID No. 12
REVENUES				
Taxes	\$ 541,294	\$ -	\$ -	\$ -
Intergovernmental	5,938	4,178	-	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	2
Miscellaneous	-	-	-	-
Total Revenues	<u>547,232</u>	<u>4,178</u>	<u>-</u>	<u>2</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	62,385	-	-	25,497
Capital Outlay	6,750	4,842	20,472	127,290
Debt Service				
Principal	60,000	-	-	-
Interest and fiscal charges	161,775	-	-	2,225
Total Expenditures	<u>290,910</u>	<u>4,842</u>	<u>20,472</u>	<u>155,012</u>
Excess (deficiency) of revenues over expenditures	<u>256,322</u>	<u>(664)</u>	<u>(20,472)</u>	<u>(155,010)</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	-	-
Long-term debt issued	-	-	-	200,000
Refunding debt issued	-	-	-	-
Premium on debt issued	-	-	-	10,480
Payments to escrow agent	-	-	-	-
Transfers in	-	55,421	-	-
Transfers out	(23,854)	-	(36,019)	-
Total Other Financing Sources (Uses)	<u>(23,854)</u>	<u>55,421</u>	<u>(36,019)</u>	<u>210,480</u>
Net Change in Fund Balances	232,468	54,757	(56,491)	55,470
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(1,117,597)</u>	<u>(54,757)</u>	<u>(21,864)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (885,129)</u>	<u>\$ -</u>	<u>\$ (78,355)</u>	<u>\$ 55,470</u>

Capital Projects Funds	Permanent Funds		Total Nonmajor Governmental Funds
Development Projects	Ashley Trust Fund	Library Trust Fund	
\$ -	\$ -	\$ -	\$ 3,248,402
-	-	-	640,950
-	-	-	430,573
241,980	-	-	2,060,892
-	-	-	3,605
-	-	28,783	63,168
783	-	-	158,245
<u>242,763</u>	<u>-</u>	<u>28,783</u>	<u>6,605,835</u>
-	-	-	1,147
-	-	-	11,869
209,610	-	-	2,213,758
-	-	5,453	571,444
-	-	-	222,358
-	-	-	917,221
-	-	-	1,964,044
-	-	-	569,272
<u>209,610</u>	<u>-</u>	<u>5,453</u>	<u>6,471,113</u>
<u>33,153</u>	<u>-</u>	<u>23,330</u>	<u>134,722</u>
-	-	-	201,325
-	-	-	200,000
-	-	-	1,375,000
-	-	-	95,521
-	-	-	(914,255)
-	-	-	392,539
-	-	-	(222,276)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,127,854</u>
33,153	-	23,330	1,262,576
<u>(133,016)</u>	<u>1,000</u>	<u>385,244</u>	<u>3,863,381</u>
<u>\$ (99,863)</u>	<u>\$ 1,000</u>	<u>\$ 408,574</u>	<u>\$ 5,125,957</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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	\$ 50,000	\$ 50,000	\$ 60,885	\$ 10,885
Public charges for services	56,000	56,000	115,921	59,921
Investment income	10,000	10,000	3,712	(6,288)
Miscellaneous	-	-	780	780
Total Revenues	<u>116,000</u>	<u>116,000</u>	<u>181,298</u>	<u>65,298</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>215,000</u>	<u>221,100</u>	<u>106,859</u>	<u>114,241</u>
Total Expenditures	<u>215,000</u>	<u>221,100</u>	<u>106,859</u>	<u>114,241</u>
Excess (deficiency) of revenues over expenditures	<u>(99,000)</u>	<u>(105,100)</u>	<u>74,439</u>	<u>179,539</u>
OTHER FINANCING USES				
Transfers out	<u>(121,160)</u>	<u>(121,160)</u>	<u>(91,404)</u>	<u>29,756</u>
Net Change in Fund Balance	(220,160)	(226,260)	(16,965)	209,295
FUND BALANCE - Beginning	<u>940,871</u>	<u>940,871</u>	<u>940,871</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 720,711</u>	<u>\$ 714,611</u>	<u>\$ 923,906</u>	<u>\$ 209,295</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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	\$ 1,495	\$ 1,495	\$ 1,944	\$ 449
Miscellaneous	14,705	14,705	14,705	-
Total Revenues	16,200	16,200	16,649	449
EXPENDITURES	-	-	-	-
Net Change in Fund Balance	16,200	16,200	16,649	449
FUND BALANCE - Beginning	113,756	113,756	113,756	-
FUND BALANCE - ENDING	<u>\$ 129,956</u>	<u>\$ 129,956</u>	<u>\$ 130,405</u>	<u>\$ 449</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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ 460,000	\$ 460,000	\$ 222,560	\$ (237,440)
Investment income	1,500	1,500	15,134	13,634
Total Revenues	<u>461,500</u>	<u>461,500</u>	<u>237,694</u>	<u>(223,806)</u>
EXPENDITURES				
Current				
Public works	10,000	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures	<u>451,500</u>	<u>451,500</u>	<u>237,694</u>	<u>(213,806)</u>
OTHER FINANCING USES				
Transfers out	<u>(141,551)</u>	<u>(141,551)</u>	<u>(11,511)</u>	<u>130,040</u>
Net Change in Fund Balance	309,949	309,949	226,183	(83,766)
FUND BALANCE - Beginning	<u>2,071,303</u>	<u>2,071,303</u>	<u>2,071,303</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,381,252</u>	<u>\$ 2,381,252</u>	<u>\$ 2,297,486</u>	<u>\$ (83,766)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - GRANT FUNDS For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 40,000	\$ 40,000	\$ 51,927	\$ 11,927
Intergovernmental	472,697	473,697	453,422	(20,275)
Investment income	-	-	548	548
Public charges for services	205,000	205,000	207,679	2,679
Miscellaneous	8,700	16,700	26,072	9,372
Total Revenues	<u>726,397</u>	<u>735,397</u>	<u>739,648</u>	<u>4,251</u>
EXPENDITURES				
Current				
General government	-	-	1,147	(1,147)
Public safety	23,138	23,138	11,869	11,269
Public works	862,560	1,147,211	819,647	327,564
Culture, recreation, and education	3,000	12,000	15,357	(3,357)
Conservation and development	33,720	33,720	30,387	3,333
Total Expenditures	<u>922,418</u>	<u>1,216,069</u>	<u>878,407</u>	<u>337,662</u>
Excess (deficiency) of revenues over expenditures	<u>(196,021)</u>	<u>(480,672)</u>	<u>(138,759)</u>	<u>341,913</u>
OTHER FINANCING SOURCES				
Transfers in	<u>184,363</u>	<u>184,363</u>	<u>184,363</u>	<u>-</u>
Total Other Financing Sources	<u>184,363</u>	<u>184,363</u>	<u>184,363</u>	<u>-</u>
Net Change in Fund Balance	(11,658)	(296,309)	45,604	341,913
FUND BALANCE - Beginning	<u>106,859</u>	<u>106,859</u>	<u>106,859</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 95,201</u>	<u>\$ (189,450)</u>	<u>\$ 152,463</u>	<u>\$ 341,913</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - GRANT FUNDS For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 40,000	\$ 40,000	\$ 51,927	\$ 11,927
Intergovernmental	472,697	473,697	453,422	(20,275)
Investment income	-	-	548	548
Public charges for services	205,000	205,000	207,679	2,679
Miscellaneous	8,700	16,700	26,072	9,372
Total Revenues	<u>726,397</u>	<u>735,397</u>	<u>739,648</u>	<u>4,251</u>
EXPENDITURES				
Current				
General government	-	-	1,147	(1,147)
Public safety	23,138	23,138	11,869	11,269
Public works	862,560	1,147,211	819,647	327,564
Culture, recreation, and education	3,000	12,000	15,357	(3,357)
Conservation and development	33,720	33,720	30,387	3,333
Total Expenditures	<u>922,418</u>	<u>1,216,069</u>	<u>878,407</u>	<u>337,662</u>
Excess (deficiency) of revenues over expenditures	<u>(196,021)</u>	<u>(480,672)</u>	<u>(138,759)</u>	<u>341,913</u>
OTHER FINANCING SOURCES				
Transfers in	<u>184,363</u>	<u>184,363</u>	<u>184,363</u>	<u>-</u>
Total Other Financing Sources	<u>184,363</u>	<u>184,363</u>	<u>184,363</u>	<u>-</u>
Net Change in Fund Balance	(11,658)	(296,309)	45,604	341,913
FUND BALANCE - Beginning	<u>106,859</u>	<u>106,859</u>	<u>106,859</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 95,201</u>	<u>\$ (189,450)</u>	<u>\$ 152,463</u>	<u>\$ 341,913</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 10,600	\$ 10,600	\$ -	\$ (10,600)
Public charges for services	44,550	44,550	64,837	20,287
Investment income	13,000	13,000	-	(13,000)
Miscellaneous	10,100	10,100	29,486	19,386
Total Revenues	78,250	78,250	94,323	16,073
EXPENDITURES				
Current				
Culture, recreation, and education	99,758	99,758	79,155	20,603
Capital Outlay	-	-	4,644	(4,644)
Total Expenditures	99,758	99,758	83,799	15,959
Net Change in Fund Balance	(21,508)	(21,508)	10,524	32,032
FUND BALANCE - Beginning	67,225	67,225	67,225	-
FUND BALANCE - ENDING	\$ 45,717	\$ 45,717	\$ 77,749	\$ 32,032

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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	\$ 350,000	\$ 350,000	\$ 369,688	\$ 19,688
Investment income	-	-	1,128	1,128
Miscellaneous	14,000	14,000	28,273	14,273
Total Revenues	364,000	364,000	399,089	35,089
EXPENDITURES				
Current				
Culture, recreation, and education	372,738	372,738	364,620	8,118
Total Expenditures	372,738	372,738	364,620	8,118
Excess (deficiency) of revenues over expenditures	(8,738)	(8,738)	34,469	43,207
OTHER FINANCING USES				
Transfers out	-	-	(13,789)	(13,789)
Net Change in Fund Balance	(8,738)	(8,738)	20,680	29,418
FUND BALANCE - Beginning	350,932	350,932	350,932	-
FUND BALANCE - ENDING	\$ 342,194	\$ 342,194	\$ 371,612	\$ 29,418

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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 37,361	\$ 37,361	\$ 45,404	\$ 8,043
Public charges for services	1,088,475	1,088,475	1,121,047	32,572
Special assessments	-	-	3,605	3,605
Investment income	-	-	3,097	3,097
Miscellaneous	-	-	29,190	29,190
Total Revenues	<u>1,125,836</u>	<u>1,125,836</u>	<u>1,202,343</u>	<u>76,507</u>
EXPENDITURES				
Current				
Public works	<u>1,278,591</u>	<u>1,280,591</u>	<u>1,184,453</u>	<u>96,138</u>
Total Expenditures	<u>1,278,591</u>	<u>1,280,591</u>	<u>1,184,453</u>	<u>96,138</u>
Excess (deficiency) of revenues over expenditures	<u>(152,755)</u>	<u>(154,755)</u>	<u>17,890</u>	<u>172,645</u>
OTHER FINANCING SOURCES				
Transfers in	<u>152,755</u>	<u>152,755</u>	<u>152,755</u>	<u>-</u>
Net Change in Fund Balance	-	(2,000)	170,645	172,645
FUND BALANCE - Beginning	<u>55,232</u>	<u>55,232</u>	<u>55,232</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 55,232</u>	<u>\$ 53,232</u>	<u>\$ 225,877</u>	<u>\$ 172,645</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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ 48,359	\$ 48,359	\$ 66,653	\$ 18,294
Miscellaneous	-	-	542	542
Total Revenues	<u>48,359</u>	<u>48,359</u>	<u>67,195</u>	<u>18,836</u>
EXPENDITURES				
Current				
Conservation and development	<u>110,000</u>	<u>110,000</u>	<u>104,089</u>	<u>5,911</u>
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>104,089</u>	<u>5,911</u>
Net Change in Fund Balance	(61,641)	(61,641)	(36,894)	24,747
FUND BALANCE - Beginning	<u>178,844</u>	<u>178,844</u>	<u>178,844</u>	-
FUND BALANCE - ENDING	<u>\$ 117,203</u>	<u>\$ 117,203</u>	<u>\$ 141,950</u>	<u>\$ 24,747</u>

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 136,608	\$ 136,608	\$ 135,270	\$ (1,338)
Intergovernmental	500	500	1,242	742
Miscellaneous	27,000	27,000	28,314	1,314
Total Revenues	164,108	164,108	164,826	718
EXPENDITURES				
Capital Outlay	4,800	4,800	3,110	1,690
Debt Service				
Principal	139,044	139,044	139,044	-
Interest and fiscal charges	23,984	23,984	24,023	(39)
Total Expenditures	167,828	167,828	166,177	1,651
Excess (deficiency) of revenues over expenditures	(3,720)	(3,720)	(1,351)	2,369
OTHER FINANCING USES				
Transfers out	-	-	(400)	(400)
Net Change in Fund Balance	(3,720)	(3,720)	(1,751)	1,969
FUND BALANCE (DEFICIT) - Beginning	(104,963)	(104,963)	(104,963)	-
FUND BALANCE (DEFICIT) - ENDING	\$ (108,683)	\$ (108,683)	\$ (106,714)	\$ 1,969

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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 873,048	\$ 873,048	\$ 864,494	\$ (8,554)
Intergovernmental	47,000	47,000	37,666	(9,334)
Investment income	100	100	8,820	8,720
Total Revenues	<u>920,148</u>	<u>920,148</u>	<u>910,980</u>	<u>(9,168)</u>
EXPENDITURES				
Capital outlay	27,101	27,101	12,058	15,043
Debt service				
Principal	415,000	415,000	415,000	-
Interest and fiscal charges	<u>122,618</u>	<u>122,618</u>	<u>122,815</u>	<u>(197)</u>
Total Expenditures	<u>564,719</u>	<u>564,719</u>	<u>549,873</u>	<u>14,846</u>
Excess of revenues over expenditures	<u>355,429</u>	<u>355,429</u>	<u>361,107</u>	<u>5,678</u>
OTHER FINANCING SOURCES (USES)				
Sale of city property	-	-	201,325	201,325
Transfers out	<u>(30,804)</u>	<u>(30,804)</u>	<u>(31,204)</u>	<u>(400)</u>
Total Other Financing Sources (Uses)	<u>(30,804)</u>	<u>(30,804)</u>	<u>170,121</u>	<u>200,925</u>
Net Change in Fund Balance	324,625	324,625	531,228	206,603
FUND BALANCE - Beginning	<u>2,104,581</u>	<u>2,104,581</u>	<u>2,104,581</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,429,206</u>	<u>\$ 2,429,206</u>	<u>\$ 2,635,809</u>	<u>\$ 206,603</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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 1,671,796	\$ 1,671,796	\$ 1,655,417	\$ (16,379)
Intergovernmental	20,000	20,000	93,100	73,100
Public charges for services	14,000	14,000	20,215	6,215
Miscellaneous	-	-	100	100
Total Revenues	<u>1,705,796</u>	<u>1,705,796</u>	<u>1,768,832</u>	<u>63,036</u>
EXPENDITURES				
Current				
Public works	-	-	48	(48)
Capital Outlay	929,586	933,086	738,055	195,031
Debt Service				
Principal	1,350,000	1,350,000	1,350,000	-
Interest and fiscal charges	<u>255,903</u>	<u>255,903</u>	<u>258,434</u>	<u>(2,531)</u>
Total Expenditures	<u>2,535,489</u>	<u>2,538,989</u>	<u>2,346,537</u>	<u>192,452</u>
Excess (deficiency) of revenues over expenditures	<u>(829,693)</u>	<u>(833,193)</u>	<u>(577,705)</u>	<u>255,488</u>
OTHER FINANCING SOURCES (USES)				
Refunding debt issued	739,500	739,500	1,375,000	635,500
Premium on debt issued	-	-	85,041	85,041
Payments to escrow	-	-	(914,255)	(914,255)
Transfers out	<u>(13,695)</u>	<u>(13,695)</u>	<u>(14,095)</u>	<u>(400)</u>
Total Other Financing Sources (Uses)	<u>725,805</u>	<u>725,805</u>	<u>531,691</u>	<u>(194,114)</u>
Net Change in Fund Balance	(103,888)	(107,388)	(46,014)	61,374
FUND BALANCE (DEFICIT) - Beginning	<u>(1,086,426)</u>	<u>(1,080,269)</u>	<u>(1,080,269)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (1,190,314)</u>	<u>\$ (1,187,657)</u>	<u>\$ (1,126,283)</u>	<u>\$ 61,374</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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 546,649	\$ 546,649	\$ 541,294	\$ (5,355)
Intergovernmental	4,500	4,500	5,938	1,438
Total Revenues	<u>551,149</u>	<u>551,149</u>	<u>547,232</u>	<u>(3,917)</u>
EXPENDITURES				
Current				
Conservation and development	75,000	75,000	62,385	12,615
Capital Outlay	27,871	27,871	6,750	21,121
Debt Service				
Principal	60,000	60,000	60,000	-
Interest and fiscal charges	<u>161,775</u>	<u>161,775</u>	<u>161,775</u>	<u>-</u>
Total Expenditures	<u>324,646</u>	<u>324,646</u>	<u>290,910</u>	<u>33,736</u>
Excess of revenues over expenditures	<u>226,503</u>	<u>226,503</u>	<u>256,322</u>	<u>29,819</u>
OTHER FINANCING USES				
Transfers out	<u>(23,454)</u>	<u>(23,454)</u>	<u>(23,854)</u>	<u>(400)</u>
Net Change in Fund Balance	203,049	203,049	232,468	29,419
FUND BALANCE (DEFICIT) - Beginning	<u>(1,117,597)</u>	<u>(1,117,597)</u>	<u>(1,117,597)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (914,548)</u>	<u>\$ (914,548)</u>	<u>\$ (885,129)</u>	<u>\$ 29,419</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,178	\$ 4,178
EXPENDITURES				
Capital Outlay	4,150	4,150	4,842	(692)
Excess (deficiency) of revenues over expenditures	(4,150)	(4,150)	(664)	3,486
OTHER FINANCING SOURCES				
Transfers in	-	-	55,421	55,421
Net Change in Fund Balance	(4,150)	(4,150)	54,757	58,907
FUND BALANCE (DEFICIT) - Beginning	(54,757)	(54,757)	(54,757)	-
FUND BALANCE (DEFICIT) - ENDING	\$ (58,907)	\$ (58,907)	\$ -	\$ 58,907

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 11 For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
EXPENDITURES				
Capital Outlay	22,061	22,061	20,472	1,589
Deficiency of revenues over expenditures	(18,061)	(18,061)	(20,472)	(2,411)
OTHER FINANCING USES				
Transfers out	(35,619)	(35,619)	(36,019)	(400)
Net Change in Fund Balance	(53,680)	(53,680)	(56,491)	(2,811)
FUND BALANCE (DEFICIT) - Beginning	(21,864)	(21,864)	(21,864)	-
FUND BALANCE (DEFICIT) - ENDING	\$ (75,544)	\$ (75,544)	\$ (78,355)	\$ (2,811)

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 12 For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 2	\$ 2
Total Revenues	-	-	2	2
EXPENDITURES				
Current				
Conservation and development	-	17,650	25,497	(7,847)
Debt Service				
Interest and fiscal charges	-	-	2,225	(2,225)
Capital Outlay	-	-	127,290	(127,290)
Total Expenditures	-	17,650	155,012	(137,362)
Deficiency of revenues over expenditures	-	(17,650)	(155,010)	(137,360)
OTHER FINANCING SOURCES				
Long-term debt issued	-	-	200,000	200,000
Premium on debt issued	-	-	10,480	10,480
Total Other Financing Sources	-	-	210,480	210,480
Net Change in Fund Balance	-	(17,650)	55,470	73,120
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ (17,650)	\$ 55,470	\$ 73,120

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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ 50,000	\$ 50,000	\$ 241,980	\$ 191,980
Miscellaneous	-	-	783	783
Total Revenues	50,000	50,000	242,763	192,763
EXPENDITURES				
Current				
Public works	40,000	40,763	209,610	(168,847)
Net Change in Fund Balance	10,000	9,237	33,153	23,916
FUND BALANCE (DEFICIT) - Beginning	(133,016)	(133,016)	(133,016)	-
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (123,016)</u>	<u>\$ (123,779)</u>	<u>\$ (99,863)</u>	<u>\$ 23,916</u>

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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 28,783	\$ 18,783
Total Revenues	10,000	10,000	28,783	18,783
EXPENDITURES				
Current				
Culture, recreation, and education	10,000	10,000	5,453	4,547
Total Expenditures	10,000	10,000	5,453	4,547
Net Change in Fund Balance	-	-	23,330	23,330
FUND BALANCE - Beginning	385,244	385,244	385,244	-
FUND BALANCE - ENDING	\$ 385,244	\$ 385,244	\$ 408,574	\$ 23,330

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS As of December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
TAX COLLECTION FUND				
Assets				
Cash and investments	\$ 29,445,294	\$ 29,582,221	\$ 29,445,294	\$ 29,582,221
Taxes receivable	<u>12,011,759</u>	<u>14,092,894</u>	<u>12,011,759</u>	<u>14,092,894</u>
TOTAL ASSETS	<u>\$ 41,457,053</u>	<u>\$ 43,675,115</u>	<u>\$ 41,457,053</u>	<u>\$ 43,675,115</u>
Liabilities				
Due to other governments	<u>\$ 41,457,053</u>	<u>\$ 43,675,115</u>	<u>\$ 41,457,053</u>	<u>\$ 43,675,115</u>
TOTAL LIABILITIES	<u>\$ 41,457,053</u>	<u>\$ 43,675,115</u>	<u>\$ 41,457,053</u>	<u>\$ 43,675,115</u>
MPSISC				
Assets				
Cash and investments	\$ 216,930	\$ 907	\$ -	\$ 217,837
Due from other governments	<u>32,265</u>	<u>110,596</u>	<u>-</u>	<u>142,861</u>
TOTAL ASSETS	<u>\$ 249,195</u>	<u>\$ 111,503</u>	<u>\$ -</u>	<u>\$ 360,698</u>
Liabilities				
Due to other governments	<u>\$ 249,195</u>	<u>\$ 111,503</u>	<u>\$ -</u>	<u>\$ 360,698</u>
TOTAL LIABILITIES	<u>\$ 249,195</u>	<u>\$ 111,503</u>	<u>\$ -</u>	<u>\$ 360,698</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 29,662,224	\$ 29,583,128	\$ 29,445,294	\$ 29,800,058
Taxes receivable	12,011,759	14,092,894	12,011,759	14,092,894
Due from other governments	<u>32,265</u>	<u>110,596</u>	<u>-</u>	<u>142,861</u>
TOTAL ASSETS	<u>\$ 41,706,248</u>	<u>\$ 43,786,618</u>	<u>\$ 41,457,053</u>	<u>\$ 44,035,813</u>
Liabilities				
Due to other governments	<u>\$ 41,706,248</u>	<u>\$ 43,786,618</u>	<u>\$ 41,457,053</u>	<u>\$ 44,035,813</u>
TOTAL LIABILITIES	<u>\$ 41,706,248</u>	<u>\$ 43,786,618</u>	<u>\$ 41,457,053</u>	<u>\$ 44,035,813</u>

CITY OF SUN PRAIRIE

**STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2016**

	Community Development Authority
	<u>Authority</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Debt retired	\$ (1,800,000)
Interest paid	(348,700)
Interfund activity	(65)
Capital lease payments received	<u>1,800,000</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(348,765)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>348,736</u>
 Net Change in Cash and Cash Equivalents	 (29)
 CASH AND CASH EQUIVALENTS - Beginning of Year	 <u>2,146,539</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u><u>\$ 2,146,510</u></u>
 NONCASH ACTIVITIES	
Amortization of deferred charge on debt	<u><u>\$ 81,921</u></u>

CITY OF SUN PRAIRIE, WISCONSIN

Introduction to the Statistical Section

December 31, 2016

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.

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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.

121 – 126

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.

127 – 130

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.

131 – 136

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.

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

	<u>2016</u>	<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>
Governmental Activities										
Net investment in capital assets	81,638,011	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
Restricted	7,346,609	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
Unrestricted (deficit)	<u>1,815,833</u>	<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>
Total governmental activities net position	90,800,453	\$ 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
Business-Type Activities										
Net investment in capital assets	125,335,883	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
Restricted	3,983,396	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
Unrestricted (deficit)	<u>22,949,218</u>	<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>
Total business-type activities net position	152,268,497	\$ 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
Primary Government										
Net investment in capital assets	206,973,894	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
Restricted	11,330,005	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
Unrestricted (deficit)	<u>24,765,051</u>	<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>
Total primary government activities net position	<u>243,068,950</u>	<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>

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

<u>PRIMARY GOVERNMENT</u>	<u>2016</u>	<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>
EXPENSES										
Governmental activities										
General government	4,403,914	3,767,680	3,676,622	3,869,075	3,875,278	4,363,279	4,557,089	4,425,324	4,441,381	4,134,140
Public safety	11,119,610	8,463,874	9,492,560	9,554,009	9,240,152	9,384,120	9,597,113	9,707,435	9,251,251	8,731,633
Public works	8,290,581	7,404,845	8,473,109	7,687,487	6,382,496	7,134,201	6,778,695	7,422,914	7,146,290	7,158,684
Health and human services	54,500	23,500	-	-	-	-	-	-	-	-
Culture, recreation, and education	4,121,380	4,034,270	4,107,120	3,692,024	3,720,586	3,969,135	4,057,376	4,064,223	3,798,141	3,823,571
Conservation and development	1,120,518	1,052,201	747,165	637,646	1,167,660	2,242,615	663,866	1,140,359	987,856	349,618
Interest and fiscal charges	<u>1,553,363</u>	<u>930,621</u>	<u>3,005,014</u>	<u>2,570,548</u>	<u>2,537,354</u>	<u>2,802,054</u>	<u>3,026,544</u>	<u>3,456,848</u>	<u>3,458,312</u>	<u>3,306,550</u>
Total governmental activities expenses	30,663,866	\$ 25,676,991	\$ 29,501,590	\$ 28,010,789	\$ 26,923,526	\$ 29,895,404	\$ 28,680,683	\$ 30,217,103	\$ 29,083,231	\$ 27,504,196
Business-type activities										
Electric	25,644,446	25,129,204	25,011,083	24,453,874	23,794,207	22,656,851	22,002,501	18,998,624	18,861,016	17,101,165
Water	2,295,240	2,345,040	2,370,944	2,343,216	2,234,925	2,247,054	2,122,292	1,766,520	1,763,601	1,742,417
Telecommunications	451,698	374,325	443,138	353,206	342,225	340,771	375,055	268,620	462,480	437,207
Wastewater	3,657,592	3,457,368	3,310,861	3,285,324	3,156,687	3,270,402	3,356,293	3,774,232	3,605,483	2,925,346
Stormwater	<u>2,086,266</u>	<u>1,652,579</u>	<u>1,599,257</u>	<u>1,504,995</u>	<u>1,423,332</u>	<u>1,455,234</u>	<u>1,420,257</u>	<u>1,389,778</u>	<u>1,552,291</u>	<u>846,723</u>
Total business-type activities expenses	34,135,242	\$ 32,958,516	\$ 32,735,283	\$ 31,940,615	\$ 30,951,376	\$ 29,970,312	\$ 29,276,398	\$ 26,197,774	\$ 26,244,871	\$ 23,052,858
Total primary government expenses	<u>\$ 64,799,108</u>	<u>\$ 58,635,507</u>	<u>\$ 62,236,873</u>	<u>\$ 59,951,404</u>	<u>\$ 57,874,902</u>	<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>
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	157,680	124,009	119,593	118,037	191,015	130,075	92,509	117,054	97,496	107,989
Public safety	1,549,065	1,584,080	1,597,663	1,464,975	1,239,082	1,194,024	1,107,838	1,071,137	1,323,614	1,051,457
Public works	1,907,877	1,770,128	1,350,868	634,758	513,772	453,740	500,734	664,368	324,955	(4,856)
Health and human services	-	-	-	-	-	-	-	-	-	-
Culture, recreation, and education	933,945	888,192	900,544	865,096	833,364	864,681	815,104	782,956	766,290	735,664
Conservation and development	109,763	93,076	40,605	13,492	14,968	8,585	42,683	29,746	254,411	280,740
Operating grants and contributions	3,093,256	3,309,096	2,930,092	2,783,205	3,143,746	3,111,724	3,043,490	3,021,865	2,578,767	2,591,686
Capital grants and contributions	<u>1,847,780</u>	<u>3,376,106</u>	<u>2,314,034</u>	<u>703,799</u>	<u>5,492,320</u>	<u>830,512</u>	<u>323,762</u>	<u>67,200</u>	<u>1,556,058</u>	<u>2,532,994</u>
Total governmental activities program revenues	9,599,366	\$ 11,144,687	\$ 9,253,399	\$ 6,583,362	\$ 11,428,267	\$ 6,593,341	\$ 5,926,120	\$ 5,754,326	\$ 6,901,591	\$ 7,295,674
Business-type activities										
Charges for services										
Electric	27,390,414	26,741,334	26,245,287	25,049,749	24,438,763	23,431,527	22,971,221	20,029,689	19,756,482	18,885,933
Water	3,495,738	3,259,410	3,135,457	3,083,889	3,158,039	2,980,431	2,682,003	2,257,207	2,228,177	2,215,917
Telecommunications	609,350	512,036	450,214	454,866	435,669	461,290	489,873	520,623	534,636	502,302
Wastewater	3,891,120	3,771,488	3,762,049	3,617,686	3,463,542	3,206,451	2,909,750	2,608,613	2,492,109	2,423,632
Stormwater	1,808,596	1,680,540	1,616,450	1,472,646	1,394,284	1,260,168	1,120,966	1,185,841	1,240,124	958,766
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	<u>2,088,200</u>	<u>2,947,172</u>	<u>2,540,194</u>	<u>1,111,652</u>	<u>1,445,721</u>	<u>2,403,411</u>	<u>229,842</u>	<u>535,394</u>	<u>2,356,626</u>	<u>2,420,696</u>
Total business-type activities program revenues	39,283,418	\$ 38,911,980	\$ 37,749,651	\$ 34,790,488	\$ 34,336,018	\$ 33,743,278	\$ 30,403,655	\$ 27,137,367	\$ 28,608,154	\$ 27,407,246
Total primary government program revenues	<u>\$ 48,882,784</u>	<u>\$ 50,056,667</u>	<u>\$ 47,003,050</u>	<u>\$ 41,373,850</u>	<u>\$ 45,764,285</u>	<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>

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

<u>PRIMARY GOVERNMENT</u>	<u>2016</u>	<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>
NET (EXPENSE)/REVENUE										
Governmental activities	(21,064,500)	(14,532,304)	(20,248,191)	(21,427,427)	(15,495,259)	(23,302,063)	(22,754,563)	(24,462,777)	(22,181,640)	(20,208,522)
Business-type activities	5,148,176	5,953,464	5,014,368	2,849,873	3,384,642	3,772,966	1,127,257	939,593	2,363,283	4,354,388
Total primary government net (expense)/revenue	<u>\$ (15,916,324)</u>	<u>\$ (8,578,840)</u>	<u>\$ (15,233,823)</u>	<u>\$ (18,577,554)</u>	<u>\$ (12,110,617)</u>	<u>\$ (19,529,097)</u>	<u>\$ (21,627,306)</u>	<u>\$ (23,523,184)</u>	<u>\$ (19,818,357)</u>	<u>\$ (15,854,134)</u>
GENERAL REVENUES										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	13,546,267	13,008,194	12,741,648	12,675,499	12,515,534	12,493,861	12,447,883	12,779,854	12,773,030	12,141,998
Property taxes, levied for debt service	6,648,847	6,574,270	6,326,108	6,399,403	6,559,367	6,581,043	6,620,000	6,205,000	5,600,000	5,081,321
Property taxes, levied for TIF districts	3,196,475	2,699,069	2,787,227	2,303,381	2,611,460	2,545,947	2,264,016	2,061,797	1,694,994	1,315,815
Other taxes	172,708	62,636	172,644	160,760	160,657	150,458	170,333	178,024	207,833	202,390
Intergovernmental revenues not restricted	1,694,011	1,722,939	1,751,499	1,559,097	1,554,397	1,682,139	1,687,575	1,788,849	1,854,374	1,707,412
Public gifts and grants	9,966	-	709	-	7,328	36,006	54,455	51,220	30,543	33,130
Investment income	123,106	51,176	39,120	96,153	75,263	99,367	137,353	467,565	688,073	1,131,159
Miscellaneous	604,457	252,350	984,037	428,288	325,530	655,074	604,303	610,369	748,317	328,521
Transfers, internal	1,788,072	1,716,270	1,290,347	1,661,640	1,670,093	947,161	537,397	(1,703,346)	1,015,255	(707,596)
Total governmental activities general revenues	<u>\$ 27,783,909</u>	<u>\$ 26,086,904</u>	<u>\$ 26,093,339</u>	<u>\$ 25,284,221</u>	<u>\$ 25,479,629</u>	<u>\$ 25,191,056</u>	<u>\$ 24,523,315</u>	<u>\$ 22,439,332</u>	<u>\$ 24,612,419</u>	<u>\$ 21,234,150</u>
Business-type activities										
Intergovernmental revenues not restricted	50,000	-	-	-	-	-	-	-	-	-
Investment income	859,736	674,625	783,757	825,150	813,149	769,772	781,259	827,480	1,542,371	1,204,226
Miscellaneous	21,497	92,040	127,492	9,920	49,053	60,934	51,874	104,451	107,067	34,823
Transfers, internal	(1,788,072)	(1,716,270)	(1,290,347)	(1,661,640)	(1,670,093)	(947,161)	(537,397)	1,703,346	(1,015,255)	707,596
Total business-type activities general revenues	<u>\$ (856,839)</u>	<u>\$ (949,605)</u>	<u>\$ (379,098)</u>	<u>\$ (826,570)</u>	<u>\$ (807,891)</u>	<u>\$ (116,455)</u>	<u>\$ 295,736</u>	<u>\$ 2,635,277</u>	<u>\$ 634,183</u>	<u>\$ 1,946,645</u>
Total primary government general revenue	<u>\$ 26,927,070</u>	<u>\$ 25,137,299</u>	<u>\$ 25,714,241</u>	<u>\$ 24,457,651</u>	<u>\$ 24,671,738</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	6,719,409	11,554,600	5,845,148	3,856,794	9,984,370	1,888,993	1,768,752	(2,023,445)	2,430,779	1,025,628
Business-type activities	4,291,337	5,003,859	4,635,270	2,023,303	2,576,751	3,656,511	1,422,993	3,574,870	2,997,466	6,301,033
Total primary government change in net position	<u>\$ 11,010,746</u>	<u>\$ 16,558,459</u>	<u>\$ 10,480,418</u>	<u>\$ 5,880,097</u>	<u>\$ 12,561,121</u>	<u>\$ 5,545,504</u>	<u>\$ 3,191,745</u>	<u>\$ 1,551,425</u>	<u>\$ 5,428,245</u>	<u>\$ 7,326,661</u>

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

	<u>2016</u>	<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>
General fund										
Nonspendable	2,936,357	2,968,901	2,585,174	2,296,345	2,118,128	1,417,862	-	-	-	-
Restricted	434,645	142,000	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,513,829	3,066,431	3,198,837	3,481,595	3,267,320	3,333,027	-	-	-	-
Unassigned (deficit)	4,292,708	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
Unreserved	-	-	-	-	-	-	3,705,651	4,464,173	4,847,787	5,086,825
Total general fund	<u>\$ 11,177,539</u>	<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>
All other governmental funds										
Nonspendable	1,250	-	-	-	849,542	-	-	-	-	-
Restricted	8,215,808	6,531,919	6,308,683	10,517,410	5,889,754	5,882,542	-	-	-	-
Committed	738,189	585,008	329,841	-	-	-	-	-	-	-
Assigned	-	300,290	160,403	-	83,237	-	-	-	-	-
Unassigned (deficit)	(2,384,328)	(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
Unreserved	-	-	-	-	-	-	2,044,236	3,402,119	7,528,160	4,246,750
Total all other governmental funds	<u>\$ 6,570,919</u>	<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>

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues					
Taxes	23,582,959	22,365,360	22,039,519	21,560,595	21,852,526
Intergovernmental	4,462,003	4,954,446	4,252,248	4,149,542	4,656,266
Licenses and permits	982,893	995,345	1,062,011	1,029,664	788,163
Fines, forfeitures, and penalties	191,014	192,788	212,879	214,561	171,760
Public charges for services	3,483,334	3,556,437	3,185,151	2,169,162	2,560,042
Special assessments	48,518	29,443	258,902	14,539	33,194
Investment income	121,991	50,301	37,841	85,329	60,841
Miscellaneous	1,002,421	1,394,910	1,123,649	742,515	771,470
Total Revenues	<u>33,875,133</u>	<u>33,539,030</u>	<u>32,172,200</u>	<u>29,965,907</u>	<u>30,894,262</u>
Expenditures					
Current					
General government	4,299,408	3,610,525	3,892,660	3,753,525	3,795,349
Public safety	10,300,366	9,800,779	9,172,518	8,631,991	8,525,872
Public works	4,870,425	5,454,197	5,564,755	5,520,561	5,120,995
Health and human services	54,500	23,500	-	-	-
Culture, recreation, and education	3,817,338	3,766,523	3,590,057	3,356,418	3,344,759
Conservation and development	962,655	889,837	521,258	616,640	542,336
Capital outlay	4,882,661	3,442,178	4,015,917	3,221,947	2,381,139
Debt service					
Principal	8,041,540	8,147,175	25,984,528	6,601,458	12,792,367
Interest and fiscal charges	1,334,654	1,464,947	2,389,089	2,170,462	2,497,627
Debt issuance costs	-	-	413,954	179,043	112,395
Total expenditures	<u>38,563,547</u>	<u>36,599,661</u>	<u>55,544,736</u>	<u>34,052,045</u>	<u>39,112,839</u>
Excess(deficiency) of revenues over expenditures	<u>(4,688,414)</u>	<u>(3,060,631)</u>	<u>(23,372,536)</u>	<u>(4,086,138)</u>	<u>(8,218,577)</u>
Other financing sources (uses)					
Sale of property	201,325	-	188,660	-	-
Long-term debt issued	4,395,000	2,815,000	19,991,705	12,715,000	12,310,000
Refunding Debt Issued	5,110,000	-	-	-	-
Capital leases issued	-	-	-	-	-
Payments to escrow agent	(5,059,923)	-	-	(7,319,761)	(2,322,044)
Premium on debt issued	567,977	35,530	128,348	371,755	190,329
Transfers in	2,606,731	3,015,099	2,605,974	1,881,987	2,865,469
Transfers out	(818,659)	(1,523,061)	(1,163,461)	(220,347)	(1,293,962)
Total other financing sources (uses)	<u>7,002,451</u>	<u>4,342,568</u>	<u>21,751,226</u>	<u>7,428,634</u>	<u>11,749,792</u>
Net change in fund balances	2,314,037	1,281,937	(1,621,310)	3,342,496	3,531,215
Ratio of total debt service expenditures to total noncapital expenditures*	27.84%	28.99%	55.51%	28.62%	41.75%

* Total noncapital expenditures excludes debt issuance costs and includes reconciling items found on page 10 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 34.81%.

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>
21,787,728	21,516,604	21,224,675	20,286,661	18,754,529
4,648,414	4,682,143	4,801,502	4,305,881	4,201,058
695,076	567,365	645,024	815,120	910,891
182,241	180,286	173,933	150,276	126,359
2,646,705	1,722,939	1,999,866	2,634,543	2,829,146
49,836	32,264	61,720	61,441	254,355
86,692	133,587	462,499	684,965	1,129,306
705,889	759,635	924,472	871,289	654,425
<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>
4,016,718	3,861,624	4,152,341	4,073,516	3,655,321
8,674,597	8,872,437	9,105,763	8,819,378	8,177,554
5,230,598	4,832,927	4,801,280	5,161,448	4,115,404
-	-	-	-	-
3,776,128	3,661,678	3,702,777	3,846,903	3,728,202
654,263	617,861	628,412	629,482	588,331
2,790,721	2,914,804	12,837,935	2,526,138	13,937,294
9,447,810	6,341,267	9,274,495	8,641,168	3,928,618
2,875,571	3,157,940	3,297,302	3,427,436	3,282,469
-	16,851	130,060	99,262	102,264
<u>37,466,406</u>	<u>34,277,389</u>	<u>47,930,365</u>	<u>37,224,731</u>	<u>41,515,457</u>
<u>(6,663,825)</u>	<u>(4,682,566)</u>	<u>(17,636,674)</u>	<u>(7,414,555)</u>	<u>(12,655,388)</u>
31,000	-	30,724	4,399,697	-
-	4,700,000	11,629,116	5,500,000	11,865,000
-	-	-	-	-
-	-	6,300,000	-	-
-	-	(6,083,907)	-	-
-	-	8,794	11,645	26,289
2,252,060	1,536,486	1,619,306	1,618,283	1,820,166
(759,848)	(147,813)	(401,769)	(489,617)	(1,022,239)
<u>1,523,212</u>	<u>6,088,673</u>	<u>13,102,264</u>	<u>11,040,008</u>	<u>12,689,216</u>
(5,140,613)	1,406,107	(4,534,410)	3,625,453	33,828
35.54%	30.30%	35.96%	34.88%	26.25%

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					
2016	2017	\$ 1,821,842	\$ 679,317	\$ 56,148	\$ 202	\$ -	\$ 61,298	\$ 2,618,807	\$ 2,772,246	\$ 8.4779	94.47%
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%

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)

City Direct Rates									Overlapping Rates					Net Tax Rate
Levy Year	Budget Year	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	
2016	2017	\$ 5.4641	\$ -	\$ 2.5275	\$ -	\$ 0.4863	\$ -	\$ 8.4779	\$ 13.1711	\$ 3.3054	\$ 0.1796	\$ 1.0222	\$ (2.0531)	24.1031
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

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
Last Ten Fiscal Years

Taxpayer	2016			2007		
	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value
Fedler Connery Umbrella	\$ 46,553,600	1	1.78%	\$ 35,830,700	3	1.46%
General Casualty Co of WI	30,779,000	2	1.18%	40,822,000	2	1.66%
Woodman's Food Market Inc	19,337,000	3	0.74%			
Marcus Theatres Corp.	15,048,200	4	0.57%			
Sp Real Estate LLC	14,188,600	5	0.54%			
Costco Wholesale Corporation	14,095,800	6	0.54%			
Wal-Mart Realty Co	13,853,000	7	0.53%			
Sodarock Properties LLC	13,354,000	8	0.51%			
Revere Apartments	12,594,800	9	0.48%			
Veridian Homes Umbrella	11,393,600	10	0.44%			
Kraus Companies				66,930,000	1	2.73%
Simon Companies				30,278,800	4	1.23%
Campbell Properties				19,378,200	5	0.79%
Sanibel/MRS Prairie				15,020,200	6	0.61%
200 East LLC				14,169,900	7	0.58%
Grosso Investment Properties LLC				9,466,000	8	0.39%
Sun Prairie Apartments LLC				9,165,400	9	0.37%
Hunters Creek LLC				8,933,800	10	0.36%
Total	<u>\$ 191,197,600</u>		<u>7.30%</u>	<u>\$ 249,995,000</u>		<u>10.19%</u>

Source: City of Sun Prairie Assessor's Office

1 - Assessed values include real and personal property.

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
2015	2016	\$ 21,249,832	\$ 21,240,570	99.96%	\$ -	\$ 21,240,570	99.96%
2014	2015	20,485,969	20,460,372	99.88%	21,677	\$ 20,485,969	100.00%
2013	2014	19,952,811	19,931,026	99.89%	11,717	19,952,465	100.00%
2012	2013	19,820,155	19,814,376	99.97%	(1,370)	19,818,791	99.99%
2011	2012	19,911,656	19,889,219	99.89%	18,311	19,911,656	100.00%
2010	2011	19,915,893	19,891,705	99.88%	6,166	19,915,893	100.00%
2009	2010	19,837,543	19,792,690	99.77%	22,676	19,837,543	100.00%
2008	2009	19,845,409	19,797,711	99.76%	37,416	19,845,409	100.00%
2007	2008	19,010,256	18,988,612	99.89%	17,588	19,010,256	100.00%
2006	2007	17,930,185	17,887,631	99.76%	27,467	17,930,185	100.00%

Source: City of Sun Prairie Finance Department

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

2 - Amounts corrected and restated from prior year's table.

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 ^{1 2}	Note Anticipation Notes	Capital Leases	General Obligation Bonds/Notes	Sun Prairie Utility Revenue Bonds/Notes ^{1 2}	Wastewater Revenue Bonds			
2016	\$ 40,019,095		\$ 12,361,797	14,565,024	8,390,000	8,394,096	83,730,012	7.53%	\$ 2,567
2015	39,790,945		14,223,562	4,366,777	9,325,000	9,222,387	76,928,671	7.14%	\$ 2,418
2014	43,337,938		15,990,695	3,178,763	10,412,944	10,031,542	82,951,882	8.25%	2,658
2013	48,389,345		18,865,000	1,659,630	8,074,045	10,822,003	87,810,023	9.20%	2,888
2012	48,089,901		20,130,000	1,485,000	8,820,418	11,594,201	90,119,520	10.00%	3,020
2011	49,537,332		21,300,000	1,680,000	6,639,077	12,348,559	91,504,968	10.95%	3,109
2010	57,786,978		22,540,000	1,875,000	7,342,720	13,085,488	102,630,186	12.63%	3,497
2009	58,355,334		23,665,000	2,005,000	8,016,761	13,805,392	105,847,487	14.47%	4,055
2008	51,413,416	3,700,000	24,195,000	-	8,590,166	14,508,663	102,407,245	12.93%	3,968
2007	50,151,994	7,700,000	24,625,000	-	5,440,000	15,195,686	103,112,680	12.99%	4,007

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 - Amounts corrected and restated from prior year's table.

2 - Presented net of premiums on long-term debt.

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

Fiscal Year	General Outstanding Debt ²	Restricted Debt Service	Net General Obligation Debt	Equalized Valuation ¹	Percent of Debt to Equalization	Estimated Population	Debt Per Capita
2016	\$ 54,584,119	10,723	\$ 54,573,396	\$ 2,772,245,800	1.97%	32,613	1,674
2015	44,157,722	10,332	44,147,390	2,566,183,900	1.72%	31,810	1,388
2014	46,516,701	31,614	46,485,087	2,413,488,900	1.93%	31,210	1,490
2013	50,048,975	4,234,362	45,814,613	2,368,668,500	1.93%	30,400	1,646
2012	49,574,901	-	49,574,901	2,353,842,900	2.11%	29,840	1,661
2011	51,217,332	865,680	50,351,652	2,455,733,700	2.05%	29,430	1,740
2010	59,661,978	3,932,195	55,729,783	2,475,211,200	2.25%	29,350	2,033
2009	60,360,334	1,085,200	59,275,134	2,608,947,700	2.27%	26,100	2,313
2008	55,113,416	604,501	54,508,915	2,597,980,500	2.10%	25,810	2,135
2007	57,851,994	596,676	57,255,318	2,479,381,200	2.31%	25,730	2,248

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.

2 - Presented net of premiums on long-term debt.

Schedule 11
City of Sun Prairie
Computation of Direct and Overlapping Debt
December 31, 2016

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	\$ 52,380,892	100%	\$ 52,380,892
Overlapping Debt			
Sun Prairie School District	137,085,000	62.51%	85,691,834
DeForest School District	50,415,000	0.15%	75,623
Madison College	187,063,973	3.47%	6,491,228
Dane County	<u>321,075,000</u>	4.82%	<u>15,466,981</u>
Total Overlapping Debt	<u>695,638,973</u>		<u>107,725,665</u>
Total Direct and Overlapping Debt	<u>\$ 748,019,865</u>		<u>\$ 160,106,557</u>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Equalized Value ¹	\$ 2,772,245,800	\$ 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
Debt Limit ²	138,612,290	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
Total General Obligation Debt	53,112,875	43,012,649	45,958,690	50,039,345	49,295,803	51,038,170	59,440,980	60,087,247	54,832,626	57,543,794
Amount of Debt Applicable to Debt Limitation										
Total Debt Applicable to Debt Limit	53,112,875	43,012,649	45,958,690	50,039,345	49,295,803	51,038,170	59,440,980	60,087,247	54,832,626	57,543,794
Less: Assets in Debt Service Fund Available for Payment of Principal	10,723		30	4,192,304		858,698	3,931,035	1,084,209	602,501	586,220
Net Debt Applicable to Debt Limit	53,102,152	43,012,649	45,958,660	45,847,041	49,295,803	50,179,472	55,509,945	59,003,038	54,230,125	56,957,574
Remaining Legal Debt Margin	85,510,138	85,296,546	74,715,785	72,586,384	68,396,342	72,607,213	68,250,615	71,444,347	75,668,900	67,011,486
Total Debt Applicable to the Limit as a Percentage of Debt Limit	38.31%	33.52%	38.08%	38.71%	41.89%	40.87%	44.85%	45.23%	41.75%	45.94%

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
2016	\$ 31,495,502	\$ 25,496,910	\$ 5,998,592	\$ 950,000	\$ 274,777	\$ 1,224,777	4.90
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

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
2016	\$ 3,891,120	\$ 1,969,646	\$ 1,921,474	\$ 847,881	\$ 188,494	\$ 1,036,375	1.85
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	-	-	-	-

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
2016	32,613	1,112,673,414	34,117	36,442	29,490	3.00%	2.90%	4.10%
2015	31,810	1,077,214,189	33,864	35,897	29,035	3.20%	3.20%	4.60%
2014	31,210	1,005,420,020	32,215	34,378	27,624	3.90%	3.80%	5.50%
2013	30,400	954,451,850	31,396	33,568	26,963	5.50%	4.70%	6.80%
2012	29,840	900,876,400	30,190	31,739	26,271	5.60%	4.90%	7.00%
2011	29,430	835,963,540	28,405	30,158	24,942	6.40%	5.30%	7.80%
2010	29,350	812,643,537	27,688	28,632	25,565	7.00%	5.90%	8.70%
2009	26,100	731,494,418	28,027	27,617	23,211	7.50%	5.80%	8.60%
2008	25,810	792,287,203	30,697	29,669	24,329	4.30%	3.40%	4.90%
2007	25,730	793,540,387	30,841	29,992	24,374	4.20%	3.50%	4.90%

1- U.S. Census Bureau

2- Wisconsin Department of Revenue, Division of Research and Policy except for 2016 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
2016 and Nine Years Ago

Taxpayer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sun Prairie School District	1,141	1	5.85%	915	1	5.58%
General Casualty Co of WI	781	2	4.01%	849	2	5.18%
Prairie Athletic Club	330	3	1.69%	300	5	1.83%
Continental ContiTech	268	4	1.37%			
Frontier	250	5	1.28%			
Walmart	250	5	1.28%			
Wisconsin Distributors	238	6	1.22%			
Royle Printing	235	7	1.21%			
Woodman's Food Market	226	8	1.16%			
City of Sun Prairie	212	9	1.09%	519	3	3.17%
Wisconsin Cheeseman/Scott's Candy				400	4	2.44%
Goodyear Tire and Rubber				250	6	1.53%
Verizon				250	6	1.53%
Trachte Building Systems				220	7	1.34%
Trac-Rite Door, Inc.				215	8	1.31%
Famous Footwear				200	9	1.22%
Total	<u>3,931</u>		<u>20.16%</u>	<u>4,118</u>		<u>25.13%</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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety										
*Fire	9.0	7.0	6.0	2.0	2.0	2.0	2.0	2.0	-	-
Police	73.4	72.4	72.8	71.8	70.4	73.0	73.0	74.0	73.5	73.6
EMS	13.5	14.5	14.5	14.5	14.5	14.5	14.5	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	2.0	3.0	3.0	3.0	3.6	4.6
Attorney	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor	4.8	4.3	4.3	4.5	4.5	4.9	4.9	5.3	5.3	6.2
Clerk	3.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	4.6	4.5	4.5	4.5	4.5	4.5	5.0	5.0	3.9	3.9
Information technology	5.5	4.6	4.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Human resources	2.8	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.4	2.4
Building maintenance	2.0	2.0	1.5	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Planning/ community Dev.	3.8	3.8	3.8	4.0	4.3	5.0	5.0	5.0	5.0	5.0
Economic development	2.0	2.0	1.0	1.5	1.5	1.0	1.0	1.0	1.0	1.0
Building inspection	4.0	3.9	3.9	3.9	3.9	5.0	5.0	6.0	6.0	6.0
Public works										
Public works	10.0	10.0	14.5	14.5	14.5	14.5	14.5	14.5	13.8	14.8
Refuse & recycling	0.5	0.5	-	-	-	-	-	-	-	0.7
Fleet in-service fund***	4.0	4.0	-	-	-	-	-	-	-	-
Parks and forestry	7.0	6.5	6.5	6.5	6.5	-	-	-	-	-
Stormwater utility	4.3	4.3	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
**Parks, rec, and forestry	-	-	-	-	-	11.0	10.9	12.0	12.0	12.0
Engineering	6.3	6.3	6.3	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	10.0	9.0	9.0
Sun prairie utilities	30.3	30.8	31.9	30.9	30.4	30.8	31.5	32.0	30.7	31.5
Recreation programs	3.0	3.0	3.0	3.0	3.0	-	-	-	-	-
Library	22.6	23.0	23.8	22.7	22.4	22.4	22.2	22.1	22.1	22.1
Media center	4.7	4.7	4.7	4.7	3.8	3.8	4.6	4.5	4.5	4.5
Total	236.2	234.4	235.1	232.0	229.2	236.4	238.1	242.9	238.8	243.3

*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 In-service Fund was created in 2015. Prior to this the fleet department was included in Public Works.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety										
Police										
Arrests	641	509	548	686	773	781	627	583	633	524
Citations ²	2,680	2,385	2,452	2,635	2,217	2,303	2,588	2,558	2,135	1,789
Warnings	3,420	2,863	3,596	3,465	3,816	4,118	4,581	3,566	2,754	2,848
Fire Department										
Total Calls	1,120	1,020	1,003	815	809	635	725	775	673	682
Fire Calls	59	64	103	54	81	64	43	67	54	75
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Apparatus	11	11	11	11	11	11	11	11	11	11
EMS										
Calls	2,467	2,391	2,205	2,096	2,070	1,998	2,009	2,157	2,117	2,000
En route Time (minutes)	1.25	1.22	1.25	1.35	2.21	2.13	2.19	1.25	N/A	N/A
To Scene (minutes)	4.21	4.20	4.41	4.35	4.32	5.57	5.24	4.37	N/A	N/A
Public Works										
Refuse/ Recycling ¹										
Units Collected	9,743/9,820	9,627	9,519	9,451	9,356	9,249	9,223	9,121	8,775	8,702
Recycle Cost per Unit	\$3.32/\$2.10	\$ 3.32	\$ 3.25	\$ 3.17	\$ 3.10	\$ 3.00	\$ 2.92	\$ 2.83	\$ 2.75	\$ 2.36
Recycling Tonnage	2,737	2,763	2,758	2,834	2,382	2,646	2,759	2,669	2,959	2,728
Refuse Tonnage	7,255	7,250	6,736	6,628	5,818	6,444	6,483	6,161	6,674	6,997
Refuse Cost per Unit	\$8.13/\$6.80	\$ 8.13	\$ 7.94	\$ 7.73	\$ 7.58	\$ 7.43	\$ 6.63	\$ 6.44	\$ 6.25	\$ 6.19
Recreation										
Shelter/ Gazebo Reservations	363	401	301	309	321	345	N/A	N/A	N/A	N/A
Athletic Field Reservations	572	593	621	894	866	451	N/A	N/A	N/A	N/A
Program Enrollments	7,906	7,400	8,196	9,296	8,825	8,978	N/A	N/A	N/A	N/A
Open Swim Attendance	31,316	30,051	23,281	29,484	39,480	38,971	37,991	37,202	45,037	40,723
Library										
Circulation	643,423	634,628	644,178	684,622	670,133	634,924	625,052	601,840	540,272	495,715
Visits	236,526	219,893	221,615	276,068	306,592	289,380	295,620	276,384	271,447	263,006
Registered Borrowers	23,455	22,921	22,649	22,282	25,945	23,578	19,500	19,898	18,961	18,096
Internet/ Computer Use	261,504	218,385	185,909	180,436	84,866	121,418	88,937	92,713	N/A	N/A
Volumes	133,955	130,286	112,962	110,310	107,562	102,921	98,308	99,853	100,864	100,092
WWTP										
Wastewater Treatment (thousands of gallons)	1,394,968	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
Sun Prairie Utilities										
Water Main Breaks	12.0	12	15	12	7	14	23	17	13	16
Water Mains Added (miles)	0.7	2.9	2.2	0.3	1.0	1.3	0.0	0.4	1.4	1.2
Water Mains Replaced (miles)	0.9	1.3	1.7	0.8	0.7	0.3	1.2	1.6	0.0	0.3
Pumpage (Gallons) (thousands)	970,006	923,654	894,825	865,997	921,000	848,303	848,632	876,259	881,455	932,501
Electric Customers	14,955	14,660	14,733	13,960	13,779	13,652	13,528	13,384	13,304	12,995
Electric Meters	15,505	15,014	15,304	15,127	14,793	14,573	14,461	14,452	14,217	14,155
Electric Meters Added	491	146	177	334	220	112	9	235	62	198
Current Distribution (miles)	286	282	200	198	215	209	209	171	171	166
Miles Added	4	7	4	1	8	-	3	4	5	6
Miles Retired	-	1	-	1	2	-	3	4	-	3
Energy Used (kWh)	282,102,714	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
Peak Demand (kW)	62,481	57,530	58,125	6,082	62,770	60,603	56,617	54,747	51,607	54,567

Source: Department annual reports

1 - The City changed contractors for residential refuse and recycle collection on May 1, 2016. The City was able to receive a substantially lower rate.

2 - The Citations issued do not include parking citations.