

CITY OF SUN PRAIRIE

Sun Prairie, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended
December 31, 2017

Prepared By:

DEPARTMENT OF FINANCE
Connie M. 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 27, 2018

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

The City of Sun Prairie's (the City) 2017 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, 2017 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 –

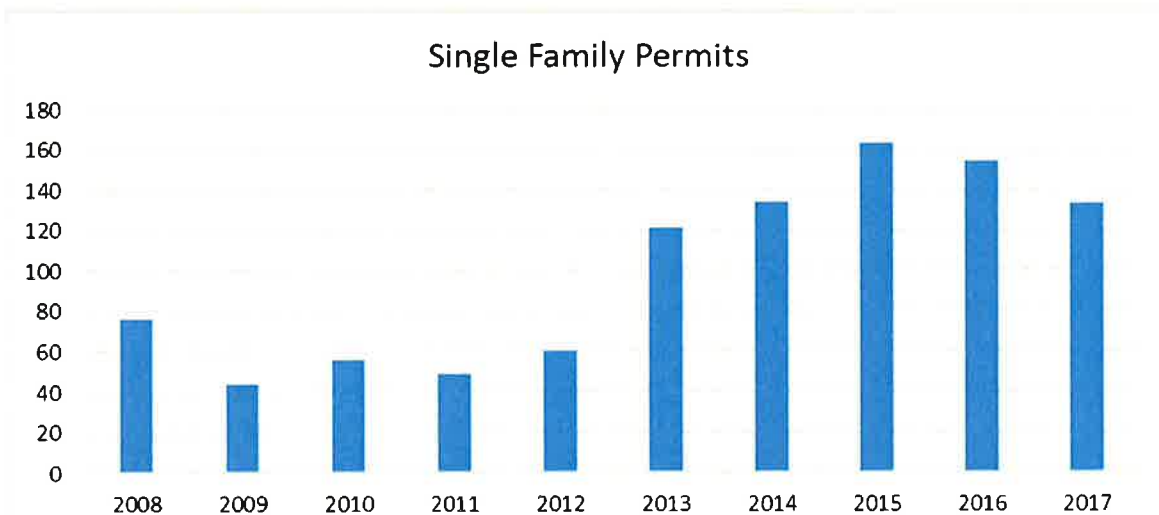
- The boundaries of Sun Prairie encompass an area approximately 12 square miles with an estimated population of 33,733.
- The City of Sun Prairie has historically been one of the fastest growing cities in Wisconsin with a population over 20,000 --a trend that continues today. This is also reflected in the fact that the Sun Prairie Area School District is the fastest growing school 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 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 2017 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. The store is anticipated to open in the fall, 2018.
- 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 began construction on the City's west side in 2017. One of the apartment complexes is open and the other will open in the summer, 2018.
- Royle Printing, one of the City's largest employers completed 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 of its new facility in TIF district #12 and commenced operations in Sun Prairie as of May 2017.
- A new private business park, Park 151, was proposed in 2017. Construction of the first of two buildings began in 2018.
- 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 is planned in 2018.
- Two new elementary schools were approved in Fall of 2017, both of which will be open for the 2018-2019 school year.



Overall property valuation increased by 7.66% for 2017. 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 2017, the City had net new construction growth of 2.29% or \$63.6 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 servicing 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 3.3% and 4.1% 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 will begin updating the Comprehensive Land Use plan in 2018. In 2017, the City completed a Parks and Open Space Plan. The City is focused on planning for the future. 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 2017 and started the process for a five-year financial management plan.

The City closed TIF #7 in May 2017. The City has expanded TIF District #12 in the northeast area of the City to expand the current Business Park.

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.

The Common Council approved the creation of TIF No. 13 district in 2017 to facilitate a light industrial park in the southwest area of the City. This TIF district takes advantage of the close proximity of State Hwy 151.

COMMUNITY SERVICES

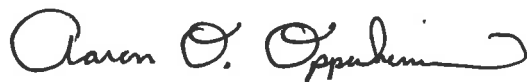
The City provides services for its citizens including public safety (police, fire, emergency medical services and building inspection), streets, water, electric, wastewater, recreational programming and general administration. The citizens of Sun Prairie enjoy the 425 acres of Parks and 34.7 miles of 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 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 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

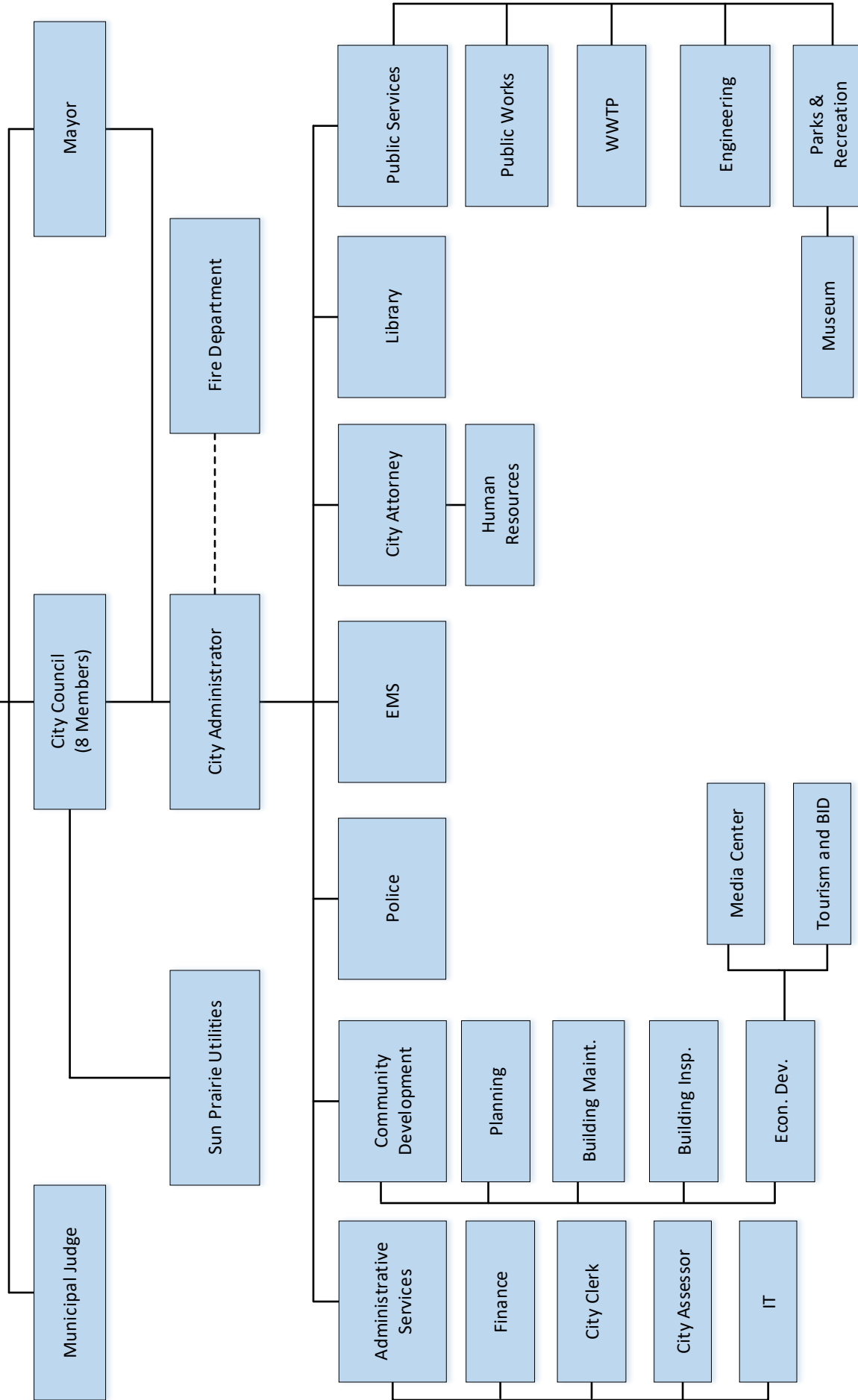
December 31, 2016

Christopher P. Morill

Executive Director/CEO

Citizens of Sun Prairie

Population: 32,933



CITY OF SUN PRAIRIE
DIRECTORY OF OFFICIALS
December 31, 2017

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	Kristin Grissom
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, 2017, 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.

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, 2017 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 26, 2018

Management's Discussion and Analysis (Unaudited)

CITY OF SUN PRAIRIE MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2017

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, 2017. 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 9.1% in 2017 to \$265.3 million. The City's net investment in capital assets was \$223.2 million at the end of 2017. An additional \$10.3 million was held for restricted purposes with \$31.7 million in unrestricted net position.
- At the end of 2017, the City's governmental activities reported a positive balance in unrestricted net position of \$5.0 million. This is an increase of \$4.8 million from the previous year due primarily to developer contributions. The City has experienced an increase in development in 2017.
- The City's general fund had an increase in fund balance of \$297,920 for 2017. The general fund's unassigned fund balance at the end of 2017 was \$4.6 million. The unassigned fund balance amount at the end of 2017 is at 20.51% 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 2017. Equalized value increased by 7.7% in 2016 following an increase of 8.0% in 2015. The total property tax levy for the 2017-2018 tax year was \$25,416,838 an increase of 2.35% compared to the prior year.
- The City sold the telecommunications system on May 8, 2017. The financial statements include operations through this date. The net gain from the sale of the system is \$283,913.
- The City closed TIF District #7 in 2017. TID #7 was part of the City's Business Park and it closed with a positive fund balance. The TID closed with a final increment totaling \$71,633,100.

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.

Management's Discussion and Analysis (Unaudited)

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

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

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

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

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

Fund Financial Statements

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

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

Management's Discussion and Analysis (Unaudited)

understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Other than the General Fund, the City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects, and permanent funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, 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 property taxes for the City and 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, 2017 and 2016 are summarized in the table below.

The City's net position increased by \$22.2 million or 9.1% during the current fiscal year due in large part to increased investments in capital assets such as land, buildings, building improvements, machinery and equipment, infrastructure, and construction in progress capitalized for both the governmental and business-type activities during the year. The primary increase is due to development and contribution of assets from the developers. City investments were funded with general obligation notes and utility revenue bonds.

Management's Discussion and Analysis (Unaudited)

The net investment in capital assets accounts for 84.2% of the City's total net position. This represents both the City's investment in capital assets less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

The following table provides a summary of the City's net position for 2017 and 2016:

CITY OF SUN PRAIRIE NET POSITION						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 54,465,675	\$ 47,778,113	\$ 41,387,726	\$ 37,283,491	\$ 95,853,401	\$ 85,061,604
Capital assets	<u>128,922,283</u>	<u>123,954,482</u>	<u>156,535,142</u>	<u>149,824,239</u>	<u>285,457,425</u>	<u>273,778,721</u>
Total assets	183,387,958	171,732,595	197,922,868	187,107,730	381,310,826	358,840,325
Deferred outflows	2,813,820	3,449,451	74,679	159,392	2,888,499	3,608,843
Non-current liabilities	44,168,309	45,181,458	29,463,747	29,059,249	73,632,056	74,240,707
Current and other liabilities	<u>11,499,884</u>	<u>11,917,798</u>	<u>5,974,748</u>	<u>5,834,148</u>	<u>17,474,632</u>	<u>17,751,946</u>
Total Liabilities	55,668,193	57,099,256	35,438,495	34,893,397	91,106,688	91,992,653
Deferred inflows	27,590,351	27,282,337	201,773	105,231	27,792,124	27,387,568
Net position:						
Net investment in						
capital assets	92,056,269	83,298,406	131,184,254	125,335,883	223,240,523	208,634,289
Restricted	5,836,997	7,291,139	4,490,512	3,983,396	10,327,509	11,274,535
Unrestricted (deficit)	<u>5,049,968</u>	<u>210,908</u>	<u>26,682,513</u>	<u>22,949,215</u>	<u>31,732,481</u>	<u>23,160,123</u>
Total net position	<u>\$ 102,943,234</u>	<u>\$ 90,800,453</u>	<u>\$ 162,357,279</u>	<u>\$ 152,268,494</u>	<u>\$ 265,300,513</u>	<u>\$ 243,068,947</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 \$10.3 million as of December 31, 2017.

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 \$31.7 million at the end of the year. It is important to note that \$26.6 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 \$5.0 million due to increased income from charges for services and developer contributions affiliated with development. Charges for services increased due to an increase in impact fees collected and capital grants and contributions increased due to an increase in assets dedicated to the City such as roads, storm sewers or sanitation sewers. Additionally, the City has incurred significant non-capitalized redevelopment expenditures in TID No. 8 for the acquisition, demolition, and remediation of property located in the City's downtown revitalization area. These improvements were financed through long-term borrowing, which will be repaid through future tax increments. As of January 1, 2017, TID No. 8 had an equalized value increment of \$78,239,500. 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 \$22.2 million from fiscal year 2016 to 2017, an increase of 9.0%. Of this increase, the net position of the City's governmental activities increased by 13.4%, or \$12.1 million. The net position of the business-type activities increased 6.6%, or \$10.0 million.

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

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

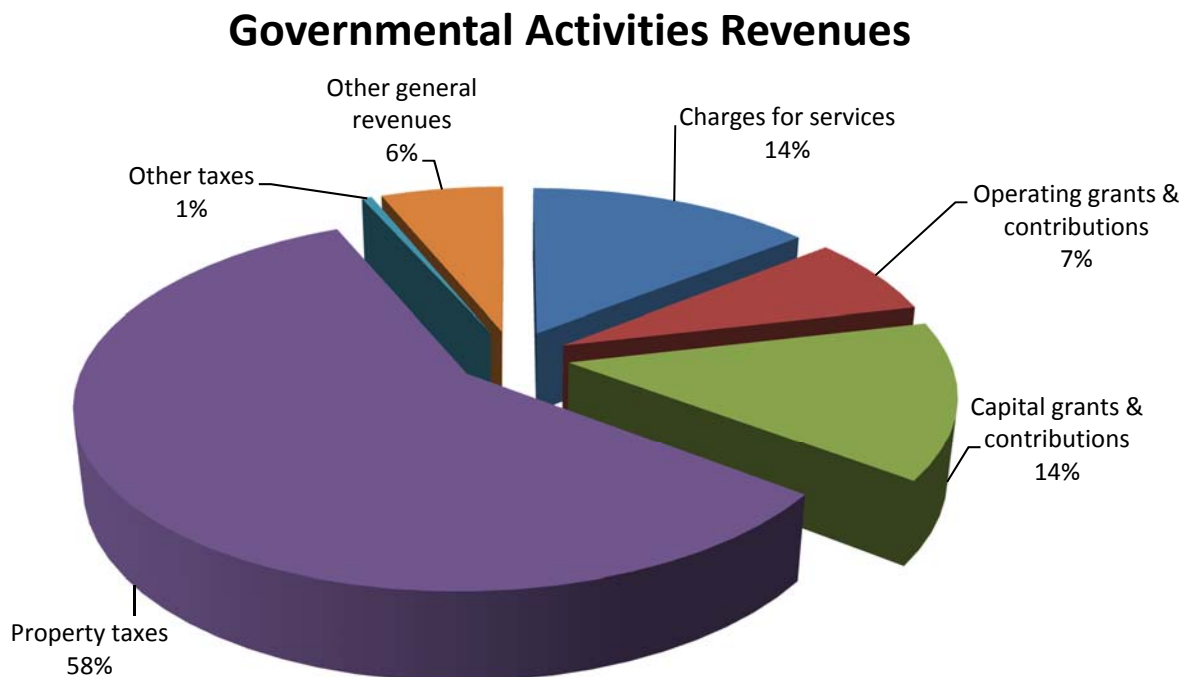
CITY OF SUN PRAIRIE CHANGE IN NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 6,097,388	\$ 4,658,330	\$ 38,030,634	\$ 37,195,218	\$ 44,128,022	\$ 41,853,548
Operating grants & contributions	3,029,758	3,093,256	-	-	3,029,758	3,093,256
Capital grants & contributions	5,973,701	1,847,780	6,942,761	2,088,200	12,916,462	3,935,980
General revenues					-	-
Property taxes	24,821,551	23,391,589	-	-	24,821,551	23,391,589
Other taxes	215,972	172,708	-	-	215,972	172,708
Other general revenues	2,621,979	2,431,540	1,115,835	931,233	3,737,814	3,362,773
Total revenues	42,760,349	35,595,203	46,089,230	40,214,651	88,849,579	75,809,854
Expenses						
General government	4,550,418	4,403,914	-	-	4,550,418	4,403,914
Public safety	11,509,960	11,119,610	-	-	11,509,960	11,119,610
Public works	7,780,380	8,290,581	-	-	7,780,380	8,290,581
Health and human services	84,500	54,500	-	-	84,500	54,500
Culture, recreation, and education	4,805,082	4,121,380	-	-	4,805,082	4,121,380
Conservation and development	2,624,698	1,120,518	-	-	2,624,698	1,120,518
Interest and fiscal charges	1,014,225	1,553,363	-	-	1,014,225	1,553,363
Electric utility	-	-	26,230,091	25,644,446	26,230,091	25,644,446
Water utility	-	-	2,448,396	2,295,240	2,448,396	2,295,240
Telecommunications utility	-	-	178,809	451,698	178,809	451,698
Wastewater utility	-	-	3,614,247	3,657,592	3,614,247	3,657,592
Stormwater utility	-	-	2,061,123	2,086,266	2,061,123	2,086,266
Total expenses	32,369,263	30,663,866	34,532,666	34,135,242	66,901,929	64,799,108
Increase/(decrease) in net position						
before special items and transfers	10,391,086	4,931,337	11,556,564	6,079,409	21,947,650	11,010,746
Gain on disposal of telecommunications operations	-	-	283,913	-	283,913	-
Transfers	1,751,695	1,788,072	(1,751,695)	(1,788,072)	-	-
Change in net position	12,142,781	6,719,409	10,088,782	4,291,337	22,231,563	11,010,746
Net position - beginning of the year	90,800,453	84,081,044	152,268,497	147,977,160	243,068,950	232,058,204
Net position - end of the year	\$ 102,943,234	\$ 90,800,453	\$ 162,357,279	\$ 152,268,497	\$ 265,300,513	\$ 243,068,950

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 \$42.8 million in governmental activities revenues in 2017. This was an increase of \$7.2 million from the prior year. The City is highly dependent upon the property tax for funding and they remain the largest source of governmental activities revenues representing 58.0% of the total in 2017. 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 21.1%, while charges for services and all other sources account for 20.9% of total governmental activity resources.



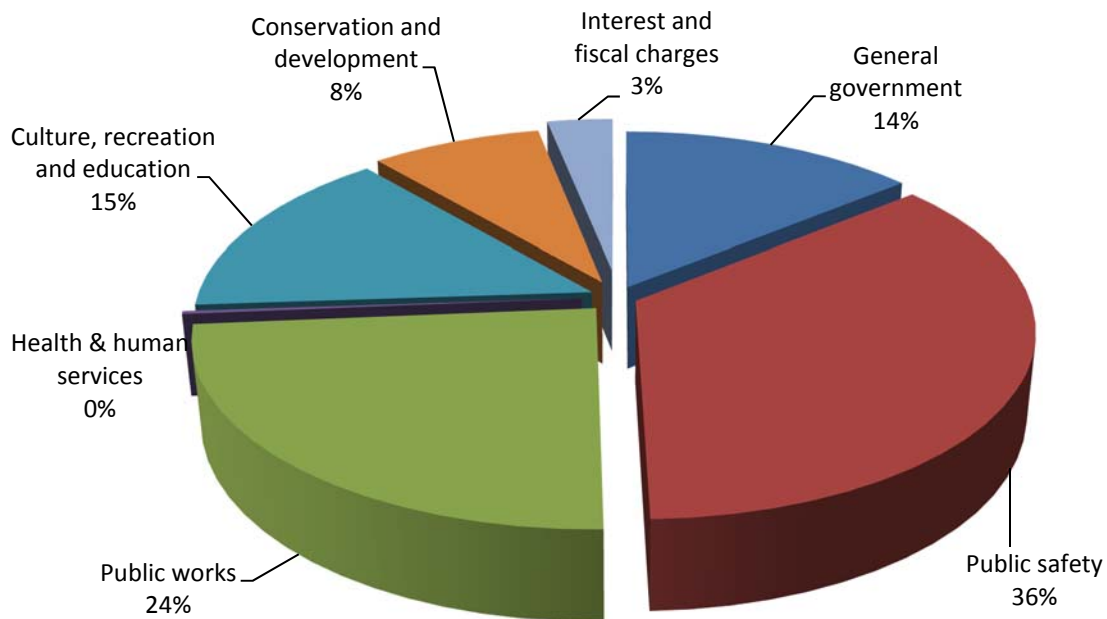
The City experienced a moderate increase in revenues from 2016 to 2017. The primary changes are as follows:

- The council approved an increase in the property tax levy (\$1.4 million) primarily corresponding to the additional equalized value resulting from increased development in 2016.
- Public charges for services increased 14.3% (\$1.4 million) due to development in the City. The increase in development resulted in an increase in impact fees.
- Capital grants and contributions increased approximately \$4.1 million due to increased development in 2017. The increase in development resulted in an increase of infrastructure dedicated by developers.

Management's Discussion and Analysis (Unaudited)

Total governmental activities expenses were \$32.4 million in 2017. Public safety (including police, emergency medical services, building inspection, and fire services) accounts for the largest share of City expenses at 35.6%. This is followed by public works with 24.0%, general government with 14.1%, culture, recreation and education with 14.8%, and conservation and development at 8.1%. Interest & fiscal charges make up the remaining 3.1%.

Governmental Activities Expenses

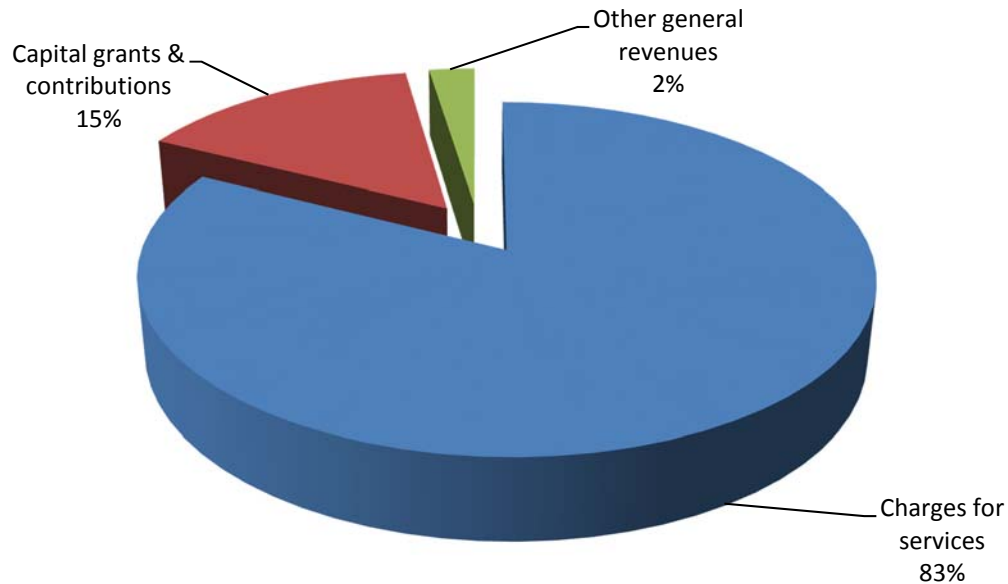


Management's Discussion and Analysis (Unaudited)

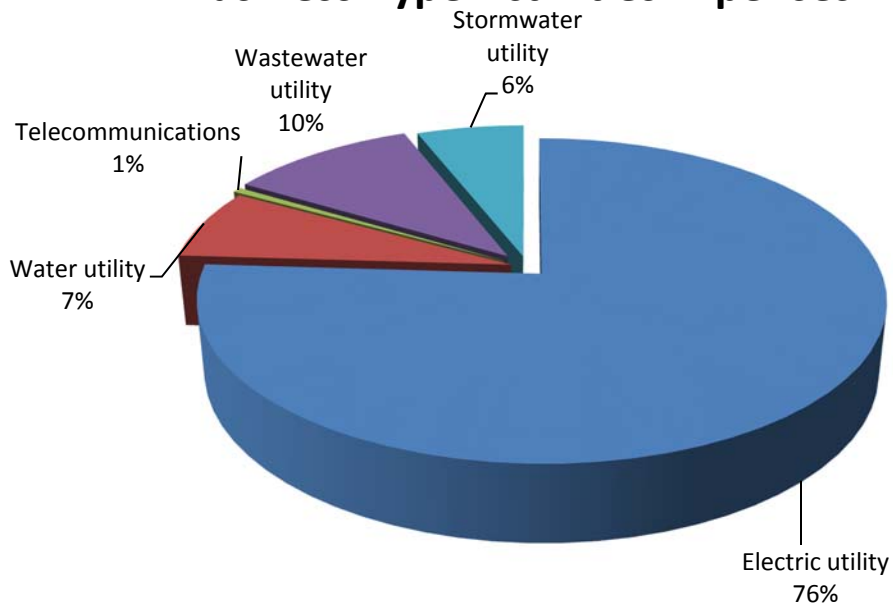
Business-type Activities

Business-type activities include the City's water, electric and telecommunications, wastewater, and storm water utilities. In 2017, revenue for business-type activities totaled \$46.1 million. Charges for services were the largest revenue source for these operations, representing 82.5% of business-type activity revenues. Capital grants and contributions accounted for 15.1% of revenues with other general revenues representing 2.4%.

Business-Type Activities Revenues



Business-Type Activities Expenses



Management's Discussion and Analysis (Unaudited)

The net position of Sun Prairie Utilities increased by \$4.8 million, which represents a 7.0% increase over 2016. Combined operating revenues for the utility increased by .5%, or \$164,300. Operating expenses for the utility increased by \$429,500, or 1.4% from 2016.

The net position of the wastewater utility increased by \$3.2 million, which represents a 7.4% increase from 2016. Wastewater utility operating revenues increased by \$81,057 in 2017. Operating expenses of the utility decreased by \$43,400, or -1.2%, from 2016.

The net position of the storm water utility increased by \$2.1 million during 2017, an increase of 5.2%. Storm water utility operating revenues increased by \$590,100, or 32.6% while operating expenses decreased by \$25,100, or -1.2%.

In all cases, the dramatic increase in net position for the enterprise funds is due to development in the City during 2017 and the resulting contributed assets as an outcome of that development.

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. City Council approved a rate increase effective January 1, 2018.
- Storm water rates were effective as of July 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

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 2017, the combined fund balances for the City's governmental funds were \$17.3 million, as detailed below:

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

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

CITY OF SUN PRAIRIE GOVERNMENTAL FUND BALANCE

	<u>2017</u>	<u>2016</u>
Nonspendable, reported in:		
General Fund	\$ 2,763,109	\$ 2,911,362
Special revenue funds	2,502	-
Restricted, reported in:		
General Fund	510,786	434,645
Special revenue funds	4,703,102	3,582,009
Debt service funds	133,729	10,723
Capital project funds	1,488,642	4,213,502
Permanent funds	449,618	409,574
Committed to:		
Special revenue funds	909,372	738,189
Assigned, reported in:		
General Fund	3,602,423	3,513,829
Capital project funds	679,096	-
Unassigned, reported in:		
General Fund	4,599,141	4,318,953
Special revenue funds	-	-
Debt service funds	(383,296)	(106,714)
Capital project funds	<u>(2,143,429)</u>	<u>(2,277,614)</u>
Total Fund Balance	<u>\$ 17,314,795</u>	<u>\$ 17,748,458</u>

General Fund: The general fund is the primary operating fund of the City. Total fund balance as of December 31, 2017 was \$11.5 million, of which \$2.8 million was nonspendable. Included in this amount is \$2.1 million representing advances to TIF District funds. Assigned fund balance comprised another \$3.6 million of the total fund balance. The 2017 payment in lieu of taxes due to the general fund from the electric, water and telecommunications utility represents \$1.75 million of the assigned fund balance. Unassigned fund balance in the general fund at the end of 2017 was \$4.6 million, which represents 20.5% 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 2017 was \$2.2 million.

Management's Discussion and Analysis (Unaudited)

Proprietary Funds

Sun Prairie Utilities (SPU) (Electric, Water and Telecommunications): The SPU's operating income was \$3,170,335 in 2017, with net income before transfers and contributions of \$3,713,057. This is a decrease of \$168,406 (-4.3%) over 2016.

Water Pollution Control Facility (WPCF): The WPCF's operating income was \$594,977 in 2017, with net income before transfers and contributions of \$467,521. This is a result of stable operating expenses for the utility.

Storm Water Utility: The Storm Water Utility had operating income of \$582,345 in 2017, with a net income before contributions and transfers of \$433,225 and an increase in net position of \$2,108,568. The Storm water utility continues to require significant infrastructure improvements. A 20% rate increase was implemented on July 1, 2017. This rate increase is a result of the purchase of land and the future construction of a regional storm water facility. The City is currently experiencing consistent growth. The increase in net position is primarily a result of \$1,675,343 of capital contributions due to development.

GENERAL FUND BUDGETARY ANALYSIS

The general fund budget is adopted at the function level of expenditure. In 2017, the general fund experienced a net increase in fund balance of \$297,920.

Total general fund revenues exceeded the budget by \$267,990. Significant revenue variances for 2017 are noted below:

- **Licenses and Permits: Surplus \$379,695**

Licenses and permit revenues represent fees collected for alcohol licensing, animal licenses as well as permit revenue generated from development. This variance is a result of increased development in the City as well as two major development projects that were approved by Council subsequent to adoption of the budget.

- **Fines, forfeitures and penalties: Deficit \$ 18,828**

Fines, forfeitures and penalties are generally the revenue received for municipal ordinance violations and or parking tickets.

- **Public Charges for Services: Surplus \$56,999**

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 2017 exceeded the budget by \$94,495 due to increased call volume. In addition, recreation fees experienced a deficit of \$38,267 in fee revenue.

- **Investment Income: Surplus \$ 55,090**

Investment income exceeded the 2017 budget by \$55,090 due to higher interest rates on short-term investments.

Management's Discussion and Analysis (Unaudited)

- **Miscellaneous Revenues: Deficit \$ 209,957**

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 2017, the City delayed several projects as the projects were bid out late resulting in a higher than expected cost. Additionally, the regional storm water facility was delayed due to potential development and possible change in location of the storm water pond. This resulted in a lower than expected reimbursement to general fund for engineering fees by \$219,000.

Total general fund expenditures were \$1,061,054 under budget in 2017. Areas that experienced significant variances from the budget are noted below:

- **Police Department: Surplus \$ 361,993**

The Police Department experienced a savings due to significant vacancies throughout the year. These vacancies were due to retirement and change of career.

- **General government operations: Surplus \$ 335,037**

The City experienced savings from vacancies in the Assessing Department and the Information Technology Departments of approximately \$108,000. Building maintenance experienced \$25,000 savings in utility bills for various building as well as lower than expected maintenance and repairs of \$15,000. The City budgets \$45,000 annually for emergency repairs and maintenance. These funds were unused in 2017 and were added to the City's assigned fund balance for building maintenance. The balance of the savings was for operations among all of the general government departments.

- **Public Works Department: Surplus \$115,891**

The Public Works Department had a surplus primarily due to vacancies and reduced contracted costs for street maintenance such as chip seal, slurry seal and sidewalk repairs.

- **Parks and Recreation: Surplus \$133,752**

The Parks and Recreation Department experienced a savings of \$56,278 due to vacancies in park maintenance operations. Additional savings was experienced in operations of the recreation programs.

- **Planning Department: Surplus \$35,885**

The planning department experienced a savings of \$30,000 due to the delay of the comprehensive plan update. This project will begin in 2018.

BUDGETARY ANALYSIS

The City's 2017 General Fund adopted expenditure budget including other financing uses totaled \$22,823,770. The Common Council approved departmental 2016 carryover requests of 2016 unspent operating funds of \$293,432. The City ended 2017 with a total fund balance increase of \$297,920 and an unassigned fund balance increase from 2016 of \$306,433.

Actual general fund revenue exceeded the budget by \$267,990 (1.3%) due to an increase in development in the city. General fund expenditures finished 2017 with a favorable budget variance of \$1,061,054 (5.00%) primarily due to savings from vacancies and healthcare costs. Statements highlighting budget versus actual variances can be found on pages 79 through 82.

Management's Discussion and Analysis (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City of Sun Prairie had investments in capital assets of \$285.5 million, net of accumulated depreciation, for all governmental and business-type activities of the City. This represents an increase of 4.3% from the end of 2016.

Major capital asset improvements within the City's governmental activities included \$5.5 million for street additions and reconstruction. This includes new streets dedicated to the City from developers and the reconstruction of existing streets. \$2.2 million for the addition and reconstruction of bike paths and sidewalks. The City purchased \$2.4 million in machinery and equipment assets for fleet purposes. \$1.2 million includes the purchase a new ladder truck for the fire department. The remaining purchases were typical fleet purchases of pickup trucks, squad cars and mowers. Additionally, the City purchased a new end loader for use throughout the city.

In the City's business-type activities, major capital additions (prior to depreciation) include \$3.0 million for the acquisition of land to build a regional storm water facility, \$2.3 million for electric distribution plant, \$3.6 million for water infrastructure and \$2.5 million for the storm water infrastructure. These additions include dedications in new developments. The City sold the telecommunications business in May, 2017. 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			
	2017	2016	2017	2016	2017	2016
Land/right-of-ways	\$ 42,768,760	\$ 43,559,873	\$ 11,969,773	\$ 8,519,557	\$ 54,738,533	\$ 52,079,430
Land improvements	3,822,449	3,822,449	-	-	3,822,449	3,822,449
Buildings	28,731,380	28,591,745	-	-	28,731,380	28,591,745
Equipment	17,069,603	15,793,829	-	-	17,069,603	15,793,829
Infrastructure	97,396,069	89,806,864	-	-	97,396,069	89,806,864
Electric system	-	-	47,232,844	45,163,933	47,232,844	45,163,933
Water system	-	-	47,563,800	44,006,123	47,563,800	44,006,123
Telecommunications system	-	-	-	3,383,769	-	3,383,769
Wastewater system	-	-	60,583,703	58,826,085	60,583,703	58,826,085
Stormwater system	-	-	47,305,726	44,919,518	47,305,726	44,919,518
Construction in progress	551,877	-	1,096,633	665,801	1,648,510	665,801
Total capital assets	190,340,138	181,574,760	215,752,479	205,484,786	406,092,617	387,059,546
Less: Accumulated depreciation	(61,417,855)	(57,620,278)	(59,217,337)	(55,660,547)	(120,635,192)	(113,280,825)
Capital assets net of depreciation	<u>\$128,922,283</u>	<u>\$123,954,482</u>	<u>\$156,535,142</u>	<u>\$149,824,239</u>	<u>\$285,457,425</u>	<u>\$273,778,721</u>

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

Management's Discussion and Analysis (Unaudited)

Long Term Debt

The City's outstanding general obligation debt as of December 31, 2017 totaled \$58.84 million. In addition, the City had revenue debt outstanding of \$15.0 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 \$8.4 million that are supported by revenues from the City's tax increment financing districts.

The City issued \$14.75 million of long-term general obligation debt in 2017. The debt was used to finance 2017 capital project expenditures.

City Capital Projects	\$3,940,000
City Acquisition of Land	4,931,000
Fleet Purchases	980,000
Wastewater Projects	1,580,000
Storm water Projects	<u>3,320,000</u>
Total	\$14,751,000

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 May 31, 2017 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 2017 equalized valuation of \$2.98 billion the City's statutory debt limit is \$149,235,385. The City was at 39.4% of its legal debt limit as of December 31, 2017.

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

CITY OF SUN PRAIRIE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds and notes	\$42,366,919	\$39,113,875	\$16,740,000	\$13,999,000	\$59,106,919	\$53,112,875
Revenue bonds	-	-	14,986,215	16,784,096	14,986,215	16,784,096
Capital leases	<u>8,398,229</u>	<u>12,361,797</u>	<u>-</u>	<u>-</u>	<u>8,398,229</u>	<u>12,361,797</u>
Total	<u>\$50,765,148</u>	<u>\$51,475,672</u>	<u>\$31,726,215</u>	<u>\$30,783,096</u>	<u>\$82,491,363</u>	<u>\$82,258,768</u>

More detail regarding the City's outstanding debt can be found in Note III.F on Pages 48 through 53 of this report.

Management's Discussion and Analysis (Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Sun Prairie is an economically stable community located in northeastern Dane County and shares a border with the City of Madison, which is the state capital. This location has contributed to the City's rapid growth and strong economic position. As of January 1, 2017, the population is estimated at 32,933. This is an increase of 3,583 since 2010. During this period, the City's population has grown by 12.2% 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 scheduled to open in 2018.

From 2000 to 2008, Sun Prairie's tax base experienced average growth of 12.8% per year. From 2008 to 2014, the growth in Sun Prairie leveled off. The City has experienced a 7.7% increase in equalized property valuation for 2017 to a total of \$2.98 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 2.4% in 2017, below the state and federal rates of 3.3% and 4.1% respectively.

The Sun Prairie City Council approved the 2018 budget, which authorized general fund expenditures of \$24,519,132. The combined property tax levy was \$25,416,838, which is an increase of 2.35%. The City's portion of the mill rate increased by .39%. The current mill rate is \$7.72 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 14.9% in 2017. Commercial property increased by 15.1% and residential property increased by 15.4%. New construction decreased from \$75.3 million in 2015 to \$63.6 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, 2017

	Governmental Activities	Business-type Activities	Totals	CDA
ASSETS				
Cash and investments	\$ 19,218,326	\$ 18,010,700	\$ 37,229,026	\$ -
Receivables (net)				
Taxes	26,487,664	-	26,487,664	-
Delinquent personal property taxes	15,533	-	15,533	-
Accounts	941,080	3,408,334	4,349,414	-
Special assessments	223,289	2,303	225,592	-
Delinquent special assessments	11,366	-	11,366	-
Accrued interest	6,986	31,798	38,784	74,741
Loans	22,355	-	22,355	-
Other	-	1,177,413	1,177,413	-
Due from other governments	90,204	-	90,204	-
Internal balances	(554,395)	554,395	-	-
Due from primary government	-	-	-	788
Capital leases receivable from primary government	-	-	-	8,398,229
Prepaid items and inventories	458,107	1,146,192	1,604,299	-
Land held for resale	6,984,382	-	6,984,382	-
Investment in mutual insurance company	274,992	-	274,992	-
Restricted cash and investments				
Restricted cash and investments	285,786	7,082,658	7,368,444	1,555,688
Net pension asset	-	246,408	246,408	-
Other assets	-	9,727,525	9,727,525	-
Capital Assets				
Land	41,108,365	11,618,230	52,726,595	-
Construction in progress	551,877	1,448,176	2,000,053	-
Easements	1,660,395	-	1,660,395	-
Other capital assets, net of depreciation	85,601,646	143,468,736	229,070,382	-
Total Assets	<u>183,387,958</u>	<u>197,922,868</u>	<u>381,310,826</u>	<u>10,029,446</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	2,481	2,481	286,726
Pension related amounts	2,813,820	72,198	2,886,018	-
Total Deferred Outflows of Resources	<u>2,813,820</u>	<u>74,679</u>	<u>2,888,499</u>	<u>286,726</u>
LIABILITIES				
Accounts payable and accrued expenses	1,793,371	2,802,199	4,595,570	74,741
Deposits	218,056	3,105	221,161	-
Due to other governments	302,762	-	302,762	-
Due to component unit	788	-	788	-
Noncurrent Liabilities				
Due within one year	9,184,907	3,169,444	12,354,351	1,350,000
Due in more than one year	44,168,309	29,463,747	73,632,056	8,600,000
Total Liabilities	<u>55,668,193</u>	<u>35,438,495</u>	<u>91,106,688</u>	<u>10,024,741</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for next period	26,618,711	-	26,618,711	-
Pension related amounts	971,640	201,773	1,173,413	-
Total Deferred Inflows of Resources	<u>27,590,351</u>	<u>201,773</u>	<u>27,792,124</u>	<u>-</u>

See accompanying notes to financial statements.

	Governmental Activities	Business-type Activities	Totals	CDA
NET POSITION				
Net investment in capital assets	\$ 92,056,269	\$131,184,254	\$223,240,523	\$ -
Restricted for				
Park improvement	1,452,922	-	1,452,922	-
Economic development	151,735	-	151,735	-
Transportation improvement	2,500,521	-	2,500,521	-
Grants	438,726	-	438,726	-
Library	332,689	-	332,689	-
Pension	-	246,408	246,408	-
Trusts	449,618	-	449,618	-
Equipment replacement	-	2,868,606	2,868,606	-
Debt service	510,786	1,375,498	1,886,284	-
Unrestricted	<u>5,049,968</u>	<u>26,682,513</u>	<u>31,732,481</u>	<u>291,431</u>
TOTAL NET POSITION	<u>\$102,943,234</u>	<u>\$162,357,279</u>	<u>\$265,300,513</u>	<u>\$ 291,431</u>

CITY OF SUN PRAIRIE

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 4,550,418	\$ 183,983	\$ 60,576	\$ -
Public safety	11,509,960	2,031,787	298,467	-
Public works	7,780,380	2,079,582	2,146,855	5,909,303
Health and human services	84,500	-	-	-
Culture, recreation and education	4,805,082	1,638,801	523,860	64,398
Conservation and development	2,624,698	163,235	-	-
Interest and fiscal charges	1,014,225	-	-	-
Total Governmental Activities	<u>32,369,263</u>	<u>6,097,388</u>	<u>3,029,758</u>	<u>5,973,701</u>
Business-type Activities				
Electric	26,230,091	27,856,646	-	387,842
Water	2,448,396	3,600,488	-	2,146,650
Telecommunications	178,809	202,653	-	165
Wastewater	3,614,247	3,972,177	-	2,732,761
Stormwater	2,061,123	2,398,670	-	1,675,343
Total Business-type Activities	<u>34,532,666</u>	<u>38,030,634</u>	<u>-</u>	<u>6,942,761</u>
Total Primary Government	<u>\$ 66,901,929</u>	<u>\$ 44,128,022</u>	<u>\$ 3,029,758</u>	<u>\$ 12,916,462</u>
Component Unit				
Community Development Authority	<u>\$ 278,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Special item - gain on disposal of telecommunication operations

Transfers

Total General Revenues, Transfers and Special Item

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
\$ (4,305,859)	\$ -	\$ (4,305,859)	\$ -
(9,179,706)	-	(9,179,706)	-
2,355,360	-	2,355,360	-
(84,500)	-	(84,500)	-
(2,578,023)	-	(2,578,023)	-
(2,461,463)	-	(2,461,463)	-
(1,014,225)	-	(1,014,225)	-
(17,268,416)	-	(17,268,416)	-
-	2,014,397	2,014,397	-
-	3,298,742	3,298,742	-
-	24,009	24,009	-
-	3,090,691	3,090,691	-
-	2,012,890	2,012,890	-
-	10,440,729	10,440,729	-
(17,268,416)	10,440,729	(6,827,687)	-
-	-	-	(278,890)
14,299,795	-	14,299,795	-
6,619,638	-	6,619,638	-
3,902,118	-	3,902,118	-
215,972	-	215,972	-
1,622,912	-	1,622,912	-
216,797	1,026,191	1,242,988	201,638
782,270	89,644	871,914	-
27,659,502	1,115,835	28,775,337	201,638
-	283,913	283,913	-
1,751,695	(1,751,695)	-	-
29,411,197	(351,947)	29,059,250	201,638
12,142,781	10,088,782	22,231,563	(77,252)
90,800,453	152,268,497	243,068,950	368,683
<u>\$ 102,943,234</u>	<u>\$ 162,357,279</u>	<u>\$ 265,300,513</u>	<u>\$ 291,431</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2017

	<u>General Fund</u>	<u>General Debt Service Fund</u>	<u>General Capital Projects Fund</u>
ASSETS			
Cash and investments	\$ 12,396,945	\$ 221,331	\$ 1,134,491
Receivables (net)			
Taxes	15,584,818	6,460,924	-
Delinquent personal property taxes	15,533	-	-
Accounts	351,637	2,252	-
Special assessments	-	17,467	205,822
Delinquent special assessments	6,059	-	-
Accrued interest	5,160	-	-
Loans	-	-	-
Due from other governments	-	-	-
Due from other funds	2,849,985	-	1,059,348
Prepaid items and inventories	346,519	-	100,000
Investment in mutual insurance company	274,992	-	-
Advances to other funds	2,120,006	-	-
Restricted cash and investments	285,786	-	-
TOTAL ASSETS	<u>\$ 34,237,440</u>	<u>\$ 6,701,974</u>	<u>\$ 2,499,661</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 625,328	\$ -	\$ 124,268
Accrued liabilities	228,067	-	-
Deposits	167,911	-	1,833
Due to other governments	302,762	-	-
Due to other funds	5,568,324	87,602	-
Due to component unit	788	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>6,893,180</u>	<u>87,602</u>	<u>126,101</u>
Deferred Inflows of Resources			
Property taxes levied for next period	15,715,345	6,460,924	-
Unavailable revenues	153,456	19,719	205,822
Total Deferred Inflows of Resources	<u>15,868,801</u>	<u>6,480,643</u>	<u>205,822</u>
Fund Balances			
Nonspendable	2,763,109	-	-
Restricted	510,786	133,729	1,488,642
Committed	-	-	-
Assigned	3,602,423	-	679,096
Unassigned (deficit)	4,599,141	-	-
Total Fund Balances	<u>11,475,459</u>	<u>133,729</u>	<u>2,167,738</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 34,237,440</u>	<u>\$ 6,701,974</u>	<u>\$ 2,499,661</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 5,320,378	\$ 19,073,145
4,441,922	26,487,664
-	15,533
585,232	939,121
-	223,289
5,307	11,366
1,826	6,986
22,355	22,355
90,204	90,204
1,603,305	5,512,638
2,502	449,021
-	274,992
-	2,120,006
-	285,786
<u>\$ 12,073,031</u>	<u>\$ 55,512,106</u>

\$ 259,480	\$ 1,009,076
28,813	256,880
48,312	218,056
-	302,762
842,625	6,498,551
-	788
<u>2,535,006</u>	<u>2,535,006</u>
<u>3,714,236</u>	<u>10,821,119</u>

4,442,442	26,618,711
<u>378,484</u>	<u>757,481</u>
<u>4,820,926</u>	<u>27,376,192</u>

2,502	2,765,611
5,152,720	7,285,877
909,372	909,372
-	4,281,519
<u>(2,526,725)</u>	<u>2,072,416</u>
<u>3,537,869</u>	<u>17,314,795</u>

<u>\$ 12,073,031</u>	<u>\$ 55,512,106</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, 2017

Total Fund Balances - Governmental Funds	\$ 17,314,795
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 III. D.	122,596,252
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 III. B.	234,655
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 III. B.	522,826
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(305,959)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	2,804,340
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(971,640)
Land held for resale used in governmental funds are not financial resources and, therefore, are not reported in the funds.	6,984,382
Internal service funds are reported in the statement of net position as governmental activities.	4,943,921
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds and notes payable	(40,186,919)
Compensated absences	(1,419,391)
Accrued interest	(439,313)
Unamortized debt premium	(693,154)
Capital leases	(8,398,229)
Other postemployment benefits	<u>(43,332)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 102,943,234</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

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

For the Year Ended December 31, 2017

	General Fund	General Debt Service Fund	General Capital Projects Fund
REVENUES			
Taxes	\$ 14,457,671	\$ 6,619,638	\$ -
Intergovernmental	3,227,581	-	-
Licenses and permits	961,195	-	45,140
Fines, forfeitures and penalties	171,172	-	-
Public charges for services	1,544,218	-	-
Special assessments	11,501	-	152,399
Investment income	95,090	1,308	10,917
Miscellaneous	382,031	41,418	162,478
Total Revenues	<u>20,850,459</u>	<u>6,662,364</u>	<u>370,934</u>
EXPENDITURES			
Current			
General government	4,218,868	-	-
Public safety	10,854,383	-	-
Public works	2,915,598	-	-
Health and human services	84,500	-	-
Culture, recreation and education	1,693,518	-	-
Conservation and development	546,847	-	963,395
Capital Outlay	-	-	4,836,618
Debt Service			
Principal	-	6,054,996	-
Interest and fiscal charges	-	604,156	67,526
Total Expenditures	<u>20,313,714</u>	<u>6,659,152</u>	<u>5,867,539</u>
Excess (deficiency) of revenues over expenditures	<u>536,745</u>	<u>3,212</u>	<u>(5,496,605)</u>
OTHER FINANCING SOURCES (USES)			
Sale of property	-	-	-
Long-term debt issued	-	-	4,966,464
Premium on debt issued	-	-	141,354
Transfers in	1,836,847	119,794	1,242,080
Transfers out	(2,075,672)	-	(119,794)
Total Other Financing Sources (Uses)	<u>(238,825)</u>	<u>119,794</u>	<u>6,230,104</u>
Net Change in Fund Balances	297,920	123,006	733,499
FUND BALANCES - Beginning of Year	<u>11,177,539</u>	<u>10,723</u>	<u>1,434,239</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,475,459</u>	<u>\$ 133,729</u>	<u>\$ 2,167,738</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 3,976,127	\$ 25,053,436
1,128,904	4,356,485
419,126	1,425,461
-	171,172
4,015,624	5,559,842
3,570	167,470
104,298	211,613
193,242	779,169
<u>9,840,891</u>	<u>37,724,648</u>
-	4,218,868
21,736	10,876,119
2,678,756	5,594,354
-	84,500
2,743,633	4,437,151
4,930,405	6,440,647
1,033,788	5,870,406
4,366,528	10,421,524
465,116	1,136,798
<u>16,239,962</u>	<u>49,080,367</u>
<u>(6,399,071)</u>	<u>(11,355,719)</u>
300,000	300,000
3,904,536	8,871,000
-	141,354
1,953,045	5,151,766
<u>(1,346,598)</u>	<u>(3,542,064)</u>
<u>4,810,983</u>	<u>10,922,056</u>
(1,588,088)	(433,663)
<u>5,125,957</u>	<u>17,748,458</u>
<u>\$ 3,537,869</u>	<u>\$ 17,314,795</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, 2017

Net change in fund balances - total governmental funds	\$	(433,663)
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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		5,870,406
Some items reported as capital outlay were not capitalized		(133,739)
Some items reported as operating expenses in the fund financial statements, are capitalized in the government-wide statements.		533,934
Depreciation is reported in the government-wide financial statements		(4,244,297)
Net book value of assets retired		(3,283,317)

Contributed capital assets are reported as revenues in the governmental activities.		4,591,512
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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.		32,243
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Land held for resale is reported as an expenditure in the governmental funds. However, in the statement of net position, these assets are capitalized at the lower of cost or market and held until the time of sale.		6,984,382
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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		(8,871,000)
Principal repaid		10,421,524

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		151,354

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		(20,295)
Other postemployment benefits		1,054
Accrued interest on debt		(19,819)
Amortization of deferred charge on refunding		(103,952)
Net pension liability		291,297
Deferred outflows of resources related to pensions		(541,158)
Deferred inflows of resources related to pensions		290,318

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		625,997

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>12,142,781</u>
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See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2017

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
ASSETS					
Current Assets					
Cash and investments	\$ 6,670,764	\$ -	\$ 3,997,548	\$ 10,668,312	\$ 145,181
Receivables					
Accounts	2,789,611	412,001	206,722	3,408,334	1,959
Accrued interest	6,536	25,262	-	31,798	-
Other	1,171,991	5,422	-	1,177,413	-
Due from other funds	29,129	22,558	2,030,024	2,081,711	846,518
Prepaid items	6,466	3,617	1,389	11,472	9,086
Inventories	1,134,720	-	-	1,134,720	-
Current portion of advances to other funds	-	130,000	-	130,000	-
Restricted Assets					
Cash and investments	778,436	693,194	-	1,471,630	-
Total Current Assets	12,587,653	1,292,054	6,235,683	20,115,390	1,002,744
Noncurrent Assets					
Restricted Assets					
Cash and investments	997,241	4,613,787	-	5,611,028	-
Net pension asset	246,408	-	-	246,408	-
Capital Assets					
Land	685,235	194,278	10,738,717	11,618,230	-
Construction in progress	1,096,633	-	351,543	1,448,176	-
Other capital assets	94,796,644	60,583,703	47,305,726	202,686,073	10,940,551
Less: Accumulated depreciation	(30,897,599)	(17,277,867)	(11,041,871)	(59,217,337)	(4,614,520)
Other Assets					
Cash and investments	-	7,342,388	-	7,342,388	-
Property held for future use	16,854	-	-	16,854	-
Lift station fees receivable	-	79,984	-	79,984	-
Special assessments receivable	-	2,303	-	2,303	-
Advances to other funds	-	285,000	-	285,000	-
Non-utility property	52,651	-	-	52,651	-
Investment in ATC	9,578,036	-	-	9,578,036	-
Total Noncurrent Assets	76,572,103	55,823,576	47,354,115	179,749,794	6,326,031
Total Assets	89,159,756	57,115,630	53,589,798	199,865,184	7,328,775
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	2,481	-	-	2,481	-
Pension related amounts	31,972	14,995	25,231	72,198	9,480
Total Deferred Outflows of Resources	34,453	14,995	25,231	74,679	9,480

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	\$ 2,173,575	\$ 179,336	\$ 29,908	\$ 2,382,819	\$ 62,612
Other accrued liabilities	225,541	25,877	71,830	323,248	25,490
Deposits	3,105	-	-	3,105	-
Due to other funds	1,748,930	193,386	-	1,942,316	-
Current portion of general obligation debt	145,000	295,000	780,000	1,220,000	250,000
Current portion of compensated absences	136,511	-	-	136,511	-
Liabilities Payable From Restricted Assets					
Revenue bonds payable	945,000	867,933	-	1,812,933	-
Accrued interest	66,387	29,745	-	96,132	-
Total Current Liabilities	<u>5,444,049</u>	<u>1,591,277</u>	<u>881,738</u>	<u>7,917,064</u>	<u>338,102</u>
Noncurrent Liabilities					
Long-Term Debt					
Revenue bonds payable	6,739,642	6,678,282	-	13,417,924	-
General obligation debt	3,075,000	2,352,839	10,214,643	15,642,482	2,014,754
Compensated absences	279,447	109,559	14,335	403,341	41,478
Total Noncurrent Liabilities	<u>10,094,089</u>	<u>9,140,680</u>	<u>10,228,978</u>	<u>29,463,747</u>	<u>2,056,232</u>
Total Liabilities	<u>15,538,138</u>	<u>10,731,957</u>	<u>11,110,716</u>	<u>37,380,811</u>	<u>2,394,334</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	201,773	-	-	201,773	-
Total Deferred Inflows of Resources	<u>201,773</u>	<u>-</u>	<u>-</u>	<u>201,773</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	55,775,993	35,051,241	40,357,020	131,184,254	4,208,413
Restricted for					
Pension	246,408	-	-	246,408	-
Debt service	712,049	663,449	-	1,375,498	-
Equipment replacement	-	2,868,606	-	2,868,606	-
Unrestricted	<u>16,719,848</u>	<u>7,815,372</u>	<u>2,147,293</u>	<u>26,682,513</u>	<u>735,508</u>
TOTAL NET POSITION	<u>\$ 73,454,298</u>	<u>\$ 46,398,668</u>	<u>\$ 42,504,313</u>	<u>\$ 162,357,279</u>	<u>\$ 4,943,921</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, 2017

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
OPERATING REVENUES	<u>\$ 31,659,787</u>	<u>\$ 3,972,177</u>	<u>\$ 2,398,670</u>	<u>\$ 38,030,634</u>	<u>\$ 1,171,234</u>
OPERATING EXPENSES					
Operation and maintenance	25,917,588	1,996,839	825,299	28,739,726	591,274
Depreciation	<u>2,571,864</u>	<u>1,380,361</u>	<u>991,026</u>	<u>4,943,251</u>	<u>696,916</u>
Total Operating Expenses	<u>28,489,452</u>	<u>3,377,200</u>	<u>1,816,325</u>	<u>33,682,977</u>	<u>1,288,190</u>
Operating Income (Loss)	<u>3,170,335</u>	<u>594,977</u>	<u>582,345</u>	<u>4,347,657</u>	<u>(116,956)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	900,348	93,798	32,045	1,026,191	4,301
Intergovernmental grants	-	-	-	-	7,000
Debt issuance costs	-	(32,567)	-	(32,567)	-
Interest and amortization expense	(367,844)	(204,480)	(244,798)	(817,122)	(49,794)
Miscellaneous	<u>10,218</u>	<u>15,793</u>	<u>63,633</u>	<u>89,644</u>	<u>104,073</u>
Total Nonoperating Revenues (Expenses)	<u>542,722</u>	<u>(127,456)</u>	<u>(149,120)</u>	<u>266,146</u>	<u>65,580</u>
Income Before Contributions, Transfers, and Special Item	<u>3,713,057</u>	<u>467,521</u>	<u>433,225</u>	<u>4,613,803</u>	<u>(51,376)</u>
CONTRIBUTIONS, TRANSFERS, AND SPECIAL ITEM					
Capital contributions	2,534,657	2,732,761	1,675,343	6,942,761	535,380
Transfers in (out)	(1,751,695)	-	-	(1,751,695)	141,993
Special item - gain on disposal of telecommunication operations	<u>283,913</u>	<u>-</u>	<u>-</u>	<u>283,913</u>	<u>-</u>
Total Contributions, Transfers, and Special Item	<u>1,066,875</u>	<u>2,732,761</u>	<u>1,675,343</u>	<u>5,474,979</u>	<u>677,373</u>
Change in Net Position	<u>4,779,932</u>	<u>3,200,282</u>	<u>2,108,568</u>	<u>10,088,782</u>	<u>625,997</u>
NET POSITION - Beginning 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>
NET POSITION - END OF YEAR	<u>\$ 73,454,298</u>	<u>\$ 46,398,668</u>	<u>\$ 42,504,313</u>	<u>\$ 162,357,279</u>	<u>\$ 4,943,921</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Internal Service Fund
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	Fleet
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 30,684,924	\$ 3,889,524	\$ 2,306,701	\$ 36,881,149	\$ 943,452
Received from (paid to) municipality for services	389,292	(685,842)	(548,581)	(845,131)	-
Paid to suppliers for goods and services	(25,045,464)	(1,247,051)	(691,347)	(26,983,862)	214,253
Paid to employees for services	(1,306,559)	(671,804)	(185,492)	(2,163,855)	(267,970)
Net Cash Flows From Operating Activities	<u>4,722,193</u>	<u>1,284,827</u>	<u>881,281</u>	<u>6,888,301</u>	<u>889,735</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	732,894	84,552	32,045	849,491	4,301
Investments sold and matured	733,997	1,065,959	-	1,799,956	-
Investment in ATC	(530,027)	-	-	(530,027)	-
Investments purchased	(686,155)	(807,580)	-	(1,493,735)	-
Net Cash Flows From Investing Activities	<u>250,709</u>	<u>342,931</u>	<u>32,045</u>	<u>625,685</u>	<u>4,301</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to municipality for tax equivalent	(1,813,395)	-	-	(1,813,395)	-
Advances to other funds	-	(415,000)	-	(415,000)	-
Transfers In	-	-	-	-	141,993
Net Cash Flows From Noncapital Financing Activities	<u>(1,813,395)</u>	<u>(415,000)</u>	<u>-</u>	<u>(2,228,395)</u>	<u>141,993</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt issued	-	1,580,000	3,320,000	4,900,000	980,000
Debt retired	(2,489,000)	(1,042,881)	(695,000)	(4,226,881)	(140,000)
Interest paid	(383,582)	(212,824)	(197,646)	(794,052)	(44,228)
Debt premium net of debt issue costs	-	8,504	18,042	26,546	18,476
Acquisition and construction of capital assets	(4,312,748)	(862,330)	(4,320,278)	(9,495,356)	(1,705,096)
Capital contribution received	150,509	1,585,696	-	1,736,205	-
Proceeds from telecommunication system	2,771,403	-	-	2,771,403	-
Special assessments received	-	3,819	67,890	71,709	-
Net Cash Flows From Capital and Related Financing Activities	<u>(4,263,418)</u>	<u>1,059,984</u>	<u>(1,806,992)</u>	<u>(5,010,426)</u>	<u>(890,848)</u>
Net Change in Cash and Cash Equivalents	<u>(1,103,911)</u>	<u>2,272,742</u>	<u>(893,666)</u>	<u>275,165</u>	<u>145,181</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>8,864,197</u>	<u>6,884,500</u>	<u>4,891,214</u>	<u>20,639,911</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,760,286</u>	<u>\$ 9,157,242</u>	<u>\$ 3,997,548</u>	<u>\$ 20,915,076</u>	<u>\$ 145,181</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)	\$ 3,170,335	\$ 594,977	\$ 582,345	\$ 4,347,657	\$ (116,956)
Nonoperating revenue	10,218	14,193	-	24,411	21,331
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	2,571,864	1,380,361	991,026	4,943,251	696,916
Depreciation charged to clearing and other funds	159,524	-	-	159,524	-
Changes in assets, deferred outflows, liabilities, and deferred inflows					
Accounts receivable	(373,211)	(107,023)	(91,969)	(572,203)	-
Other accounts receivable	(310,702)	4,809	-	(305,893)	(1,220)
Due to/from other funds	(28,360)	(680,474)	(548,581)	(1,257,415)	(247,893)
Accounts payable	23,616	84,721	(41,613)	66,724	42,380
Other accrued liabilities	(61,089)	246	3,855	(56,988)	11,118
Deposits	(532)	-	-	(532)	-
Compensated absences	(29,276)	11,361	12,838	(5,077)	875
Prepaid items	14,796	(3,349)	(1,389)	10,058	492,664
Inventories	(352,625)	-	-	(352,625)	-
Pension related amounts	(72,365)	(14,995)	(25,231)	(112,591)	(9,480)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 4,722,193</u>	<u>\$ 1,284,827</u>	<u>\$ 881,281</u>	<u>\$ 6,888,301</u>	<u>\$ 889,735</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments	\$ 6,670,764	\$ -	\$ 3,997,548	\$ 10,668,312	\$ 145,181
Restricted cash and investments					
Redemption account	778,436	693,194	-	1,471,630	-
Replacement account	-	2,868,606	-	2,868,606	-
Reserve account	686,155	-	-	686,155	-
Construction account	311,086	1,745,181	-	2,056,267	-
Other assets - cash and investments	-	7,342,388	-	7,342,388	-
Total Cash and Investments	8,446,441	12,649,369	3,997,548	25,093,358	145,181
Less: Noncash equivalents	(686,155)	(3,492,127)	-	(4,178,282)	-
CASH AND CASH EQUIVALENTS	<u>\$ 7,760,286</u>	<u>\$ 9,157,242</u>	<u>\$ 3,997,548</u>	<u>\$ 20,915,076</u>	<u>\$ 145,181</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Amortization	\$ -	\$ 8,322	\$ -		\$ -
Capital contributions	\$ 2,146,650	\$ 1,147,065	\$ 1,675,343		\$ -
Dividends reinvested in ATC	\$ 168,315	\$ -	\$ -		\$ -
Capital contributions invoiced but not paid	\$ 340,769	\$ -	\$ -		\$ -

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION FIDUCIARY FUNDS As of December 31, 2017

	Utilities Pension <u>Trust Fund</u>	<u>Agency Funds</u>
CURRENT ASSETS		
Cash and investments	\$ -	\$ 34,438,705
Taxes receivable	-	11,772,681
Due from other governments	-	302,210
NONCURRENT ASSETS		
Restricted Assets		
Investments	<u>2,679,786</u>	<u>-</u>
TOTAL ASSETS	<u>2,679,786</u>	<u>46,513,596</u>
LIABILITIES		
Due to other governments	<u>-</u>	<u>46,513,596</u>
NET POSITION		
Restricted for pensions	<u>\$ 2,679,786</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, 2017

	Utilities Pension Trust Fund
ADDITIONS	
Employer contributions	\$ 144,493
Investment income	<u>370,447</u>
Total Additions	<u>514,940</u>
DEDUCTIONS	
Benefits and refunds	749,802
Investment management fees	<u>20,452</u>
Total Deductions	<u>770,254</u>
CHANGE IN NET POSITION	(255,314)
NET POSITION - Beginning of Year	<u>2,935,100</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,679,786</u></u>

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, 2017

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, 2017

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 III.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, 2017. The CDA does not issue separate financial statements.

Business Improvement District (the "BID")

The BID was created under the provisions of Wisconsin Statute Section 66.608. 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 BID had no financial transactions during 2017 which are material to these financial statements. Also, the BID does not own any capital 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 of Sun Prairie.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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, 2017

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, 2017

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 Utilities - 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
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. 12
Tax Incremental District (TID) No. 8	Tax Incremental District (TID) No. 13
Tax Incremental District (TID) No. 9	Development Projects
Tax Incremental District (TID) No. 11	

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

Fund Financial Statements (cont.)

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

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

Ashley Trust Fund

Library Trust Fund

In addition, the city reports the following fund types:

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

Fleet

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

Utilities Pension Trust Fund

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

Tax Collection Fund

Multijurisdictional Public Safety Information
System Commission (MPSISC)

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 to 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, 2017, there were \$190,394 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, 2017

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, 2017

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 III.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, 2017

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 III.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, 2017, 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 III. 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 funds.

Property tax calendar - 2017 tax roll:

Lien date and levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale - 2017 delinquent real estate taxes	October 2020

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 in the general fund have been shown net of an allowance for uncollectible accounts in the amount of \$194,700. 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 under the consumption method of accounting.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 acquisition 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. No 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, 2017

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, 2017.

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, 2017 was \$123,226.

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, 2017, was \$5,477,578.

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, 2017, was \$1,741,584.

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.

Land held for resale in the governmental activities is valued at the lower of historical cost or market.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017, 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, 2017

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 \$9,568,617, 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, 2017

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, 2017

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 \$4,599,141, or 23%, and is reported as unassigned general fund balance.

See Note III. H. for further information.

12. Pension

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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.

Stormwater Utility

Current stormwater rates were approved by the city council effective July 1, 2017.

NOTE II - 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.

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>
TID No. 6 - debt service	\$ 163,645	\$ 440,346	\$ 276,701
TID No. 7 - capital projects	932,152	3,652,322	2,720,170
TID No. 13 - capital projects	14,500	51,041	36,541

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

C. DEFICIT BALANCES

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

As of December 31, 2017, the following individual funds held a deficit balance:

Fund	Amount	Reason
TID No. 6 - debt service	\$ 383,296	Excess expenditures over revenues
TID No. 8 - capital project	1,184,642	Excess expenditures over revenues
TID No. 9 - capital project	642,772	Excess expenditures over revenues
TID No. 11 - capital project	95,319	Excess expenditures over revenues
TID No. 12 - capital project	11,023	Excess expenditures over revenues
TID No. 13 - capital project	51,041	Excess expenditures over revenues
Development projects - capital project	158,632	Timing of recording revenue for the chargeback of expenditures

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

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE III - 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	\$ 47,818,923	\$ 47,700,454	Custodial credit
US agencies - implicitly guaranteed	767,949	767,949	Credit, custodial credit, interest rate
Certificates of deposit - negotiable	4,422,925	4,422,925	Credit, custodial credit, interest rate
Mutual funds - other than bond funds	3,128,148	3,128,148	N/A
LGIP	25,567,283	25,567,283	Credit risk
Petty cash	10,733	-	N/A
Total Deposits and Investments	<u>\$ 81,715,961</u>	<u>\$ 81,586,759</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 37,229,026		
Restricted cash and investments	7,368,444		
Per statement of net position - fiduciary funds			
Pension Trust Fund	2,679,786		
Agency Funds	<u>34,438,705</u>		
Total Deposits and Investments	<u>\$ 81,715,961</u>		

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. \$767,949 of the city's investments are covered by SIPC.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

The city maintains collateral agreements with its banks. At December 31, 2017, the banks had pledged various government securities in the amount of \$3,975,245 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, 2017			
	Level 1	Level 2	Level 3	Total
US agencies - implicitly guaranteed	\$ -	\$ 767,949	\$ -	\$ 767,949
Certificates of deposit - negotiable	-	4,422,925	-	4,422,925
Mutual funds - other than bond funds	3,128,148	-	-	3,128,148
Total	<u>\$ 3,128,148</u>	<u>\$ 5,190,874</u>	<u>\$ -</u>	<u>\$ 8,319,022</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.

As of December 31, 2017, \$10,100,071 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 10,100,071</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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2017, the city's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services	Not Rated
US agencies - implicitly guaranteed	AA+	Aaa	FICO
Certificates of deposit - negotiable	N/A	N/A	X

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

Local Government Investment Pool

Interest Rate Risk

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

As of December 31, 2017, the city's investments were as follows:

Investment Type	Fair Value	Years	
		Less than 1-4	1-4
US agencies - implicitly guaranteed	\$ 767,949	\$ 518,794	\$ 249,155
Certificates of deposit - negotiable	<u>4,422,925</u>	<u>2,127,362</u>	<u>2,295,563</u>
Totals	<u>\$ 5,190,874</u>	<u>\$ 2,646,156</u>	<u>\$ 2,544,718</u>

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for delinquent items in the general fund in the amount of \$20,693, special assessments of \$17,467 and \$205,822 in the general debt service fund and general capital projects fund, respectively, and loans of \$90,204 in the non-major governmental funds.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE III - 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	\$ 26,618,711	\$ -
Special assessments not yet due	-	234,655
Developer chargebacks	-	83,219
Ambulance receivables	-	138,445
Grants	-	90,204
Other accounts receivable	-	210,958
	<u> </u>	<u> </u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 26,618,711</u>	<u>\$ 757,481</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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2017:

	Governmental Activities	Business Type Activities
Reserve account	\$ 285,786	\$ 686,155
Replacement account		2,868,606
Construction account	-	2,056,267
Redemption account	-	1,471,630
Net pension asset	-	246,408
	<u> </u>	<u> </u>
Total	<u>\$ 285,786</u>	<u>\$ 7,329,066</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land and non-depreciable improvements	\$ 41,899,478	\$ 1,749,903	\$ 2,541,016	\$ 41,108,365
Construction in progress	-	551,877	-	551,877
Easements	<u>1,660,395</u>	<u>-</u>	<u>-</u>	<u>1,660,395</u>
Total Capital Assets Not Being Depreciated	<u>43,559,873</u>	<u>2,301,780</u>	<u>2,541,016</u>	<u>43,320,637</u>
Capital assets being depreciated				
Land improvements	3,822,449	-	-	3,822,449
Buildings	26,157,637	139,635	-	26,297,272
Buildings - internal service	2,434,108	-	-	2,434,108
Machinery and equipment	8,837,739	487,239	761,818	8,563,160
Machinery and equipment - internal service	6,956,090	2,383,945	833,592	8,506,443
Streets	73,204,509	5,787,872	316,134	78,676,247
Sidewalks	11,354,181	1,400,818	-	12,754,999
Signals	1,627,267	-	-	1,627,267
Bike paths	<u>3,620,907</u>	<u>744,769</u>	<u>28,120</u>	<u>4,337,556</u>
Total Capital Assets Being Depreciated	<u>138,014,887</u>	<u>10,944,278</u>	<u>1,939,664</u>	<u>147,019,501</u>
Total Capital Assets	<u>181,574,760</u>	<u>13,246,058</u>	<u>4,480,680</u>	<u>190,340,138</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE III - 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	\$ (2,361,790)	\$ (147,458)	\$ -	\$ (2,509,248)
Buildings	(10,658,459)	(665,498)	-	(11,323,957)
Buildings - internal service	(866,151)	(50,853)	-	(917,004)
Machinery and equipment	(6,575,199)	(519,877)	51,131	(7,043,945)
Machinery and equipment - internal service	(3,831,318)	(646,063)	779,865	(3,697,516)
Streets	(28,375,879)	(2,358,123)	284,521	(30,449,481)
Sidewalks	(2,245,388)	(255,100)	-	(2,500,488)
Signals	(419,798)	(81,363)	-	(501,161)
Bike paths	(2,286,296)	(216,878)	28,119	(2,475,055)
Total Accumulated Depreciation	<u>(57,620,278)</u>	<u>(4,941,213)</u>	<u>1,143,636</u>	<u>(61,417,855)</u>
Net Capital Assets Being Depreciated	<u>80,394,609</u>	<u>6,003,065</u>	<u>796,028</u>	<u>85,601,646</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$123,954,482</u>	<u>\$ 8,304,845</u>	<u>\$ 3,337,044</u>	<u>\$128,922,283</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 261,874
Public safety	740,576
Public works	3,255,203
Culture, recreation and education	671,188
Conservation and development	<u>12,372</u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,941,213</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciation				
Construction in progress - electric	\$ 607,495	\$ 1,151,710	\$ 669,618	\$ 1,089,587
Construction in progress - water	-	7,046	-	7,046
Construction in progress - telecommunications	4,225	-	4,225	-
Construction in progress - stormwater	54,081	297,462	-	351,543
Land - electric	616,708	3,440	-	620,148
Land - water	65,087	-	-	65,087
Land - wastewater	194,278	-	-	194,278
Land - stormwater	<u>7,643,484</u>	<u>3,095,233</u>	<u>-</u>	<u>10,738,717</u>
Total Capital Assets Not Being Depreciation	<u>9,185,358</u>	<u>4,554,891</u>	<u>673,843</u>	<u>13,066,406</u>
Capital assets being depreciated				
Electric system	45,163,933	2,363,276	294,365	47,232,844
Water system	44,006,123	3,608,449	50,772	47,563,800
Telecommunications	3,383,769	31,147	3,414,916	-
Wastewater system	58,826,085	2,010,997	253,379	60,583,703
Stormwater	<u>44,919,518</u>	<u>2,478,847</u>	<u>92,639</u>	<u>47,305,726</u>
Total Capital Assets Being Depreciated	<u>196,299,428</u>	<u>10,492,716</u>	<u>4,106,071</u>	<u>202,686,073</u>
Total Capital Assets	<u>205,484,786</u>	<u>15,047,607</u>	<u>4,779,914</u>	<u>215,752,479</u>
Less: Accumulated depreciation for				
Electric system	(18,035,588)	(1,789,685)	334,931	(19,490,342)
Water system	(10,518,539)	(971,784)	83,066	(11,407,257)
Telecommunications	(812,054)	(62,303)	874,357	-
Wastewater system	(16,150,883)	(1,380,361)	253,377	(17,277,867)
Stormwater	<u>(10,143,483)</u>	<u>(991,026)</u>	<u>92,638</u>	<u>(11,041,871)</u>
Total Accumulated Depreciation	<u>(55,660,547)</u>	<u>(5,195,159)</u>	<u>1,638,369</u>	<u>(59,217,337)</u>
Net Capital Assets Being Depreciated	<u>140,638,881</u>	<u>5,297,557</u>	<u>2,467,702</u>	<u>143,468,736</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$149,824,239</u>	<u>\$ 9,852,448</u>	<u>\$ 3,141,545</u>	<u>\$156,535,142</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Electric	\$ 1,586,223
Water	923,338
Telecommunications	62,303
Wastewater	1,380,361
Stormwater	<u>991,026</u>

Total Business-type Activities Depreciation Expense	<u><u>\$ 4,943,251</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, 2017

NOTE III - 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	\$ 29,129
General	Sun Prairie Utilities	1,726,372
Wastewater utility	Sun Prairie Utilities	22,558
Grant	General	388,176
General	Transportation impact fee	568,013
Sun Prairie media center	General	277,441
Street trees	General	246,296
General	General debt service	87,602
TID No. 6	General	31,704
Fleet	General	846,518
Wisconsin development	General	1,347
Refuse and recycling	General	320,764
Stormwater utility	General	2,030,024
General	Park improvement	8,696
General	Development projects	265,916
Library	General	337,577
General	Wastewater utility	193,386
General capital projects	General	<u>1,059,348</u>
Total - Fund Financial Statements		8,440,867
Less: Fund eliminations		(4,461,956)
Less: Government-wide eliminations		(4,118,306)
Add: Interfund advances		<u>(415,000)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ (554,395)</u></u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 1,919,758
Business-type Activities	Governmental Activities	<u>(2,474,153)</u>
Total Government-Wide Financial Statements		<u><u>\$ (554,395)</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, 2017

NOTE III - 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. 8, TID No. 9, TID No. 11, TID No. 12, and TID No. 13. 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 wastewater utility is advancing funds to TID No. 6. TID No. 6 is expecting to repay the advance beginning in 2018, however, no formal repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	TID No. 8 - capital project	\$ 1,195,306	\$ 1,195,306
General	TID No. 9 - capital project	686,901	686,901
General	TID No. 11 - capital project	94,348	94,348
General	TID No. 12 - capital project	92,410	92,410
General	TID No. 13 - capital project	51,041	51,041
Wastewater utility	TID No. 6 - debt service	<u>415,000</u>	285,000
Total - Fund Financial Statements		2,535,006	
Less: Fund eliminations		<u>(2,120,006)</u>	
Total - Interfund Advances		<u>\$ 415,000</u>	

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE III - 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>
Library	General	\$ 1,679,217	Moving library - related funds
General debt service	General capital projects	119,794	Debt service
General	Sun Prairie Utilities	1,751,695	Payment in lieu of taxes
General	Park improvement	65,094	Refer to general note
Grants	General	189,175	Taxi subsidy
Grants	General	27,106	Refer to general note
Refuse and recycling	General	14,933	Refer to general note
Grants	TID No. 7	636	Refer to general note
Grants	TID No. 8	3,815	Refer to general note
Grants	TID No. 9	5,087	Refer to general note
Grants	TID No. 11	6,359	Refer to general note
Grants	TID No. 12	5,087	Refer to general note
Fleet	General	141,993	Refer to general note
General capital projects	TID No. 9	31,244	Refer to general note
General capital projects	General	14,000	Refer to general note
General capital projects	Transportation impact fee	849,576	Refer to general note
Park improvement	General	9,248	Refer to general note
General	TID No. 6	400	Refer to general note
General	TID No. 7	4,338	Refer to general note
General	TID No. 8	4,814	Refer to general note
General	TID No. 9	4,815	Refer to general note
General	TID No. 11	4,814	Refer to general note
General	TID No. 12	877	Refer to general note
Grants	Park improvement	12,382	Refer to general note
General capital projects	TID No. 7	<u>347,260</u>	Fund closeout
Total - Fund Financial Statements		5,293,759	
Less: Fund eliminations		<u>(3,542,064)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 1,751,695</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, 2017

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 37,773,875	\$ 8,871,000	\$ 6,457,956	\$ 40,186,919	\$ 6,833,062
General obligation debt - internal service	1,340,000	980,000	140,000	2,180,000	250,000
Premiums	844,508	-	151,354	693,154	117,050
Premiums - internal service	60,712	35,272	11,230	84,754	-
Sub-totals	<u>40,019,095</u>	<u>9,886,272</u>	<u>6,760,540</u>	<u>43,144,827</u>	<u>7,200,112</u>
Other Liabilities					
Vested compensated absences	1,399,096	1,158,025	1,137,730	1,419,391	634,795
Vested compensated absences - internal service	40,603	9,175	8,300	41,478	-
Capital leases	12,361,797	-	3,963,568	8,398,229	1,350,000
Other postemployment benefits	44,386	-	1,054	43,332	-
Net pension liability	597,256	-	291,297	305,959	-
Total Other Liabilities	<u>14,443,138</u>	<u>1,167,200</u>	<u>5,401,949</u>	<u>10,208,389</u>	<u>1,984,795</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 54,462,233</u>	<u>\$ 11,053,472</u>	<u>\$ 12,162,489</u>	<u>\$ 53,353,216</u>	<u>\$ 9,184,907</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 13,999,000	\$ 4,900,000	\$ 2,429,000	\$ 16,470,000	\$ 1,220,000
Revenue bonds	16,784,096	-	1,797,881	14,986,215	1,812,933
Premiums	566,024	127,547	56,447	637,124	-
Sub-totals	<u>31,349,120</u>	<u>5,027,547</u>	<u>4,283,328</u>	<u>32,093,339</u>	<u>3,032,933</u>
Other Liabilities					
Vested compensated absences	544,929	193,140	198,217	539,852	136,511
Net pension liability	100,927	-	100,927	-	-
Total Other Liabilities	<u>645,856</u>	<u>193,140</u>	<u>299,144</u>	<u>539,852</u>	<u>136,511</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 31,994,976</u>	<u>\$ 5,220,687</u>	<u>\$ 4,582,472</u>	<u>\$ 32,633,191</u>	<u>\$ 3,169,444</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, 2017, was \$149,235,385. Total general obligation debt outstanding at year end was \$58,836,919.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE III - 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, 2017
Bonds	7/15/09	4/1/24	2.00-4.25%	\$ 6,730,000	\$ 475,000
Notes	12/15/09	12/28/19	-	99,116	19,822
State trust fund loan	12/23/09	3/15/19	4.50	600,000	156,097
Notes	11/9/10	4/1/20	0.60-2.35	4,700,000	2,335,000
Notes	5/8/12	4/1/22	0.4-2.0	7,085,000	4,430,000
Notes	7/2/13	2/1/23	1.5-2.0	8,580,000	4,100,000
Refunding bonds	11/19/13	2/1/18	2.0-3.0	4,135,000	325,000
Notes	7/8/14	2/1/24	1.0-3.0	4,255,000	3,730,000
Taxable refunding notes	7/8/14	2/1/27	1.2-3.7	4,315,000	4,165,000
Notes	7/7/15	2/1/25	2.0-2.25	2,970,000	2,655,000
Notes	10/26/16	4/1/26	2.0-3.0	10,690,000	10,125,000
Notes	6/28/17	4/1/27	2.0-3.0	4,920,000	4,920,000
State trust fund loan	8/9/17	3/15/27	3.5	4,931,000	4,931,000
Total Governmental Activities - General Obligation Debt					<u>\$ 42,366,919</u>

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
Notes	7/15/09	4/1/19	2.00-4.25%	\$ 1,000,000	\$ 110,000
Notes	7/15/09	4/1/19	2.00-4.25	1,005,000	105,000
Notes	7/2/13	2/1/23	1.5-2.0	365,000	225,000
Notes	7/8/14	2/1/24	1.0-3.0	1,385,000	985,000
Notes	7/8/14	2/1/24	1.0-3.0	330,000	235,000
Notes	7/7/15	2/1/25	2.0-2.25	835,000	680,000
Notes	10/26/16	4/1/26	2.0-3.0	475,000	440,000
Notes	10/26/16	4/1/36	2.0-3.0	5,820,000	5,450,000
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	3,220,000
Bonds	11/30/17	4/1/37	2.0-3.0	4,900,000	4,900,000
Total Business-type Activities - General Obligation Debt					<u>\$ 16,470,000</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE III - 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
2018	\$ 7,083,062	\$ 981,440	\$ 1,220,000	\$ 459,082
2019	5,613,853	875,300	1,075,000	408,163
2020	5,738,811	736,578	885,000	383,538
2021	4,624,730	606,056	915,000	361,026
2022	4,880,820	479,380	940,000	336,913
2023-2027	14,425,643	890,465	4,070,000	1,330,008
2028-2032	-	-	3,685,000	832,811
2033-2037	-	-	3,680,000	247,800
Totals	<u>\$ 42,366,919</u>	<u>\$ 4,569,219</u>	<u>\$ 16,470,000</u>	<u>\$ 4,359,341</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 7.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,200,857. Principal and interest paid for the current year and total customer net revenues were \$1,224,777 and \$6,485,681, 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 \$8,281,974. Principal and interest paid for the current year and total customer gross revenues were \$1,036,374 and \$4,779,086, respectively.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2017, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
<u>Sun Prairie Utilities</u>					
Revenue bonds	11/6/08	4/1/23	4.38-5.13%	\$ 3,600,000	\$ 1,785,000
Revenue bonds	11/15/12	4/1/32	1.50-3.20	2,800,000	2,315,000
Revenue bonds	11/15/12	4/1/18	0.85-1.65	2,155,000	440,000
Revenue bonds	6/16/14	4/1/34	3.25-4.30	3,200,000	<u>2,900,000</u>
				Total Sun Prairie Utilities	<u>7,440,000</u>
<u>Wastewater Utilities</u>					
Revenue bonds	6/8/05	5/1/25	2.365%	15,844,256	<u>7,546,215</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 14,986,215</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>
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	1,582,999	234,775
2023-2027	4,961,370	619,185
2028-2032	1,750,000	234,741
2033-2034	<u>375,000</u>	<u>16,140</u>
Totals	<u><u>\$ 14,986,215</u></u>	<u><u>\$ 2,496,616</u></u>

Capital Leases

Refer to Note III. G.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences, other postemployment benefits, and the net pension liability are not included in the debt service requirement schedules. The compensated absences liability, other post employment benefits obligation, and the net pension liability 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 2017 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.

Prior-Year Defeasance of Debt

In prior years, the city defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the city's financial statements. At December 31, 2017, \$5,055,000 of bonds outstanding are considered defeased. The bonds are callable on April 1, 2018.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE III - 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. All remaining lease obligations relate to TID No. 8. The city expects that TID No. 8 revenues will be sufficient to make the lease payments to the CDA.

The future minimum lease obligations and the net present value on the minimum lease payments as of December 31, 2017, are as follows:

Years	Governmental Activities		
	Principal	Interest	Totals
2018	\$ 1,350,000	\$ 179,378	\$ 1,529,378
2019	1,370,000	165,203	1,535,203
2020	1,390,000	147,393	1,537,393
2021	1,410,000	125,153	1,535,153
2022	1,440,000	99,068	1,539,068
2023	1,438,229	418,868	1,857,097
Totals	<u>\$ 8,398,229</u>	<u>\$ 1,135,063</u>	<u>\$ 9,533,292</u>

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2017, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 41,108,365
Construction in progress	551,877
Easements	1,660,395
Other capital assets, net of accumulated depreciation	85,601,646
Less: Long-term debt outstanding	(42,366,919)
Plus: Unspent capital related debt proceeds	1,635,778
Plus: Noncapital debt outstanding	13,041,264
Less: Capital leases	(8,398,229)
Less: Unamortized debt premium	(777,908)
Total Net Investment in Capital Assets	<u>\$ 92,056,269</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE III - 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, 2017, include the following:

	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Funds	Totals
Fund Balances					
Nonspendable:					
Delinquent items	\$ 21,592	\$ -	\$ -	\$ -	\$ 21,592
Prepaid items and inventories	346,519	-	-	2,502	349,021
Investment in mutual insurance company	274,992	-	-	-	274,992
Advances	2,120,006	-	-	-	2,120,006
Sub-total	<u>2,763,109</u>	<u>-</u>	<u>-</u>	<u>2,502</u>	<u>2,765,611</u>
Restricted for:					
Debt service	-	133,729	-	-	133,729
Future capital projects (unspent debt)	-	-	1,488,642	-	1,488,642
Park improvements	-	-	-	1,373,706	1,373,706
Economic development	-	-	-	147,732	147,732
Transportation improvements	-	-	-	2,500,489	2,500,489
Grants	-	-	-	348,486	348,486
Library	-	-	-	332,689	332,689
Trust purposes	-	-	-	449,618	449,618
Sun Prairie Ice, Inc.	510,786	-	-	-	510,786
Sub-total	<u>510,786</u>	<u>133,729</u>	<u>1,488,642</u>	<u>5,152,720</u>	<u>7,285,877</u>
Committed to:					
Sun Prairie media center	-	-	-	370,223	370,223
Street trees	-	-	-	236,456	236,456
Refuse and recycling	-	-	-	302,693	302,693
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>909,372</u>	<u>909,372</u>
Assigned to:					
Subsequent years' budget	411,529	-	-	-	411,529
Signs	7,474	-	-	-	7,474
Replacement funds	568,059	-	-	-	568,059
Tax equivalent	1,751,695	-	-	-	1,751,695
Self insurance	200,000	-	-	-	200,000
Carryovers	271,574	-	-	-	271,574
Youth and family	2,361	-	-	-	2,361
Sick benefits	389,731	-	-	-	389,731
Future capital projects	-	-	679,096	-	679,096
Sub-total	<u>3,602,423</u>	<u>-</u>	<u>679,096</u>	<u>-</u>	<u>4,281,519</u>
Unassigned (deficit):	<u>4,599,141</u>	<u>-</u>	<u>-</u>	<u>(2,526,725)</u>	<u>2,072,416</u>
Total Fund Balances	<u>\$ 11,475,459</u>	<u>\$ 133,729</u>	<u>\$ 2,167,738</u>	<u>\$ 3,537,869</u>	<u>\$ 17,314,795</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 11,618,230
Construction in progress	1,448,176
Other capital assets, net of depreciation	143,468,736
Less: Long-term debt outstanding	(31,456,215)
Plus: Unspent capital related debt proceeds	6,739,970
Plus: Unamortized loss on refunding	2,481
Less: Unamortized debt premium	<u>(637,124)</u>
Total Net Investment in Capital Assets	<u>\$ 131,184,254</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/Measurement 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>\$ 1,555,688</u>	<u>\$ 1,555,688</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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

I. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

b. Deposits and Investments (cont.)

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

- > Quoted market prices for identical assets

Investment Type	12/31/2017			Total
	Level 1	Level 2	Level 3	
Mutual funds - other than bond funds	\$ 1,555,688	\$ -	\$ -	\$ 1,555,688

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 \$1,555,688 at December 31, 2017, 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 2009 and 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% of net revenues. During 2017, the CDA made additional principal and interest payments of \$2,790,000 and \$58,189, respectively, to repay the remaining balance of the 2009 bonds. The total principal and interest remaining to be paid on the bonds is \$11,085,063. Principal and interest paid for the current year, including the additional payments related to the 2009 bond payoff, and total customer net revenues were \$4,943,428 and \$201,638, 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, 2017

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

I. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

d. Long-Term Obligations (cont.)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2009 Series: Issued 8/4/09; Interest rates of 1.2 - 4.5%; Final maturity 2/1/22;	\$ 3,360,000	\$ -	\$ 3,360,000	\$ -	\$ -
2014 Series: Issued 6/24/14; Interest rates of 0.4 - 2.4%; Final maturity 8/1/24.	<u>11,275,000</u>	<u>-</u>	<u>1,325,000</u>	<u>9,950,000</u>	<u>1,350,000</u>
Totals	<u>\$14,635,000</u>	<u>\$ -</u>	<u>\$ 4,685,000</u>	<u>\$ 9,950,000</u>	<u>\$ 1,350,000</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 1,350,000	\$ 179,378	\$ 1,529,378
2019	1,370,000	165,203	1,535,203
2020	1,390,000	147,393	1,537,393
2021	1,410,000	125,153	1,535,153
2022	1,440,000	99,068	1,539,068
2023-2024	<u>2,990,000</u>	<u>418,868</u>	<u>3,408,868</u>
Totals	<u>\$ 9,950,000</u>	<u>\$ 1,135,063</u>	<u>\$ 11,085,063</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, 2017

NOTE IV - 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 standalone 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, 2017, the annual money-weighted rate of return on the Plan's investments was 15.1%. 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, 2017, the date of the latest actuarial valuation, consisted of:

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to, but not yet receiving benefits	1
Active plan members	15
Actives suspended accruals due to change to defined contribution plan	4
Total	<u>20</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - 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, 2017:

Total pension liability	\$ 2,433,378
Fiduciary net position	<u>2,679,786</u>
Net Pension Liability (Asset)	<u>\$ (246,408)</u>
Fiduciary Net Position as Percentage of Total Pension Liability	<u>110.1 %</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, 2017 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. 2007-67.

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, 2017

NOTE IV - 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 (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Plan calculated using the discount rate of 5% as well as what the net pension liability (asset) 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)	\$ 330,612	\$ (246,408)	\$ (691,511)

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 6.43%. 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 (WRS)

All city and utility employees meeting eligibility requirements were allowed the option to switch to the WRS retirement plan as of January 1, 2017.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System (cont.)

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.

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, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System (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
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
2016	0.5	(5)

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System (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. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. 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 \$358,235 in contributions from the city.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2017, the city reported a liability of \$305,959 for its proportionate share of the net pension liability. 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 rolled forward to December 31, 2016. 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, 2016, the city's proportion was 0.03712016%, which was an increase of 0.00036548% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the city recognized pension expense of \$787,128.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System (cont.)

At December 31, 2017, 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	\$ 116,662	\$ 962,213
Changes in assumptions	319,892	-
Net differences between projected and actual earnings on pension plan investments	1,522,967	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,803	9,427
Employer contributions subsequent to the measurement date	894,825	-
Totals	\$ 2,868,149	\$ 971,640

\$894,825 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 (asset) in the year ended December 31, 2018. 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
2018	\$ 718,709	\$ 309,806
2019	718,709	309,806
2020	586,233	309,806
2021	(50,857)	42,157
2022	530	65

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System (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:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	120	7.4	4.5
<u>Variable Fund Asset Class</u>				
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, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

1. Wisconsin Retirement System (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 3.78%. 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 (asset) to changes in the discount rate. The following presents the city's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability (asset)	\$4,025,083	\$305,959	\$(2,557,936)

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, 2017, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

2. ICMA Defined Contribution Plan

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 2017 was \$105,552. The total covered payroll for the year ended December 31, 2017 was \$1,552,232. Total contributions for the years ended December 31, 2016 and 2015 were \$441,632 and \$426,947, respectively, equal to the required contributions for each year. Benefits for non-union employees are fully vested after five 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, 2017

NOTE IV - 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 IV.A. The utilities' total contributions during 2017 were \$144,493, which is equal to the required contribution. The annual required contribution for the current year was determined as part of the December 31, 2017 actuarial valuation using the aggregate cost method. The 2017 contribution as calculated by the actuary were made as of December 31, 2017. 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 (Assets), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the utilities reported a pension asset of \$(246,408). The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The entry age actuarial cost method is used to calculate the total pension liability.

For the year ended December 31, 2017, the utilities recognized pension expense of \$86,018.

	<u>2017</u>
Total Pension Liability	
Service cost	\$ 90,483
Interest	139,143
Differences between expected and actual experience	(82,473)
Benefit payments, including refunds of member contributions	<u>(749,802)</u>
Net Change in Total Pension Liability	(602,649)
Total Pension Liability - Beginning	<u>3,036,027</u>
Total Pension Liability - Ending (a)	<u><u>\$ 2,433,378</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

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

	<u>2017</u>
Plan fiduciary net position	
Employer contributions	\$ 144,493
Net investment income (loss)	370,447
Benefit payments, including refunds of member contributions	(749,802)
Administration	<u>(20,452)</u>
Net Change in Plan Fiduciary Net Position	(255,314)
Plan Fiduciary Net Position - Beginning	<u>2,935,100</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 2,679,786</u></u>
Net Position Liability (Asset) - Ending (a) - (b)	<u><u>\$ (246,408)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	110.13%
Covered-employee payroll	\$ 1,325,082
Net position liability (asset) as a percentage of covered-employee payroll	-18.60%

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

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

At December 31, 2017, the utility 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
Difference between expected and actual experience	\$ 17,869	\$ 117,922
Net difference between projected and actual earnings on pension plan	<u>-</u>	<u>83,851</u>
Totals	<u>\$ 17,869</u>	<u>\$ 201,773</u>

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

2018	\$ (2,993)
2019	(2,993)
2020	(61,598)
2021	(50,213)
2022	(8,685)
Thereafter	<u>(57,422)</u>
Totals	<u>\$ (183,904)</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 \$54,371 for 2017 compensation were made in 2018.

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

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.

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 is being amortized over a 10-year period. The remaining balance is \$274,992 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 for this liability, as well as for claims incurred but not reported at December 31, 2017, has been determined not to be significant and is not recorded. Changes in the fund's claims loss liability follow:

	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Claims Paid/ Settled</u>	<u>Ending Balance</u>
2017	\$ 78,706	\$ 405,036	\$ 483,742	\$ -

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - 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.

Forty-nine members, representing approximately 98% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining two members have long-term contracts through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$388 million as of December 31, 2017.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

D. COMMITMENTS AND CONTINGENCIES (cont.)

Other Commitments

The city has entered into an agreement committing 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, 2017

NOTE IV - 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		2,206
Adjustment to annual required contribution		<u>(3,067)</u>
Annual OPEB cost		16,964
Contributions made		<u>(18,273)</u>
Decrease in Net OPEB obligation		(1,309)
Net OPEB Obligation - Beginning of Year		<u>55,146</u>
Net OPEB Obligation - End of Year	\$	<u><u>53,837</u></u>

The other postemployment benefits liability of \$43,332 is included in the noncurrent liabilities due in more than one year of the Governmental Activities on the Statement of Net Position. The remaining \$10,505 relates to the Business-type Activities. The amount was not recorded in the Business-type Activities 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 2017 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 13,816	106.46%	\$ 56,476
December 31, 2016	16,943	107.85	55,146
December 31, 2017	16,964	107.72	53,837

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - 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 6% initially, reduced by decrements to an ultimate rate of 5% after ten years. Both rates include a 4% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2017, was 30 years.

G. SUBSEQUENT EVENTS

On March 29, 2018, the city obtained a state trust fund loan in the amount of \$3,700,000 with an interest rate of 3%. This amount will be used for infrastructure projects in TID No. 13. Final maturity is scheduled for March 15, 2020.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

G. SUBSEQUENT EVENTS (cont.)

In April 2018, the city council approved the application of a state trust fund loan in the amount of \$3,589,000 for general capital projects. The loan is anticipated to be repaid over a period of ten years at an interest rate of 4.25%.

The City Council approved a rate increase for the wastewater utility effective January 1, 2018.

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.

The city through its TIDs has entered into tax abatement agreements with 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	2017 Payments
11/009 Downtown Phase III - New Perspective Senior Living	Excess property taxes over assessed value from 2014 - 2025	\$ 133,739
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 5 years	450,000
14/034 - B&G Realty LLC (Marcus Theaters)	Up to \$75,000 per year from 2016 - 2018	75,000
14/049 - Cabela's Wholesale, Inc.	Up to \$260,000 paid over three years based on assessed value	78,000
15/187 - Equity Resources and Investments (Madison-Kipp)	Qualified expenses not to exceed \$274,000	274,000
16/041 - Jennings and Woldt Remodeling, Inc.	90% of tax increment up to \$181,500 over 12 years	-

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

H. TAX ABATEMENT (cont.)

Agreement Description	Calculation Method	2017 Payment
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	-
16/24 - TMA Lands, Inc.	\$225,000 for 12 years not to exceed \$2,500,000 based on assessed value	-
17/057 - 132 Market Street, Co.	\$50,000 one-time payment based on assessed value	-
17/182 - Park 151, LLC	Set dollar amount of \$500,000	-
17/215 - SP Main Street Apartments, LLC and Gorman & Company, Inc.	100% of tax increment up to \$1,250,000 from 2020-2035	-
17/253 - Patio Pleasures, LLC	80% of tax increment up to \$92,556 over 12 years	-

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

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

- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

J. SUN PRAIRIE UTILITIES SALE OF TELECOMMUNICATION UTILITY - SPECIAL ITEM

On May 8, 2017, the Sun Prairie Utilities and the city entered into an agreement to sell the telecommunication system to TDS Metrocom, LLC. in order to provide expanded high-speed internet services to the community. The telecommunication operating activities through the date of sale are included in the Sun Prairie Utilities enterprise fund. The net gain from the sale of operations of \$283,913 is recorded as a special item on the proprietary funds statement of revenues, expenses, and changes in net position and the business-type activities statement of activities. The revenues associated with telecommunications operations for 2017 were \$213,215. The operating expenses for 2017 were \$187,961. The nonoperating expenses for 2017 were \$16,170.

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, 2017

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
TAXES				
General property taxes	\$ 14,310,884	\$ 14,310,884	\$ 14,298,876	\$ (12,008)
Room taxes	19,000	19,000	32,423	13,423
Payments in lieu of taxes	107,515	107,515	108,136	621
Interest on taxes	1,500	1,500	2,180	680
Other taxes	-	-	16,056	16,056
Total Taxes	14,438,899	14,438,899	14,457,671	18,772
INTERGOVERNMENTAL				
Police school liaison	152,077	152,077	158,192	6,115
State shared revenues	688,496	688,496	689,245	749
Fire insurance tax (2% fire dues)	103,000	103,000	117,213	14,213
State expenditure restraint	582,872	582,872	582,873	1
State aid - road allotment	1,362,242	1,362,242	1,362,242	-
State aid - connecting streets	54,676	54,676	54,676	-
State aid - exempt computer	294,000	294,000	250,094	(43,906)
State aid - police	10,000	10,000	11,046	1,046
Other grants	2,000	2,000	2,000	-
Total Intergovernmental	3,249,363	3,249,363	3,227,581	(21,782)
LICENSES AND PERMITS				
Liquor and malt beverage licenses	59,000	59,000	45,151	(13,849)
Operators' license	20,000	20,000	16,535	(3,465)
Cigarette licenses	3,000	3,000	2,600	(400)
Dog and cat licenses	9,500	9,500	9,906	406
Building permits	142,000	142,000	258,643	116,643
Occupancy permits	10,000	10,000	19,988	9,988
Plumbing permits	67,000	67,000	150,361	83,361
Electrical permits	70,000	70,000	149,259	79,259
Heating and air conditioning permits	70,000	70,000	144,081	74,081
Street openings	20,000	20,000	21,125	1,125
Zoning permits and fees	32,000	32,000	40,530	8,530
Other permits	70,500	70,500	66,534	(3,966)
Other licenses	8,500	8,500	12,417	3,917
Plan review fees	-	-	24,065	24,065
Total Licenses and Permits	581,500	581,500	961,195	379,695
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	140,000	140,000	124,342	(15,658)
Parking violations	50,000	50,000	46,830	(3,170)
Total Fines, Forfeitures and Penalties	190,000	190,000	171,172	(18,828)

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, 2017

	<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	\$ 39,500	\$ 39,500	\$ 39,347	\$ (153)
General government	50	50	38	(12)
Police department fees	17,000	17,000	12,716	(4,284)
Miscellaneous public works	18,000	18,000	16,306	(1,694)
Ambulance fees	880,000	880,000	974,495	94,495
Sewage inspection	4,500	4,500	5,832	1,332
Animal pound	150	150	180	30
Engineer review fees	8,000	8,000	22,052	14,052
Family aquatic center	206,762	206,762	200,815	(5,947)
Township EMS fees	62,913	62,913	63,377	464
Miscellaneous building inspection	6,000	6,000	(79)	(6,079)
Miscellaneous park fees	41,800	41,800	46,154	4,354
Summer recreation fees	136,484	136,484	98,217	(38,267)
Winter recreation fees	66,060	66,060	64,568	(1,492)
Conservation and development	-	-	200	200
Total Public Charges for Services	<u>1,487,219</u>	<u>1,487,219</u>	<u>1,544,218</u>	<u>56,999</u>
SPECIAL ASSESSMENTS				
Street improvements	1,000	1,000	1,091	91
Interest on special assessments	1,000	1,000	883	(117)
Delinquent special assessments held by county	<u>1,500</u>	<u>1,500</u>	<u>9,527</u>	<u>8,027</u>
Total Special Assessments	<u>3,500</u>	<u>3,500</u>	<u>11,501</u>	<u>8,001</u>
INVESTMENT INCOME				
Investment income	<u>40,000</u>	<u>40,000</u>	<u>95,090</u>	<u>55,090</u>
MISCELLANEOUS				
Sale of materials and equipment	20,000	20,000	47,652	27,652
Insurance dividends	55,163	55,163	63,858	8,695
Donations	5,200	5,200	6,650	1,450
Human resources chargebacks	5,000	20,000	20,000	-
Engineering chargebacks	382,525	382,525	163,473	(219,052)
Other miscellaneous	<u>109,100</u>	<u>109,100</u>	<u>80,398</u>	<u>(28,702)</u>
Total Miscellaneous	<u>576,988</u>	<u>591,988</u>	<u>382,031</u>	<u>(209,957)</u>
 Total Revenues	 <u>20,567,469</u>	 <u>20,582,469</u>	 <u>20,850,459</u>	 <u>267,990</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, 2017

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor	\$ 39,130	\$ 39,130	\$ 38,545	\$ 585
Council	68,694	68,694	65,132	3,562
Municipal court	106,241	106,241	102,286	3,955
City attorney	207,355	237,355	221,520	15,835
Clerk	281,618	281,618	316,543	(34,925)
Elections	48,995	48,995	28,767	20,228
Administrator	294,220	294,220	264,143	30,077
Human resources	290,656	313,636	298,626	15,010
Finance	669,163	546,683	542,434	4,249
Building maintenance	654,904	655,273	573,127	82,146
Information technology	1,067,728	1,067,728	999,274	68,454
Risk management	428,580	462,080	410,439	51,641
Assessment of property	378,889	432,252	358,032	74,220
Total General Government	4,536,173	4,553,905	4,218,868	335,037
PUBLIC SAFETY				
Building inspection	460,762	462,527	460,411	2,116
Police	7,827,130	7,802,030	7,440,037	361,993
Crossing guards	101,553	101,553	91,310	10,243
Emergency medical services	1,666,917	1,709,035	1,697,498	11,537
Fire protection	1,117,846	1,122,346	1,158,482	(36,136)
Emergency government	7,500	7,500	6,645	855
Total Public Safety	11,181,708	11,204,991	10,854,383	350,608
PUBLIC WORKS				
Public works	2,335,748	2,484,946	2,369,055	115,891
Engineering	515,918	545,962	546,543	(581)
Total Public Works	2,851,666	3,030,908	2,915,598	115,310
HEALTH AND HUMAN SERVICES				
Social services	75,000	75,000	75,000	-
Cemetery	9,500	9,500	9,500	-
Total Health and Human Services	84,500	84,500	84,500	-
CULTURE, RECREATION, AND EDUCATION				
Library	-	34,480	-	34,480
Museum administration	43,821	43,821	35,769	8,052
Economic development	180,000	180,000	180,000	-
Youth and family commission	2,827	2,827	3,527	(700)
Parks and recreation	1,329,841	1,329,841	1,196,089	133,752
Family aquatic center	286,208	286,208	278,133	8,075
Total Culture, Recreation, and Education	1,842,697	1,877,177	1,693,518	183,659

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CONSERVATION AND DEVELOPMENT				
Planning	\$ 375,664	\$ 375,664	\$ 339,779	\$ 35,885
Forestry	101,652	101,652	75,582	26,070
Urban development	<u>145,971</u>	<u>145,971</u>	<u>131,486</u>	<u>14,485</u>
Total Conservation and Development	<u>623,287</u>	<u>623,287</u>	<u>546,847</u>	<u>76,440</u>
 Total Expenditures	<u>21,120,031</u>	<u>21,374,768</u>	<u>20,313,714</u>	<u>1,061,054</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(552,562)</u>	<u>(792,299)</u>	<u>536,745</u>	<u>1,329,044</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,962,870	1,962,870	1,836,847	(126,023)
Transfers out	<u>(1,703,739)</u>	<u>(1,797,088)</u>	<u>(2,075,672)</u>	<u>(278,584)</u>
Total Other Financing Sources (Uses)	<u>259,131</u>	<u>165,782</u>	<u>(238,825)</u>	<u>(404,607)</u>
 Net Change in Fund Balance	<u>(293,431)</u>	<u>(626,517)</u>	<u>297,920</u>	<u>924,437</u>
 FUND BALANCE - Beginning of Year	<u>11,177,539</u>	<u>11,177,539</u>	<u>11,177,539</u>	<u>-</u>
 FUND BALANCE - END OF YEAR	<u><u>\$ 10,884,108</u></u>	<u><u>\$ 10,551,022</u></u>	<u><u>\$ 11,475,459</u></u>	<u><u>\$ 924,437</u></u>

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

CITY OF SUN PRAIRIE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2017

<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>
12/31/17	0.03712016%	\$ 305,959	\$ 3,811,012	8.03%	99.12%
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, 2017

<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>
12/31/17	\$ 898,256	\$ 898,256	\$ -	\$ 10,367,652	8.66%
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 (ASSET) AND RELATED RATIOS SUN PRAIRIE UTILITIES PENSION TRUST FUND For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Service cost	\$ 90,483	\$ 99,255	\$ 112,240	\$ 119,397
Interest	139,143	150,912	165,812	176,220
Differences between expected and actual experience	(82,473)	21,145	(56,342)	(153,688)
Benefit payments, including refunds of member contributions	<u>(749,802)</u>	<u>(284,856)</u>	<u>(694,422)</u>	<u>(45,496)</u>
Net change in total pension liability	(602,649)	(13,544)	(472,712)	96,433
Total pension liability - beginning	<u>3,036,027</u>	<u>3,049,571</u>	<u>3,522,283</u>	<u>3,425,850</u>
Total pension liability - ending (a)	<u>\$ 2,433,378</u>	<u>\$ 3,036,027</u>	<u>\$ 3,049,571</u>	<u>\$ 3,522,283</u>
Plan fiduciary net position				
Employer contributions	\$ 144,493	\$ 201,596	\$ 285,586	\$ 281,155
Net investment income (loss)	370,447	223,358	(115,100)	117,384
Benefit payments, including refunds of member contributions	(749,802)	(284,856)	(694,422)	(45,496)
Administration	<u>(20,452)</u>	<u>(22,084)</u>	<u>(26,118)</u>	<u>(24,766)</u>
Net change in plan fiduciary net position	(255,314)	118,014	(550,054)	328,277
Plan fiduciary net position - beginning	<u>2,935,100</u>	<u>2,817,086</u>	<u>3,367,140</u>	<u>3,038,863</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,679,786</u>	<u>\$ 2,935,100</u>	<u>\$ 2,817,086</u>	<u>\$ 3,367,140</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (246,408)</u>	<u>\$ 100,927</u>	<u>\$ 232,485</u>	<u>\$ 155,143</u>
Plan fiduciary net position as a percentage of the total pension liability	110.13%	96.68%	92.38%	95.60%
Covered-employee payroll	\$ 1,325,082	\$ 1,398,380	\$ 1,488,604	\$ 1,753,037
Net pension liability (asset) as a percentage of covered-employee payroll	-18.60%	7.22%	15.62%	8.85%

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

CITY OF SUN PRAIRIE

SCHEDULE OF EMPLOYER CONTRIBUTIONS SUN PRAIRIE UTILITIES PENSION TRUST FUND For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 144,493	\$ 201,596	\$ 285,586	\$ 281,155
Contributions in relation to the actuarially determined contribution	<u>144,493</u>	<u>201,596</u>	<u>285,586</u>	<u>281,155</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,325,082	\$ 1,398,378	\$ 1,488,604	\$ 1,753,037
Contributions as a percentage of covered-employee payroll	10.90%	14.42%	19.18%	16.04%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of December 31, 2017.

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 IV.A. in the Notes to Financial
Mortality	Applicable Mortality Table as defined in Rev. Rul. 2007-67

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

CITY OF SUN PRAIRIE

**SCHEDULE OF INVESTMENT RETURNS
SUN PRAIRIE UTILITIES PENSION TRUST FUND
For the Year Ended December 31, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	15.10%	7.42%	-4.78%	2.85%

CITY OF SUN PRAIRIE

SCHEDULE OF FUNDED STATUS - OTHER POSTEMPLOYMENT BENEFITS For the Year Ended December 31, 2017

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, 2017

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 \$271,574. 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.

SUN PRAIRIE UTILITIES PENSION TRUST FUND

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.

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, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 6,619,638	\$ 6,619,638	\$ 6,619,638	\$ -
Investment income	2,500	-	1,308	1,308
Miscellaneous	<u>39,146</u>	<u>41,646</u>	<u>41,418</u>	<u>(228)</u>
Total Revenues	<u>6,661,284</u>	<u>6,661,284</u>	<u>6,662,364</u>	<u>1,080</u>
EXPENDITURES				
Debt service				
Principal	6,054,996	6,054,996	6,054,996	-
Interest and fiscal charges	<u>606,288</u>	<u>606,288</u>	<u>604,156</u>	<u>2,132</u>
Total Expenditures	<u>6,661,284</u>	<u>6,661,284</u>	<u>6,659,152</u>	<u>2,132</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,212</u>	<u>3,212</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>119,794</u>	<u>119,794</u>
Net Change in Fund Balance	-	-	123,006	123,006
FUND BALANCE - Beginning	<u>10,723</u>	<u>10,723</u>	<u>10,723</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 10,723</u>	<u>\$ 10,723</u>	<u>\$ 133,729</u>	<u>\$ 123,006</u>

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, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Licenses and permits	\$ 17,503	\$ 17,503	\$ 45,140	\$ 27,637
Special assessments	-	-	152,399	152,399
Investment income	-	-	10,917	10,917
Miscellaneous	<u>1,477,500</u>	<u>1,477,500</u>	<u>162,478</u>	<u>(1,315,022)</u>
Total Revenues	<u>1,495,003</u>	<u>1,495,003</u>	<u>370,934</u>	<u>(1,124,069)</u>
EXPENDITURES				
Current				
Conservation and development	-	-	963,395	(963,395)
Capital Outlay	9,245,003	9,772,642	4,836,618	4,936,024
Debt service				
Interest and fiscal charges	<u>-</u>	<u>128,400</u>	<u>67,526</u>	<u>60,874</u>
Total Expenditures	<u>9,245,003</u>	<u>9,901,042</u>	<u>5,867,539</u>	<u>4,033,503</u>
Excess (deficiency) of revenues over expenditures	<u>(7,750,000)</u>	<u>(8,406,039)</u>	<u>(5,496,605)</u>	<u>2,909,434</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	6,259,884	6,344,116	4,966,464	(1,377,652)
Premium on debt issued	-	-	141,354	141,354
Transfers in	1,490,116	1,541,429	1,242,080	(299,349)
Transfers out	<u>-</u>	<u>-</u>	<u>(119,794)</u>	<u>(119,794)</u>
Total Other Financing Sources (Uses)	<u>7,750,000</u>	<u>7,885,545</u>	<u>6,230,104</u>	<u>(1,655,441)</u>
Net Change in Fund Balance	-	(520,494)	733,499	1,253,993
FUND BALANCE - Beginning	<u>1,434,239</u>	<u>1,434,239</u>	<u>1,434,239</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,434,239</u>	<u>\$ 913,745</u>	<u>\$ 2,167,738</u>	<u>\$ 1,253,993</u>

NONMAJOR GOVERNMENTAL FUNDS

CITY OF SUN PRAIRIE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2017

	Special Revenue Funds			
	Park Improvement Fund	Wisconsin Development Fund	Transporta- tion Impact Fee Fund	Grant Funds
ASSETS				
Cash and investments	\$ 1,484,617	\$ 146,385	\$ 3,068,502	\$ -
Receivables				
Taxes	-	-	-	-
Accounts	77,422	-	-	19,139
Accrued interest	1,794	-	32	-
Loans	-	4,003	-	-
Delinquent special assessments	-	-	-	-
Due from other funds	-	1,347	-	388,176
Due from other governments	-	-	-	90,204
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 1,563,833</u>	<u>\$ 151,735</u>	<u>\$ 3,068,534</u>	<u>\$ 497,519</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 97,215	\$ -	\$ -	\$ 57,712
Accrued liabilities	-	-	-	1,117
Deposits	5,000	-	-	-
Due to other funds	8,696	-	568,013	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>110,911</u>	<u>-</u>	<u>568,013</u>	<u>58,829</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	<u>79,216</u>	<u>4,003</u>	<u>32</u>	<u>90,204</u>
Total Deferred Inflows of Resources	<u>79,216</u>	<u>4,003</u>	<u>32</u>	<u>90,204</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	1,373,706	147,732	2,500,489	348,486
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	<u>1,373,706</u>	<u>147,732</u>	<u>2,500,489</u>	<u>348,486</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,563,833</u>	<u>\$ 151,735</u>	<u>\$ 3,068,534</u>	<u>\$ 497,519</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
Library	Sun Prairie Media Center	Refuse and Recycling	Street Trees	TID No. 6	TID No. 7	TID No. 8
\$ 37,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,921
-	-	1,201,862	-	133,509	-	1,876,956
1,074	100,705	196	-	4,966	-	4,597
-	-	-	-	-	-	-
-	-	-	-	-	18,352	-
-	-	5,307	-	-	-	-
337,577	277,441	320,764	246,296	31,704	-	-
-	-	-	-	-	-	-
-	2,502	-	-	-	-	-
<u>\$ 376,470</u>	<u>\$ 380,648</u>	<u>\$ 1,528,129</u>	<u>\$ 246,296</u>	<u>\$ 170,179</u>	<u>\$ 18,352</u>	<u>\$ 1,889,474</u>
\$ 21,696	\$ 2,360	\$ 18,148	\$ 9,840	\$ -	\$ -	\$ -
22,085	5,563	48	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	415,000	-	1,195,306
<u>43,781</u>	<u>7,923</u>	<u>18,196</u>	<u>9,840</u>	<u>415,000</u>	<u>-</u>	<u>1,195,306</u>
-	-	1,201,875	-	133,509	-	1,877,463
-	-	5,365	-	4,966	18,352	1,347
-	-	1,207,240	-	138,475	18,352	1,878,810
-	2,502	-	-	-	-	-
332,689	-	-	-	-	-	-
-	370,223	302,693	236,456	-	-	-
-	-	-	-	(383,296)	-	(1,184,642)
<u>332,689</u>	<u>372,725</u>	<u>302,693</u>	<u>236,456</u>	<u>(383,296)</u>	<u>-</u>	<u>(1,184,642)</u>
<u>\$ 376,470</u>	<u>\$ 380,648</u>	<u>\$ 1,528,129</u>	<u>\$ 246,296</u>	<u>\$ 170,179</u>	<u>\$ 18,352</u>	<u>\$ 1,889,474</u>

CITY OF SUN PRAIRIE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2017

	Capital Projects Funds			
	TID No. 9	TID No. 11	TID No. 12	TID No. 13
ASSETS				
Cash and investments	\$ 44,129	\$ -	\$ 81,387	\$ -
Receivables				
Taxes	1,057,068	119,610	52,917	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	-	-	-
Delinquent special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 1,101,197</u>	<u>\$ 119,610</u>	<u>\$ 134,304</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 971	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	686,901	94,348	92,410	51,041
Total Liabilities	<u>686,901</u>	<u>95,319</u>	<u>92,410</u>	<u>51,041</u>
Deferred Inflows of Resources				
Unearned revenues	1,057,068	119,610	52,917	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>1,057,068</u>	<u>119,610</u>	<u>52,917</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned (deficit)	(642,772)	(95,319)	(11,023)	(51,041)
Total Fund Balances (deficit)	<u>(642,772)</u>	<u>(95,319)</u>	<u>(11,023)</u>	<u>(51,041)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,101,197</u>	<u>\$ 119,610</u>	<u>\$ 134,304</u>	<u>\$ -</u>

Capital Projects Funds	Permanent Funds		Total Nonmajor Governmental Funds
Development Projects	Ashley Trust Fund	Library Trust Fund	
\$ -	\$ 1,000	\$ 448,618	\$ 5,320,378
-	-	-	4,441,922
377,133	-	-	585,232
-	-	-	1,826
-	-	-	22,355
-	-	-	5,307
-	-	-	1,603,305
-	-	-	90,204
-	-	-	2,502
<u>\$ 377,133</u>	<u>\$ 1,000</u>	<u>\$ 448,618</u>	<u>\$ 12,073,031</u>
\$ 51,538	\$ -	\$ -	\$ 259,480
-	-	-	28,813
43,312	-	-	48,312
265,916	-	-	842,625
-	-	-	2,535,006
<u>360,766</u>	<u>-</u>	<u>-</u>	<u>3,714,236</u>
-	-	-	4,442,442
<u>174,999</u>	<u>-</u>	<u>-</u>	<u>378,484</u>
<u>174,999</u>	<u>-</u>	<u>-</u>	<u>4,820,926</u>
-	-	-	2,502
-	1,000	448,618	5,152,720
-	-	-	909,372
<u>(158,632)</u>	<u>-</u>	<u>-</u>	<u>(2,526,725)</u>
<u>(158,632)</u>	<u>1,000</u>	<u>448,618</u>	<u>3,537,869</u>
<u>\$ 377,133</u>	<u>\$ 1,000</u>	<u>\$ 448,618</u>	<u>\$ 12,073,031</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, 2017

	Special Revenue Funds			
	Park Improvement Fund	Wisconsin Development Fund	Transporta- tion Impact Fee Fund	Grant Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 74,009
Intergovernmental	-	-	-	526,141
Licenses and permits	46,158	-	-	-
Public charges for services	783,668	-	1,033,932	224,229
Special assessments	-	-	-	-
Investment income	6,856	1,831	18,647	1,510
Miscellaneous	547	15,496	-	12,939
Total Revenues	<u>837,229</u>	<u>17,327</u>	<u>1,052,579</u>	<u>838,828</u>
EXPENDITURES				
Current				
Public safety	-	-	-	21,736
Public works	-	-	-	817,689
Culture, recreation and education	319,201	-	-	1,600
Conservation and development	-	-	-	51,427
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>319,201</u>	<u>-</u>	<u>-</u>	<u>892,452</u>
Excess (deficiency) of revenues over expenditures	<u>518,028</u>	<u>17,327</u>	<u>1,052,579</u>	<u>(53,624)</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	-	-
Long-term debt issued	-	-	-	-
Transfers in	9,248	-	-	249,647
Transfers out	(77,476)	-	(849,576)	-
Total Other Financing Sources (Uses)	<u>(68,228)</u>	<u>-</u>	<u>(849,576)</u>	<u>249,647</u>
Net Change in Fund Balances	449,800	17,327	203,003	196,023
FUND BALANCES (DEFICIT) - Beginning of Year	<u>923,906</u>	<u>130,405</u>	<u>2,297,486</u>	<u>152,463</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,373,706</u>	<u>\$ 147,732</u>	<u>\$ 2,500,489</u>	<u>\$ 348,486</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
Library	Sun Prairie Media Center	Refuse and Recycling	Street Trees	TID No. 6	TID No. 7	TID No. 8
\$ -	\$ -	\$ -	\$ -	\$ 139,198	\$ 983,771	\$ 1,757,962
456,653	-	47,410	-	812	30,313	33,274
-	372,968	-	-	-	-	-
49,814	-	1,216,403	122,505	-	-	28,079
-	-	3,570	-	-	-	-
1,691	1,061	7,991	888	-	2,380	16
59,162	37,563	29,631	1,599	23,754	49	3,148
<u>567,320</u>	<u>411,592</u>	<u>1,305,005</u>	<u>124,992</u>	<u>163,764</u>	<u>1,016,513</u>	<u>1,822,479</u>
-	-	-	-	-	-	-
-	-	1,243,122	-	-	-	1,678
1,991,597	410,479	-	-	-	-	-
-	-	-	30,486	-	274,000	-
-	-	-	-	4,273	736,425	183,859
-	-	-	-	424,750	2,231,778	1,455,000
-	-	-	-	10,923	57,885	231,672
<u>1,991,597</u>	<u>410,479</u>	<u>1,243,122</u>	<u>30,486</u>	<u>439,946</u>	<u>3,300,088</u>	<u>1,872,209</u>
<u>(1,424,277)</u>	<u>1,113</u>	<u>61,883</u>	<u>94,506</u>	<u>(276,182)</u>	<u>(2,283,575)</u>	<u>(49,730)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,679,217	-	14,933	-	-	-	-
-	-	-	-	(400)	(352,234)	(8,629)
<u>1,679,217</u>	<u>-</u>	<u>14,933</u>	<u>-</u>	<u>(400)</u>	<u>(352,234)</u>	<u>(8,629)</u>
254,940	1,113	76,816	94,506	(276,582)	(2,635,809)	(58,359)
<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>\$ 332,689</u>	<u>\$ 372,725</u>	<u>\$ 302,693</u>	<u>\$ 236,456</u>	<u>\$ (383,296)</u>	<u>\$ -</u>	<u>\$ (1,184,642)</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, 2017

	Capital Projects Funds			
	TID No. 9	TID No. 11	TID No. 12	TID No. 13
REVENUES				
Taxes	\$ 970,519	\$ 50,668	\$ -	\$ -
Intergovernmental	31,189	3,112	-	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	627	-
Miscellaneous	96	39	8,715	-
Total Revenues	<u>1,001,804</u>	<u>53,819</u>	<u>9,342</u>	<u>-</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	603,000	-	3,949,496	21,996
Capital Outlay	20,576	59,610	-	29,045
Debt Service				
Principal	235,000	-	20,000	-
Interest and fiscal charges	159,725	-	4,911	-
Total Expenditures	<u>1,018,301</u>	<u>59,610</u>	<u>3,974,407</u>	<u>51,041</u>
Excess (deficiency) of revenues over expenditures	<u>(16,497)</u>	<u>(5,791)</u>	<u>(3,965,065)</u>	<u>(51,041)</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	300,000	-	-	-
Long-term debt issued	-	-	3,904,536	-
Transfers in	-	-	-	-
Transfers out	(41,146)	(11,173)	(5,964)	-
Total Other Financing Sources (Uses)	<u>258,854</u>	<u>(11,173)</u>	<u>3,898,572</u>	<u>-</u>
Net Change in Fund Balances	242,357	(16,964)	(66,493)	(51,041)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(885,129)</u>	<u>(78,355)</u>	<u>55,470</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (642,772)</u>	<u>\$ (95,319)</u>	<u>\$ (11,023)</u>	<u>\$ (51,041)</u>

Capital Projects Funds	Permanent Funds		Total Nonmajor Governmental Funds
Development Projects	Ashley Trust Fund	Library Trust Fund	
\$ -	\$ -	\$ -	\$ 3,976,127
-	-	-	1,128,904
-	-	-	419,126
556,994	-	-	4,015,624
-	-	-	3,570
-	-	60,800	104,298
504	-	-	193,242
<u>557,498</u>	<u>-</u>	<u>60,800</u>	<u>9,840,891</u>
-	-	-	21,736
616,267	-	-	2,678,756
-	-	20,756	2,743,633
-	-	-	4,930,405
-	-	-	1,033,788
-	-	-	4,366,528
-	-	-	465,116
<u>616,267</u>	<u>-</u>	<u>20,756</u>	<u>16,239,962</u>
<u>(58,769)</u>	<u>-</u>	<u>40,044</u>	<u>(6,399,071)</u>
-	-	-	300,000
-	-	-	3,904,536
-	-	-	1,953,045
-	-	-	(1,346,598)
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,810,983</u>
(58,769)	-	40,044	(1,588,088)
<u>(99,863)</u>	<u>1,000</u>	<u>408,574</u>	<u>5,125,957</u>
<u>\$ (158,632)</u>	<u>\$ 1,000</u>	<u>\$ 448,618</u>	<u>\$ 3,537,869</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, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Licenses and permits	\$ 67,000	\$ 67,000	\$ 46,158	\$ (20,842)
Public charges for services	50,000	67,800	783,668	715,868
Investment income	-	-	6,856	6,856
Miscellaneous	-	-	547	547
Total Revenues	<u>117,000</u>	<u>134,800</u>	<u>837,229</u>	<u>702,429</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>38,000</u>	<u>539,396</u>	<u>319,201</u>	<u>220,195</u>
Total Expenditures	<u>38,000</u>	<u>539,396</u>	<u>319,201</u>	<u>220,195</u>
Excess (deficiency) of revenues over expenditures	<u>79,000</u>	<u>(404,596)</u>	<u>518,028</u>	<u>922,624</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,248	9,248	9,248	-
Transfers out	<u>(84,288)</u>	<u>(84,288)</u>	<u>(77,476)</u>	<u>6,812</u>
Total Other Financing Sources (Uses)	<u>(75,040)</u>	<u>(75,040)</u>	<u>(68,228)</u>	<u>6,812</u>
Net Change in Fund Balance	3,960	(479,636)	449,800	929,436
FUND BALANCE - Beginning	<u>923,906</u>	<u>923,906</u>	<u>923,906</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 927,866</u>	<u>\$ 444,270</u>	<u>\$ 1,373,706</u>	<u>\$ 929,436</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 1,130	\$ 1,130	\$ 1,831	\$ 701
Miscellaneous	<u>15,496</u>	<u>15,496</u>	<u>15,496</u>	<u>-</u>
Total Revenues	<u>16,626</u>	<u>16,626</u>	<u>17,327</u>	<u>701</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	16,626	16,626	17,327	701
FUND BALANCE - Beginning	<u>130,405</u>	<u>130,405</u>	<u>130,405</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 147,031</u>	<u>\$ 147,031</u>	<u>\$ 147,732</u>	<u>\$ 701</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, 2017

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Public charges for services	\$ 115,000	\$ 115,000	\$ 1,033,932	\$ 918,932
Investment income	<u>2,000</u>	<u>2,000</u>	<u>18,647</u>	<u>16,647</u>
Total Revenues	<u>117,000</u>	<u>117,000</u>	<u>1,052,579</u>	<u>935,579</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>117,000</u>	<u>117,000</u>	<u>1,052,579</u>	<u>935,579</u>
OTHER FINANCING USES				
Transfers out	<u>(1,356,128)</u>	<u>(1,356,128)</u>	<u>(849,576)</u>	<u>506,552</u>
Net Change in Fund Balance	(1,239,128)	(1,239,128)	203,003	1,442,131
FUND BALANCE - Beginning	<u>2,297,486</u>	<u>2,297,486</u>	<u>2,297,486</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,058,358</u>	<u>\$ 1,058,358</u>	<u>\$ 2,500,489</u>	<u>\$ 1,442,131</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GRANT FUNDS For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 45,000	\$ 45,000	\$ 74,009	\$ 29,009
Intergovernmental	484,706	491,706	526,141	34,435
Investment income	-	-	1,510	1,510
Public charges for services	205,000	205,000	224,229	19,229
Miscellaneous	17,388	17,388	12,939	(4,449)
Total Revenues	<u>752,094</u>	<u>759,094</u>	<u>838,828</u>	<u>79,734</u>
EXPENDITURES				
Current				
Public safety	28,875	28,875	21,736	7,139
Public works	873,860	873,860	817,689	56,171
Culture, recreation, and education	16,000	9,000	1,600	7,400
Conservation and development	104,009	124,009	51,427	72,582
Total Expenditures	<u>1,022,744</u>	<u>1,035,744</u>	<u>892,452</u>	<u>143,292</u>
Excess (deficiency) of revenues over expenditures	<u>(270,650)</u>	<u>(276,650)</u>	<u>(53,624)</u>	<u>223,026</u>
OTHER FINANCING SOURCES				
Transfers in	<u>282,866</u>	<u>282,866</u>	<u>249,647</u>	<u>(33,219)</u>
Total Other Financing Sources	<u>282,866</u>	<u>282,866</u>	<u>249,647</u>	<u>(33,219)</u>
Net Change in Fund Balance	12,216	6,216	196,023	189,807
FUND BALANCE - Beginning	<u>152,463</u>	<u>152,463</u>	<u>152,463</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 164,679</u>	<u>\$ 158,679</u>	<u>\$ 348,486</u>	<u>\$ 189,807</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, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 456,805	\$ 456,805	\$ 456,653	\$ (152)
Public charges for services	44,050	44,050	49,814	5,764
Investment income	-	-	1,691	1,691
Miscellaneous	<u>17,536</u>	<u>17,536</u>	<u>59,162</u>	<u>41,626</u>
Total Revenues	<u>518,391</u>	<u>518,391</u>	<u>567,320</u>	<u>48,929</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>2,061,212</u>	<u>2,061,212</u>	<u>1,991,597</u>	<u>69,615</u>
Total Expenditures	<u>2,061,212</u>	<u>2,061,212</u>	<u>1,991,597</u>	<u>69,615</u>
Excess (deficiency) of revenues over expenditures	<u>(1,542,821)</u>	<u>(1,542,821)</u>	<u>(1,424,277)</u>	<u>118,544</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,422,740</u>	<u>-</u>	<u>1,679,217</u>	<u>1,679,217</u>
Total Other Financing Sources	<u>1,422,740</u>	<u>-</u>	<u>1,679,217</u>	<u>1,679,217</u>
Net Change in Fund Balance	(120,081)	(1,542,821)	254,940	1,797,761
FUND BALANCE - Beginning	<u>77,749</u>	<u>77,749</u>	<u>77,749</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ (42,332)</u>	<u>\$ (1,465,072)</u>	<u>\$ 332,689</u>	<u>\$ 1,797,761</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SUN PRAIRIE MEDIA CENTER For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Licenses and permits	\$ 350,000	\$ 350,000	\$ 372,968	\$ 22,968
Investment income	-	-	1,061	1,061
Miscellaneous	<u>17,869</u>	<u>17,869</u>	<u>37,563</u>	<u>19,694</u>
Total Revenues	<u>367,869</u>	<u>367,869</u>	<u>411,592</u>	<u>43,723</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>425,934</u>	<u>426,529</u>	<u>410,479</u>	<u>16,050</u>
Total Expenditures	<u>425,934</u>	<u>426,529</u>	<u>410,479</u>	<u>16,050</u>
Net Change in Fund Balance	(58,065)	(58,660)	1,113	59,773
FUND BALANCE - Beginning	<u>371,612</u>	<u>371,612</u>	<u>371,612</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 313,547</u>	<u>\$ 312,952</u>	<u>\$ 372,725</u>	<u>\$ 59,773</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - REFUSE AND RECYCLING For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 47,410	\$ 2,410
Public charges for services	1,218,313	1,218,313	1,216,403	(1,910)
Special assessments	-	-	3,570	3,570
Investment income	1,500	1,500	7,991	6,491
Miscellaneous	6,000	6,000	29,631	23,631
Total Revenues	<u>1,270,813</u>	<u>1,270,813</u>	<u>1,305,005</u>	<u>34,192</u>
EXPENDITURES				
Current				
Public works	<u>1,315,746</u>	<u>1,315,746</u>	<u>1,243,122</u>	<u>72,624</u>
Total Expenditures	<u>1,315,746</u>	<u>1,315,746</u>	<u>1,243,122</u>	<u>72,624</u>
Excess (deficiency) of revenues over expenditures	<u>(44,933)</u>	<u>(44,933)</u>	<u>61,883</u>	<u>106,816</u>
OTHER FINANCING SOURCES				
Transfers in	<u>14,933</u>	<u>14,933</u>	<u>14,933</u>	<u>-</u>
Net Change in Fund Balance	<u>(30,000)</u>	<u>(30,000)</u>	<u>76,816</u>	<u>106,816</u>
FUND BALANCE - Beginning	<u>225,877</u>	<u>225,877</u>	<u>225,877</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 195,877</u>	<u>\$ 195,877</u>	<u>\$ 302,693</u>	<u>\$ 106,816</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, 2017

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Public charges for services	\$ 59,100	\$ 59,100	\$ 122,505	\$ 63,405
Investment income	-	-	888	888
Miscellaneous	-	-	1,599	1,599
Total Revenues	<u>59,100</u>	<u>59,100</u>	<u>124,992</u>	<u>65,892</u>
EXPENDITURES				
Conservation and development	<u>95,100</u>	<u>95,100</u>	<u>30,486</u>	<u>64,614</u>
Total Expenditures	<u>95,100</u>	<u>95,100</u>	<u>30,486</u>	<u>64,614</u>
Net Change in Fund Balance	(36,000)	(36,000)	94,506	130,506
FUND BALANCE - Beginning	<u>141,950</u>	<u>141,950</u>	<u>141,950</u>	-
FUND BALANCE - ENDING	<u>\$ 105,950</u>	<u>\$ 105,950</u>	<u>\$ 236,456</u>	<u>\$ 130,506</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 132,837	\$ 132,837	\$ 139,198	\$ 6,361
Intergovernmental	1,000	1,000	812	(188)
Miscellaneous	<u>29,471</u>	<u>29,471</u>	<u>23,754</u>	<u>(5,717)</u>
Total Revenues	<u>163,308</u>	<u>163,308</u>	<u>163,764</u>	<u>456</u>
EXPENDITURES				
Capital Outlay	1,449	1,449	4,273	(2,824)
Debt Service				
Principal	142,960	142,960	424,750	(281,790)
Interest and fiscal charges	<u>19,236</u>	<u>19,236</u>	<u>10,923</u>	<u>8,313</u>
Total Expenditures	<u>163,645</u>	<u>163,645</u>	<u>439,946</u>	<u>(276,301)</u>
Excess (deficiency) of revenues over expenditures	<u>(337)</u>	<u>(337)</u>	<u>(276,182)</u>	<u>(275,845)</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>(400)</u>	<u>(400)</u>
Net Change in Fund Balance	(337)	(337)	(276,582)	(276,245)
FUND BALANCE (DEFICIT) - Beginning	<u>(106,714)</u>	<u>(106,714)</u>	<u>(106,714)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (107,051)</u>	<u>\$ (107,051)</u>	<u>\$ (383,296)</u>	<u>\$ (276,245)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 7 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 938,816	\$ 938,816	\$ 983,771	\$ 44,955
Intergovernmental	37,000	37,000	30,313	(6,687)
Investment income	5,000	5,000	2,380	(2,620)
Other	-	-	49	49
Total Revenues	<u>980,816</u>	<u>980,816</u>	<u>1,016,513</u>	<u>35,697</u>
EXPENDITURES				
Current				
Conservation and development	274,000	274,000	274,000	-
Capital outlay	101,454	101,454	736,425	(634,971)
Debt service				
Principal	445,000	445,000	2,231,778	(1,786,778)
Interest and fiscal charges	<u>107,760</u>	<u>107,760</u>	<u>57,885</u>	<u>49,875</u>
Total Expenditures	<u>928,214</u>	<u>928,214</u>	<u>3,300,088</u>	<u>(2,371,874)</u>
Excess (deficiency) of revenues over expenditures	<u>52,602</u>	<u>52,602</u>	<u>(2,283,575)</u>	<u>(2,336,177)</u>
OTHER FINANCING USES				
Transfers out	<u>(3,938)</u>	<u>(3,938)</u>	<u>(352,234)</u>	<u>(348,296)</u>
Net Change in Fund Balance	48,664	48,664	(2,635,809)	(2,684,473)
FUND BALANCE - Beginning	<u>2,635,809</u>	<u>2,635,809</u>	<u>2,635,809</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 2,684,473</u>	<u>\$ 2,684,473</u>	<u>\$ -</u>	<u>\$ (2,684,473)</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, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 1,677,629	\$ 1,677,629	\$ 1,757,962	\$ 80,333
Intergovernmental	25,000	25,000	33,274	8,274
Public charges for services	16,000	16,000	28,079	12,079
Investment income	-	-	16	16
Miscellaneous	-	-	3,148	3,148
Total Revenues	<u>1,718,629</u>	<u>1,718,629</u>	<u>1,822,479</u>	<u>103,850</u>
EXPENDITURES				
Current				
Public works	-	-	1,678	(1,678)
Capital Outlay	189,964	189,964	183,859	6,105
Debt Service				
Principal	1,455,000	1,455,000	1,455,000	-
Interest and fiscal charges	<u>262,377</u>	<u>262,377</u>	<u>231,672</u>	<u>30,705</u>
Total Expenditures	<u>1,907,341</u>	<u>1,907,341</u>	<u>1,872,209</u>	<u>35,132</u>
Excess (deficiency) of revenues over expenditures	<u>(188,712)</u>	<u>(188,712)</u>	<u>(49,730)</u>	<u>138,982</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(3,937)</u>	<u>(3,937)</u>	<u>(8,629)</u>	<u>(4,692)</u>
Total Other Financing Sources (Uses)	<u>(3,937)</u>	<u>(3,937)</u>	<u>(8,629)</u>	<u>(4,692)</u>
Net Change in Fund Balance	(192,649)	(192,649)	(58,359)	134,290
FUND BALANCE (DEFICIT) - Beginning	<u>(1,126,283)</u>	<u>(1,126,283)</u>	<u>(1,126,283)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (1,318,932)</u>	<u>\$ (1,318,932)</u>	<u>\$ (1,184,642)</u>	<u>\$ 134,290</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, 2017

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 926,169	\$ 926,169	\$ 970,519	\$ 44,350
Intergovernmental	5,500	5,500	31,189	25,689
Miscellaneous	<u>-</u>	<u>-</u>	<u>96</u>	<u>96</u>
Total Revenues	<u>931,669</u>	<u>931,669</u>	<u>1,001,804</u>	<u>70,135</u>
EXPENDITURES				
Current				
Conservation and development	603,000	603,000	603,000	-
Capital Outlay	36,218	36,218	20,576	15,642
Debt Service				
Principal	235,000	235,000	235,000	-
Interest and fiscal charges	<u>162,425</u>	<u>162,425</u>	<u>159,725</u>	<u>2,700</u>
Total Expenditures	<u>1,036,643</u>	<u>1,036,643</u>	<u>1,018,301</u>	<u>18,342</u>
Excess (deficiency) of revenues over expenditures	<u>(104,974)</u>	<u>(104,974)</u>	<u>(16,497)</u>	<u>88,477</u>
OTHER FINANCING SOURCES (USES)				
Sale of city property	-	-	300,000	300,000
Long-term debt issued	53,126	53,126	-	-
Transfers out	<u>(137,926)</u>	<u>(137,926)</u>	<u>(41,146)</u>	<u>96,780</u>
Total Other Financing Sources (Uses)	<u>(84,800)</u>	<u>(84,800)</u>	<u>258,854</u>	<u>396,780</u>
Net Change in Fund Balance	(189,774)	(189,774)	242,357	485,257
FUND BALANCE (DEFICIT) - Beginning	<u>(885,129)</u>	<u>(885,129)</u>	<u>(885,129)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (1,074,903)</u>	<u>\$ (1,074,903)</u>	<u>\$ (642,772)</u>	<u>\$ 485,257</u>

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, 2017

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 48,352	\$ 48,352	\$ 50,668	\$ 2,316
Intergovernmental	4,000	4,000	3,112	(888)
Other	<u>-</u>	<u>-</u>	<u>39</u>	<u>39</u>
Total Revenues	<u>52,352</u>	<u>52,352</u>	<u>53,819</u>	<u>1,467</u>
EXPENDITURES				
Capital Outlay	<u>109,884</u>	<u>109,884</u>	<u>59,610</u>	<u>50,274</u>
Excess (deficiency) of revenues over expenditures	<u>(57,532)</u>	<u>(57,532)</u>	<u>(5,791)</u>	<u>51,741</u>
OTHER FINANCING USES				
Transfers out	<u>(3,937)</u>	<u>(3,937)</u>	<u>(11,173)</u>	<u>(7,236)</u>
Net Change in Fund Balance	(61,469)	(61,469)	(16,964)	44,505
FUND BALANCE (DEFICIT) - Beginning	<u>(78,355)</u>	<u>(78,355)</u>	<u>(78,355)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (139,824)</u>	<u>\$ (139,824)</u>	<u>\$ (95,319)</u>	<u>\$ 44,505</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 627	\$ 627
Miscellaneous	-	-	8,715	8,715
Total Revenues	-	-	9,342	9,342
EXPENDITURES				
Current				
Conservation and development	4,031,595	4,031,595	3,949,496	82,099
Debt Service				
Principal	20,000	20,000	20,000	-
Interest and fiscal charges	4,911	4,911	4,911	-
Total Expenditures	4,056,506	4,056,506	3,974,407	82,099
Excess (deficiency) of revenues over expenditures	(4,056,506)	(4,056,506)	(3,965,065)	91,441
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	3,899,444	3,899,444	3,904,536	5,092
Transfers out	-	-	(5,964)	(5,964)
Total Other Financing Sources (Uses)	3,899,444	3,899,444	3,898,572	(872)
Net Change in Fund Balance	(157,062)	(157,062)	(66,493)	90,569
FUND BALANCE - Beginning	55,470	55,470	55,470	-
FUND BALANCE (DEFICIT) - ENDING	\$ (101,592)	\$ (101,592)	\$ (11,023)	\$ 90,569

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 13 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
Conservation and development	-	14,500	21,996	(7,496)
Capital Outlay	-	-	29,045	(29,045)
Total Expenditures	-	14,500	51,041	(36,541)
Net Change in Fund Balance	-	(14,500)	(51,041)	(36,541)
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ (14,500)	\$ (51,041)	\$ (36,541)

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 40,000	\$ 740,000	\$ 556,994	\$ (183,006)
Miscellaneous	-	-	504	504
Total Revenues	<u>40,000</u>	<u>740,000</u>	<u>557,498</u>	<u>(182,502)</u>
EXPENDITURES				
Current				
Public works	<u>40,000</u>	<u>760,512</u>	<u>616,267</u>	<u>144,245</u>
Net Change in Fund Balance	-	(20,512)	(58,769)	(38,257)
FUND BALANCE (DEFICIT) - Beginning	<u>(99,863)</u>	<u>(99,863)</u>	<u>(99,863)</u>	-
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (99,863)</u>	<u>\$ (120,375)</u>	<u>\$ (158,632)</u>	<u>\$ (38,257)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 16,000	\$ 16,000	\$ 60,800	\$ 44,800
Total Revenues	16,000	16,000	60,800	44,800
EXPENDITURES				
Current				
Culture, recreation, and education	16,000	16,000	20,756	(4,756)
Net Change in Fund Balance	-	-	40,044	40,044
FUND BALANCE - Beginning	408,574	408,574	408,574	-
FUND BALANCE - ENDING	\$ 408,574	\$ 408,574	\$ 448,618	\$ 40,044

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS As of December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
TAX COLLECTION FUND				
Assets				
Cash and investments	\$ 29,582,221	\$34,438,705	\$29,582,221	\$ 34,438,705
Taxes receivable	<u>14,092,894</u>	<u>11,772,681</u>	<u>14,092,894</u>	<u>11,772,681</u>
TOTAL ASSETS	<u>\$ 43,675,115</u>	<u>\$46,211,386</u>	<u>\$43,675,115</u>	<u>\$ 46,211,386</u>
Liabilities				
Due to other governments	<u>\$ 43,675,115</u>	<u>\$46,211,386</u>	<u>\$43,675,115</u>	<u>\$ 46,211,386</u>
TOTAL LIABILITIES	<u>\$ 43,675,115</u>	<u>\$46,211,386</u>	<u>\$43,675,115</u>	<u>\$ 46,211,386</u>
MPSISC				
Assets				
Cash and investments	\$ 217,837	\$ -	\$ 217,837	\$ -
Due from other governments	<u>142,861</u>	<u>159,349</u>	<u>-</u>	<u>302,210</u>
TOTAL ASSETS	<u>\$ 360,698</u>	<u>\$ 159,349</u>	<u>\$ 217,837</u>	<u>\$ 302,210</u>
Liabilities				
Due to other governments	<u>\$ 360,698</u>	<u>\$ -</u>	<u>\$ 58,488</u>	<u>\$ 302,210</u>
TOTAL LIABILITIES	<u>\$ 360,698</u>	<u>\$ -</u>	<u>\$ 58,488</u>	<u>\$ 302,210</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 29,800,058	\$34,438,705	\$29,800,058	\$ 34,438,705
Taxes receivable	14,092,894	11,772,681	14,092,894	11,772,681
Due from other governments	<u>142,861</u>	<u>159,349</u>	<u>-</u>	<u>302,210</u>
TOTAL ASSETS	<u>\$ 44,035,813</u>	<u>\$46,370,735</u>	<u>\$43,892,952</u>	<u>\$ 46,513,596</u>
Liabilities				
Due to other governments	<u>\$ 44,035,813</u>	<u>\$46,211,386</u>	<u>\$43,733,603</u>	<u>\$ 46,513,596</u>
TOTAL LIABILITIES	<u>\$ 44,035,813</u>	<u>\$46,211,386</u>	<u>\$43,733,603</u>	<u>\$ 46,513,596</u>

CITY OF SUN PRAIRIE

STATEMENT OF CASH FLOWS COMPONENT UNIT For the Year Ended December 31, 2017

	Community Development Authority
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
RELATED FINANCING ACTIVITIES	
Debt retired	\$ (4,685,000)
Interest paid	(258,427)
Received from primary government	125,941
Capital lease payments received	<u>3,963,568</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(853,918)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>263,096</u>
Net Change in Cash and Cash Equivalents	(590,822)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,146,510</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,555,688</u>
NONCASH ACTIVITIES	
Amortization of deferred charge on debt	<u>\$ 81,921</u>

CITY OF SUN PRAIRIE, WISCONSIN

Introduction to the Statistical Section

December 31, 2017

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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Financial Trends – Schedules 1-4

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

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Revenue Capacity – Schedules 5 – 8

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

125 – 128

Debt Capacity – Schedules 9 - 14

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

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Demographic and Economic Information – Schedules 15 - 17

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

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Operating Information – Schedule 18

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

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2017</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>
Governmental Activities										
Net investment in capital assets	92,056,269	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
Restricted	5,836,997	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
Unrestricted (deficit)	<u>5,049,968</u>	<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>
Total governmental activities net position	102,943,234	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
Business-Type Activities										
Net investment in capital assets	131,184,254	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
Restricted	4,490,512	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
Unrestricted (deficit)	<u>26,682,513</u>	<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>
Total business-type activities net position	162,357,279	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
Primary Government										
Net investment in capital assets	223,240,523	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
Restricted	10,327,509	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
Unrestricted (deficit)	<u>31,732,481</u>	<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>
Total primary government activities net position	<u>265,300,513</u>	<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>

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

<u>PRIMARY GOVERNMENT</u>	<u>2017</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>
EXPENSES										
Governmental activities										
General government	4,550,418	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
Public safety	11,509,960	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
Public works	7,780,380	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
Health and human services	84,500	54,500	23,500	-	-	-	-	-	-	-
Culture, recreation, and education	4,805,082	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
Conservation and development	2,624,698	1,120,518	1,052,201	747,165	637,646	1,167,660	2,242,615	663,866	1,140,359	987,856
Interest and fiscal charges	1,014,225	1,553,363	930,621	3,005,014	2,570,548	2,537,354	2,802,054	3,026,544	3,456,848	3,458,312
Total governmental activities expenses	<u>32,369,263</u>	<u>30,663,866</u>	<u>\$ 25,676,991</u>	<u>\$ 29,501,590</u>	<u>\$ 28,010,789</u>	<u>\$ 26,923,526</u>	<u>\$ 29,895,404</u>	<u>\$ 28,680,683</u>	<u>\$ 30,217,103</u>	<u>\$ 29,083,231</u>
Business-type activities										
Electric	26,230,091	25,644,447	25,129,204	25,011,083	24,453,874	23,794,207	22,656,851	22,002,501	18,998,624	18,861,016
Water	2,448,396	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
Telecommunications	178,809	451,698	374,325	443,138	353,206	342,225	340,771	375,055	268,620	462,480
Wastewater	3,614,247	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
Stormwater	2,061,123	2,086,266	1,652,579	1,599,257	1,504,995	1,423,332	1,455,234	1,420,257	1,389,778	1,552,291
Total business-type activities expenses	<u>34,532,666</u>	<u>34,135,243</u>	<u>\$ 32,958,516</u>	<u>\$ 32,735,283</u>	<u>\$ 31,940,615</u>	<u>\$ 30,951,376</u>	<u>\$ 29,970,312</u>	<u>\$ 29,276,398</u>	<u>\$ 26,197,774</u>	<u>\$ 26,244,871</u>
Total primary government expenses	<u>\$ 66,901,929</u>	<u>\$ 64,799,109</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>
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	183,983	157,680	124,009	119,593	118,037	191,015	130,075	92,509	117,054	97,496
Public safety	2,031,787	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
Public works	2,079,582	1,907,877	1,770,128	1,350,868	634,758	513,772	453,740	500,734	664,368	324,955
Culture, recreation, and education	1,638,801	933,945	888,192	900,544	865,096	833,364	864,681	815,104	782,956	766,290
Conservation and development	163,235	109,763	93,076	40,605	13,492	14,968	8,585	42,683	29,746	254,411
Operating grants and contributions	3,029,758	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
Capital grants and contributions	5,973,701	1,847,780	3,376,106	2,314,034	703,799	5,492,320	830,512	323,762	67,200	1,556,058
Total governmental activities program revenues	<u>\$ 15,100,847</u>	<u>\$ 9,599,366</u>	<u>\$ 11,144,687</u>	<u>\$ 9,253,399</u>	<u>\$ 6,583,362</u>	<u>\$ 11,428,267</u>	<u>\$ 6,593,341</u>	<u>\$ 5,926,120</u>	<u>\$ 5,754,326</u>	<u>\$ 6,901,591</u>
Business-type activities										
Charges for services										
Electric	27,856,646	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
Water	3,600,488	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
Telecommunications	202,653	609,350	512,036	450,214	454,866	435,669	461,290	489,873	520,623	534,636
Wastewater	3,972,177	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
Stormwater	2,398,670	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
Capital grants and contributions	6,942,761	2,088,199	2,947,172	2,540,194	1,111,652	1,445,721	2,403,411	229,842	535,394	2,356,626
Total business-type activities program revenues	<u>44,973,395</u>	<u>39,283,417</u>	<u>\$ 38,911,980</u>	<u>\$ 37,749,651</u>	<u>\$ 34,790,488</u>	<u>\$ 34,336,018</u>	<u>\$ 33,743,278</u>	<u>\$ 30,403,655</u>	<u>\$ 27,137,367</u>	<u>\$ 28,608,154</u>
Total primary government program revenues	<u>\$ 60,074,242</u>	<u>\$ 48,882,783</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>

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

<u>PRIMARY GOVERNMENT</u>	<u>2017</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>
NET (EXPENSE)/REVENUE										
Governmental activities	(17,268,416)	(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)
Business-type activities	10,440,729	5,148,174	5,953,464	5,014,368	2,849,873	3,384,642	3,772,966	1,127,257	939,593	2,363,283
Total primary government net (expense)/revenue	<u>\$ (6,827,687)</u>	<u>\$ (15,916,326)</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>
GENERAL REVENUES										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	14,299,795	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
Property taxes, levied for debt service	6,619,638	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
Property taxes, levied for TIF districts	3,902,118	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
Other taxes	215,972	172,708	62,636	172,644	160,760	160,657	150,458	170,333	178,024	207,833
Intergovernmental revenues not restricted	1,622,912	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
Public gifts and grants	-	9,966	-	709	-	7,328	36,006	54,455	51,220	30,543
Investment income	216,797	123,106	51,176	39,120	96,153	75,263	99,367	137,353	467,565	688,073
Miscellaneous	782,270	604,457	252,350	984,037	428,288	325,530	655,074	604,303	610,369	748,317
Transfers, internal	1,751,695	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
Total governmental activities general revenues	<u>\$ 29,411,197</u>	<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>
Business-type activities										
Intergovernmental revenues not restricted	-	50,000	-	-	-	-	-	-	-	-
Investment income	1,026,191	859,735	674,625	783,757	825,150	813,149	769,772	781,259	827,480	1,542,371
Miscellaneous	89,644	21,497	92,040	127,492	9,920	49,053	60,934	51,874	104,451	107,067
Gain on disposal of telecommunications operations	283,913	-	-	-	-	-	-	-	-	-
Transfers, internal	(1,751,695)	(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)
Total business-type activities general revenues	<u>\$ (351,947)</u>	<u>\$ (856,840)</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>
Total primary government general revenue	<u>\$ 29,059,250</u>	<u>\$ 26,927,069</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>
CHANGE IN NET POSITION										
Governmental activities	12,142,781	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
Business-type activities	10,088,782	4,291,334	5,003,859	4,635,270	2,023,303	2,576,751	3,656,511	1,422,993	3,574,870	2,997,466
Total primary government change in net position	<u>\$ 22,231,563</u>	<u>\$ 11,010,743</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>

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

	<u>2017</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>
General fund										
Nonspendable	2,763,109	2,936,357	2,968,901	2,585,174	2,296,345	2,118,128	1,417,862	-	-	-
Restricted	510,786	434,645	142,000	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,602,423	3,513,829	3,066,431	3,198,837	3,481,595	3,267,320	3,333,027	-	-	-
Unassigned	4,599,141	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
Unreserved	-	-	-	-	-	-	-	3,705,651	4,464,173	4,847,787
Total general fund	<u>\$ 11,475,459</u>	<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>
All other governmental funds										
Nonspendable	2,502	1,250	-	-	-	849,542	-	-	-	-
Restricted	6,775,091	8,215,808	6,531,919	6,308,683	10,517,410	5,889,754	5,882,542	-	-	-
Committed	909,372	738,189	585,008	329,841	-	-	-	-	-	-
Assigned	679,096	-	300,290	160,403	-	83,237	-	-	-	-
Unassigned (deficit)	(2,526,725)	(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
Unreserved	-	-	-	-	-	-	-	2,044,236	3,402,119	7,528,160
Total all other governmental funds	<u>\$ 5,839,336</u>	<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>

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues						
Taxes	25,053,436	23,582,959	22,365,360	22,039,519	21,560,595	21,852,526
Intergovernmental	4,356,485	4,462,003	4,954,446	4,252,248	4,149,542	4,656,266
Licenses and permits	1,425,461	982,893	995,345	1,062,011	1,029,664	788,163
Fines, forfeitures, and penalties	171,172	191,014	192,788	212,879	214,561	171,760
Public charges for services	5,559,842	3,483,334	3,556,437	3,185,151	2,169,162	2,560,042
Special assessments	167,470	48,518	29,443	258,902	14,539	33,194
Investment income	211,613	121,991	50,301	37,841	85,329	60,841
Miscellaneous	779,169	1,002,421	1,394,910	1,123,649	742,515	771,470
Total Revenues	<u>37,724,648</u>	<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	4,218,868	4,299,408	3,610,525	3,892,660	3,753,525	3,795,349
Public safety	10,876,119	10,300,366	9,800,779	9,172,518	8,631,991	8,525,872
Public works	5,594,354	4,870,425	5,454,197	5,564,755	5,520,561	5,120,995
Health and human services	84,500	54,500	23,500	-	-	-
Culture, recreation, and education	4,437,151	3,817,338	3,766,523	3,590,057	3,356,418	3,344,759
Conservation and development	6,440,647	962,655	889,837	521,258	616,640	542,336
Capital outlay	5,870,406	4,882,661	3,442,178	4,015,917	3,221,947	2,381,139
Debt service						
Principal	10,421,524	8,041,540	8,147,175	25,984,528	6,601,458	12,792,367
Interest and fiscal charges	1,136,798	1,334,654	1,464,947	2,389,089	2,170,462	2,497,627
Total expenditures	<u>49,080,367</u>	<u>38,563,547</u>	<u>36,599,661</u>	<u>55,130,782</u>	<u>33,873,002</u>	<u>39,000,444</u>
Excess (deficiency) of revenues over expenditures	<u>(11,355,719)</u>	<u>(4,688,414)</u>	<u>(3,060,631)</u>	<u>(22,958,582)</u>	<u>(3,907,095)</u>	<u>(8,106,182)</u>
Other financing sources						
Sale of property	300,000	201,325	-	188,660	-	-
Long-term debt issued	8,871,000	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	141,354	567,977	35,530	128,348	371,755	190,329
Debt issuance costs	-	-	-	(413,954)	(179,043)	(112,395)
Transfers in	5,151,766	2,606,731	3,015,099	2,605,974	1,881,987	2,865,469
Transfers out	(3,542,064)	(818,659)	(1,523,061)	(1,163,461)	(220,347)	(1,293,962)
Total other financing sources (uses)	<u>10,922,056</u>	<u>7,002,451</u>	<u>4,342,568</u>	<u>21,337,272</u>	<u>7,249,591</u>	<u>11,637,397</u>
Net change in fund balances	<u>(433,663)</u>	<u>2,314,037</u>	<u>1,281,937</u>	<u>(1,621,310)</u>	<u>3,342,496</u>	<u>3,531,215</u>
Ratio of total debt service expenditures to total noncapital expenditures*	26.75%	27.84%	28.99%	55.51%	28.62%	41.75%

* Total noncapital expenditures 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 (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
21,787,728	21,516,604	21,224,675	20,286,661
4,648,414	4,682,143	4,801,502	4,305,881
695,076	567,365	645,024	815,120
182,241	180,286	173,933	150,276
2,646,705	1,722,939	1,999,866	2,634,543
49,836	32,264	61,720	61,441
86,692	133,587	462,499	684,965
705,889	759,635	924,472	871,289
<u>30,802,581</u>	<u>29,594,823</u>	<u>30,293,691</u>	<u>29,810,176</u>
4,016,718	3,861,624	4,152,341	4,073,516
8,674,597	8,872,437	9,105,763	8,819,378
5,230,598	4,832,927	4,801,280	5,161,448
-	-	-	-
3,776,128	3,661,678	3,702,777	3,846,903
654,263	617,861	628,412	629,482
2,790,721	2,914,804	12,837,935	2,526,138
9,447,810	6,341,267	9,274,495	8,641,168
2,875,571	3,157,940	3,297,302	3,427,436
<u>37,466,406</u>	<u>34,260,538</u>	<u>47,800,305</u>	<u>37,125,469</u>
<u>(6,663,825)</u>	<u>(4,665,715)</u>	<u>(17,506,614)</u>	<u>(7,315,293)</u>
31,000	-	30,724	4,399,697
-	4,700,000	11,629,116	5,500,000
-	-	6,300,000	-
-	-	(6,083,907)	-
-	-	8,794	11,645
-	(16,851)	(130,060)	(99,262)
2,252,060	1,536,486	1,619,306	1,618,283
(759,848)	(147,813)	(401,769)	(489,617)
<u>1,523,212</u>	<u>6,071,822</u>	<u>12,972,204</u>	<u>10,940,746</u>
(5,140,613)	1,406,107	(4,534,410)	3,625,453
35.54%	30.30%	35.96%	34.88%

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					
2017	2018	\$ 2,102,247	\$ 782,143	\$ 62,174	\$ 196	\$ -	\$ 62,907	\$ 3,009,876	\$ 2,984,708	7.7717	100.84%
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%

Source: Statement of Assessment for the City of Sun Prairie

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

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

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

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

Levy Year	Budget Year	City Direct Rates						Overlapping Rates					Net Tax Rate
		General Fund	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	
2017	2016	\$ 5.2213	\$ 2.1466	\$ -	\$ 1.0766	\$ -	\$ 8.4445	\$ 12.4148	\$ 2.7112	\$ -	\$ 0.8385	\$ (2.0057)	\$ 22.4032
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

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
2017 and Nine Years Ago

Taxpayer	2017			2008		
	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	\$ 68,131,300	1	2.26%	\$ 35,830,300	2	1.40%
General Casualty Co of WI	33,580,100	2	1.12%	35,018,000	3	1.37%
Woodman's Food Market Inc	22,199,500	3	0.74%			
Marcus Theatres Corp.	16,981,900	4	0.56%			
Sp Real Estate LLC	16,151,100	5	0.54%			
Sodarock Properties LLC	16,057,900	6	0.53%			
Revere Apartments	15,417,600	7	0.51%			
Costco Wholesale Corporation	15,188,200	8	0.50%			
Van Buren Place/Van Buren Place II	14,584,800	9	0.48%			
Wal-Mart Realty Co	13,853,000	10	0.46%			
Kraus Companies				66,766,200	1	2.61%
Simon Companies				30,198,500	4	1.18%
Campbell Properties				16,639,500	5	0.65%
Sanibel/MRS Prairie				15,020,200	6	0.59%
200 East LLC				11,261,100	7	0.44%
Grosso Investment Properties LLC				9,456,200	8	0.37%
Sun Prairie Apartments LLC				9,007,300	9	0.35%
Hunters Creek LLC				8,908,200	10	0.35%
Total	<u>\$ 232,145,400</u>		<u>7.71%</u>	<u>\$ 238,105,500</u>		<u>9.29%</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
2016	2017	\$ 24,832,640	\$ 24,816,395	99.93%	\$ 16,244	\$ 24,816,395	99.93%
2015	2016	23,391,590	23,382,328	99.96%	6,952	23,384,639	99.97%
2014	2015	20,485,969	20,460,372	99.88%	24,088	20,461,881	99.88%
2013	2014	19,952,811	19,931,026	99.89%	16,230	19,936,580	99.92%
2012	2013	19,820,155	19,814,376	99.97%	2,833	19,817,322	99.99%
2011	2012	19,911,656	19,889,219	99.89%	11,426	19,900,230	99.94%
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%	27,467	19,010,256	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.

3 - Wisconsin state law requires counties to pay 100% of real property taxes levied to Cities. Personal property taxes remain the responsibility of the City for collections.

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	Note Anticipation Notes	Capital Leases ¹	General Obligation Bonds/Notes ¹	Sun Prairie Utility Revenue Bonds/Notes ¹	Wastewater Revenue Bonds			
2017	\$ 43,144,827		\$ 8,398,229	16,992,478	7,554,646	7,546,215	83,636,395	7.19%	\$ 2,479
2016	40,019,095		12,361,797	14,565,024	8,390,000	8,394,096	83,730,012	7.44%	2,542
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

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 - 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
2017	\$ 60,137,305	133,729	60,003,576	2,984,707,700	2.01%	33,733	1,783
2016	54,584,119	10,723	54,573,396	2,772,245,800	1.97%	32,933	1,657
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

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, 2017

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	\$ 60,137,305	100%	\$ 60,137,305
Overlapping Debt			
Sun Prairie School District	215,015,000	62.83%	135,093,925
DeForest School District	44,815,000	0.15%	67,223
Madison College	188,044,417	3.58%	6,731,990
Dane County	<u>256,432,840</u>	4.91%	<u>12,590,852</u>
Total Overlapping Debt	<u>704,307,257</u>		<u>154,483,990</u>
Total Direct and Overlapping Debt	<u><u>\$ 764,444,562</u></u>		<u><u>\$ 214,621,295</u></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.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Equalized Value ¹	\$ 2,984,707,700	\$ 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
Debt Limit ²	149,235,385	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
Total General Obligation Debt	58,836,919	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
Amount of Debt Applicable to Debt Limitation										
Total Debt Applicable to Debt Limit	58,836,919	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
Less: Assets in Debt Service Fund Available for Payment of Principal	133,729	10,723	-	30	4,192,304	-	858,698	3,931,035	1,084,209	602,501
Net Debt Applicable to Debt Limit	58,703,190	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
Remaining Legal Debt Margin	90,532,195	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
Total Debt Applicable to the Limit as a Percentage of Debt Limit	39.34%	38.31%	33.52%	38.08%	38.71%	41.89%	40.87%	44.85%	45.23%	41.75%

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
2017	31,659,787	25,917,588	5,742,199	945,000	247,825	1,192,825	4.81
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

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 and water 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
2017	3,972,177	1,996,839	1,975,338	867,933	168,205	1,036,138	1.91
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

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 ¹		Per Capita Personal Income ¹			Unemployment Rates ²		
	Population	Personal Income	City of Sun Prairie	Dane County	State of Wisconsin	City of Sun Prairie	Dane County	State of Wisconsin
2017	33,733	1,162,800,123	34,470	37,779	30,241	2.40%	2.40%	3.30%
2016	32,933	1,125,874,149	34,187	37,077	29,668	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%

1- Wisconsin Department of Revenue, Division of Research and Policy except for 2017 City of Sun Prairie, Dane County and State of Wisconsin, which are estimates based on the prior nine years of growth.

2- Wisconsin Department of Workforce Development

Schedule 16
City of Sun Prairie
Principal Employers
2017 and Nine Years Ago

Taxpayer	2017			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sun Prairie School District	1,141	1	5.75%	915	1	5.47%
General Casualty Co of WI	700	2	3.53%	849	2	5.08%
Colony Brands	505	3	2.55%			
Prairie Athletic Club	330	4	1.66%	300	5	1.79%
Royle Printing	275	5	1.39%			
Continental ContiTech	268	6	1.35%			
Frontier	250	7	1.26%			
Walmart	250	7	1.26%			
City of Sun Prairie	241	8	1.21%	519	3	3.10%
Wisconsin Distributors	238	9	1.20%			
Woodman's Food Market	226	10	1.14%			
Wisconsin Cheeseman/Scott's Candy				400	4	2.39%
Goodyear Tire and Rubber				250	6	1.50%
Verizon				250	6	1.50%
Trachte Building Systems				220	7	1.32%
Trac-Rite Door, Inc.				215	8	1.29%
Famous Footwear				200	9	1.20%
Total	<u>4,424</u>		<u>22.30%</u>	<u>4,118</u>		<u>24.63%</u>

Source: City Economic Development Division

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

Function/ program	Full Time Equivalent Employees									
	<u>2017</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>
Public Safety										
*Fire	14.0	9.0	7.0	6.0	2.0	2.0	2.0	2.0	2.0	-
Police	73.4	73.4	72.4	72.8	71.8	70.4	73.0	73.0	74.0	73.5
EMS	13.0	13.5	14.5	14.5	14.5	14.5	14.5	14.5	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	2.0	3.0	3.0	3.0	3.6
Attorney	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor	5.0	4.8	4.3	4.3	4.5	4.5	4.9	4.9	5.3	5.3
Clerk	3.3	3.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	4.6	4.6	4.5	4.5	4.5	4.5	4.5	5.0	5.0	3.9
Information technology	5.7	5.5	4.6	4.8	4.0	4.0	4.0	4.0	4.0	4.0
Human resources	3.5	2.8	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.4
Building maintenance	2.0	2.0	2.0	1.5	1.0	1.0	2.0	2.0	2.0	2.0
Planning/ community Dev.	3.8	3.8	3.8	3.8	4.0	4.3	5.0	5.0	5.0	5.0
Economic development	2.0	2.0	2.0	1.0	1.5	1.5	1.0	1.0	1.0	1.0
Building inspection	5.3	4.0	3.9	3.9	3.9	3.9	5.0	5.0	6.0	6.0
Public works										
Public works	10.0	10.0	10.0	14.5	14.5	14.5	14.5	14.5	14.5	13.8
Refuse & recycling	0.5	0.5	0.5	-	-	-	-	-	-	-
Fleet inservice fund***	3.6	4.0	4.0	-	-	-	-	-	-	-
Parks and forestry	7.5	7.0	6.5	6.5	6.5	6.5	-	-	-	-
Stormwater utility	6.3	4.3	4.3	4.0	4.0	4.0	3.0	3.0	3.0	3.0
**Parks, rec, and forestry	-	-	-	-	-	-	11.0	10.9	12.0	12.0
Engineering	6.3	6.3	6.3	6.3	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	10.0	9.0
Sun prairie utilities	30.3	30.3	30.8	31.9	30.9	30.4	30.8	31.5	32.0	30.7
Recreation programs	3.0	3.0	3.0	3.0	3.0	3.0	-	-	-	-
Library	23.0	22.6	23.0	23.8	22.7	22.4	22.4	22.2	22.1	22.1
Media center	5.2	4.7	4.7	4.7	4.7	3.8	3.8	4.6	4.5	4.5
Total	241.1	236.2	234.4	235.1	232.0	229.2	236.4	238.1	242.9	238.8

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

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

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety										
Police										
Arrests	645	641	509	548	686	773	781	627	583	633
Citations ²	2,914	2,680	2,385	2,452	2,635	2,217	2,303	2,588	2,558	2,135
Warnings	3,042	3,420	2,863	3,596	3,465	3,816	4,118	4,581	3,566	2754
Fire Department										
Total Calls	1,373	1,120	1,020	1,003	815	809	635	725	775	673
Fire Calls	652	59	64	103	54	81	64	43	67	54
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Apparatus	12	11	11	11	11	11	11	11	11	11
EMS										
Calls	2,828	2,467	2,391	2,205	2,096	2,070	1,998	2,009	2,157	2,117
En route Time (minutes)	1.45	1.25	1.22	1.25	1.35	2.21	2.13	2.19	1.25	N/A
To Scene (minutes)	6.12	4.21	4.20	4.41	4.35	4.32	5.57	5.24	4.37	N/A
Public Works										
Refuse/ Recycling ¹										
Units Collected	9,917	9,743/9,820	9,627	9,519	9,451	9,356	9,249	9,223	9,121	8,775
Recycle Cost per Unit	\$ 2.25	\$3.32/\$2.10	\$ 3.32	\$ 3.25	\$ 3.17	\$ 3.10	\$ 3.00	\$ 2.92	\$ 2.83	\$ 2.75
Recycling Tonnage	2,578	2,737	2,763	2,758	2,834	2,382	2,646	2,759	2,669	2,959
Refuse Tonnage	7,494	7,255	7,250	6,736	6,628	5,818	6,444	6,483	6,161	6,674
Refuse Cost per Unit	\$ 6.95	\$8.13/\$6.80	\$ 8.13	\$ 7.94	\$ 7.73	\$ 7.58	\$ 7.43	\$ 6.63	\$ 6.44	\$ 6.25
Recreation										
Shelter/ Gazebo Reservations	168	363	401	301	309	321	345	N/A	N/A	N/A
Athletic Field Reservations	500	572	593	621	894	866	451	N/A	N/A	N/A
Program Enrollments	4,898	7,906	7,400	8,196	9,296	8,825	8,978	N/A	N/A	N/A
Open Swim Attendance	26,353	31,316	30,051	23,281	29,484	39,480	38,971	37,991	37,202	45,037
Library										
Circulation	648,172	643,423	634,628	644,178	684,622	670,133	634,924	625,052	601,840	540,272
Visits	231,554	236,526	219,893	221,615	276,068	306,592	289,380	295,620	276,384	271,447
Registered Borrowers	23,830	23,455	22,921	22,649	22,282	25,945	23,578	19,500	19,898	18,961
Internet/ Computer Use	286,763	261,504	218,385	185,909	180,436	84,866	121,418	88,937	92,713	N/A
Volumes	134,186	133,955	130,286	112,962	110,310	107,562	102,921	98,308	99,853	100,864
WWTP										
Wastewater Treatment (thousands of gallons)	1,485,512	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
Sun Prairie Utilities										
Water Main Breaks	19.0	12.0	12	15	12	7	14	23	17	13
Water Mains Added (miles)	4.1	0.7	2.9	2.2	0.3	1.0	1.3	0.0	0.4	1.4
Water Mains Replaced (miles)	1.5	0.9	1.3	1.7	0.8	0.7	0.3	1.2	1.6	0.0
Pumpage (Gallons) (thousands)	987,169	970,006	923,654	894,825	865,997	921,000	848,303	848,632	876,259	881,455
Electric Customers	15,351	14,955	14,660	14,733	13,960	13,779	13,652	13,528	13,384	13,304
Electric Meters	16,555	15,505	15,014	15,304	15,127	14,793	14,573	14,461	14,452	14,217
Electric Meters Added	1,050	491	146	177	334	220	112	9	235	62
Current Distribution (miles)	280	286	282	200	198	215	209	209	171	171
Miles Added	(6)	4	7	4	1	8	-	3	4	5
Miles Retired	-	-	1	-	1	2	-	3	4	-
Energy Used (kWh)	283,216,940	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
Peak Demand (kW)	60,742	62,481	57,530	58,125	6,082	62,770	60,603	56,617	54,747	51,607

Source: Department annual reports