PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 7, 2019

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue **Rating Application Made: Moody's Investors Service, Inc.**

CITY OF SUN PRAIRIE, WISCONSIN
(Dane County)

$2,735,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B

BID OPENING: January 15, 2019, 10:00 A.M., C.T. **CONSIDERATION**: January 15, 2019, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $2,735,000* General Obligation Refunding Bonds, Series 2019B (the "Bonds") of the City of Sun Prairie, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of refunding certain obligations of the City. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: February 7, 2019

MATURITY: April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	$60,000	2027	$285,000	2031	$330,000
2024	260,000	2028	295,000	2032	340,000
2025	265,000	2029	305,000		
2026	275,000	2030	320,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: October 1, 2019 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on April 1, 2029 and thereafter are subject to call for prior optional redemption on April 1, 2028 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: $2,700,812.

MAXIMUM BID: $2,899,100.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $54,700 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: City officer or a bank or trust company to be selected by the City.

BOND & DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

nary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. cumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment lion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the sale of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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BID FORM

CITY OF SUN PRAIRIE
COMMON COUNCIL

		Term Expires
Paul T. Esser	Mayor	April 2019
Bill Connors	Council President	April 2019
Emily Lindsey	Alderman	April 2019
Steve Stocker	Alderman	April 2020
Theresa Stevens	Alderman	April 2020
Maureen Crombie	Alderman	April 2020
Mike Jacobs	Alderman	April 2019
Alan Guyant	Alderman	April 2019
Mary Polenske	Alderman	April 2020

ADMINISTRATION

Aaron Oppenheimer, City Administrator

Connie M. DeKemper, Director of Administrative Services

Elena Hilby, City Clerk

Kristin L. Vander Kooi, Accounting Manager/Treasurer

PROFESSIONAL SERVICES

Mark A. Leonard, City Attorney, Sun Prairie, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(*Other offices located in Roseville, Minnesota and Denver, Colorado*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Sun Prairie, Wisconsin (the "City") and the issuance of its $2,735,000* General Obligation Refunding Bonds, Series 2019B (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the Common Council on January 15, 2019.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's Municipal Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the link to the Bond Sales and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of February 7, 2019. The Bonds will mature on April 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing October 1, 2019, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City may designate a City officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after April 1, 2029 shall be subject to optional redemption prior to maturity on April 1, 2028 or any date thereafter, at a price of par plus accrued interest.

*Preliminary, subject to change.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of refunding certain obligations of the City, as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
March 2018 STF Loan	3/29/18	2/20/19	100%	2019-2020	3.000%	$2,585,548[1]
				Total Maturities Being Refunded		$ 2,585,548

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$2,735,000	
Estimated Investment Earnings	1,814	
Total Sources		**$2,736,814**
Uses		
Estimated Underwriter's Discount	$34,188	
Costs of Issuance	46,850	
Deposit to Current Refunding Fund	2,655,252	
Rounding Amount	525	
Total Uses		**$2,736,814**

*Preliminary, subject to change.

[1] The remaining portion of the March 2018 STF Loan will be refunded by the Taxable General Obligation Corporate Purpose Bonds, Series 2019A (the "Concurrent Obligations") expected to be issued concurrently with the Bonds.

SECURITY

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrepealable tax on all taxable property in the City sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the City is currently rated "Aa2" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist the underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the City shall covenant to take certain actions pursuant to the Award Resolution adopted by the Common Council by entering into a Continuing Disclosure Certificate (the "Disclosure Undertaking") for the benefit of holders, including beneficial holders. The Disclosure Undertaking requires the City to provide electronically or in the manner otherwise prescribed certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. The details and terms of the Disclosure Undertaking for the Bonds are set forth in Appendix D to be executed and delivered by the City at the time of delivery of the Bonds. Such Disclosure Undertaking will be in substantially the form attached hereto.

The City did not timely file an event notice in February 2014 indicating the redemption of its General Obligation Refunding Bonds, Series 2005C, dated August 9, 2005. Except to the extent that the preceding is deemed to be material, in the previous five years the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities to help ensure compliance in the future.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed in the future. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org. Ehlers is currently engaged as disclosure dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B.)

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

> "The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or

more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

NOT-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a Municipal Advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2017 have been audited by Baker Tilly Virchow Krause, LLP, Madison, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

2018 Equalized Value	$3,310,111,700
2018 Equalized Value Reduced by Tax Increment Valuation	$3,132,843,000
2018 Assessed Value	$3,106,572,700

2018 EQUALIZED VALUE BY CLASSIFICATION

	2018 Equalized Value[1]	Percent of Total Equalized Value
Residential	$ 2,317,252,800	70.005%
Commercial	887,387,100	26.808%
Manufacturing	59,282,000	1.791%
Agricultural	103,500	0.003%
Undeveloped	58,800	0.002%
Other	216,200	0.007%
Personal Property	45,811,300	1.384%
Total	$ 3,310,111,700	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2014	$2,413,822,200	$2,413,488,900	1.89%
2015	2,546,943,500	2,566,183,900	6.33%
2016	2,619,058,400	2,772,245,800	8.03%
2017	3,009,875,800	2,984,707,700	7.66%
2018	3,106,572,700	3,310,111,700	10.90%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

[1] Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2018 Equalized Value[1]	Percent of City's Total Equalized Value
Fedler/Connery Umbrella	Commercial/Residential	$ 83,873,060	2.38%
General Casualty Co of WI	Insurance	38,040,088	1.08%
Revere Apartments LLC / Conservancy Point LLC	Apartments	22,385,378	0.63%
Woodman's Food Market Inc.	Grocery / Gas	18,584,673	0.53%
SP Real Estate LLC	Full Service Senior Living	17,942,058	0.51%
Marcus Theaters Corp.	Entertainment	17,717,021	0.50%
Sodarock Properties LLC[2]	Apartments	17,033,704	0.48%
Otto's Oakview Holdings, LLC / Otto's Orchard Spring Venture LLC	Apartments	16,880,908	0.48%
Van Buren Place / Van Buren Place Two LLC	Apartments	15,548,903	0.44%
Costco Wholesale Corporation	Discount Retail	13,860,908	0.39%
Total		**$ 261,866,701**	**7.42%**

City's Total 2018 Equalized Value[3] $3,310,111,700

Source: The City.

[1] Calculated by dividing the 2018 Assessed Values by the 2018 Aggregate Ratio of assessment for the City.

[2] Assessment under appeal by taxpayer.

[3] Includes tax increment valuation.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	$ 75,484,844

Revenue Debt (see schedules following)

Total revenue debt secured by water & electric revenues	$ 6,495,000
Total revenue debt secured by sewer revenues	$ 6,678,282

Lease Revenue Obligations (see schedule following)

Total Lease Revenue Obligations Paid by Annual Appropriations	$ 8,600,000

*Preliminary, subject to change.

[1] Outstanding debt is as of the dated date of the Bonds and excludes the obligations being refunded by the Bonds and the Concurrent Obligations.

CITY OF SUN PRAIRIE, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of February 7, 2019)

	G.O. Promissory Notes		State Trust Fund Loan		G.O. Promissory Notes Series 2010		G.O. Promissory Notes Series 2012A		G.O. Promissory Notes Series 2013A		G.O. Promissory Notes Series 2014B	
Dated	12/15/2009		12/23/2009		11/9/2010		5/8/2012		7/2/2013		7/8/2014	
Amount	$99,116		$600,000		$4,740,000		$7,085,000		$8,945,000		$5,970,000	
Maturity	12/28		3/15		4/1		4/1		2/1		2/1	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2019	9,912	0	79,766	3,589	775,000	29,106	810,000	49,170		18,350		50,738
2020					800,000	10,000	815,000	36,980	745,000	29,250	660,000	94,875
2021							820,000	23,080	425,000	17,550	705,000	79,463
2022							785,000	7,850	455,000	8,750	750,000	59,400
2023									210,000	2,100	790,000	36,300
2024											815,000	12,225
2025												
2026												
2027												
2028												
2029												
2030												
2031												
2032												
2033												
2034												
2035												
2036												
2037												
2038												
	9,912	0	79,766	3,589	1,575,000	39,106	3,230,000	117,080	1,835,000	76,000	3,720,000	333,000

continued on next page

CITY OF SUN PRAIRIE, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of February 7, 2019)

	Taxable G.O. Refunding Bonds Series 2014C		G.O. Promissory Notes Series 2015A		G.O. Corporate Purpose Bonds Series 2016A		G.O. Promissory Notes Series 2016B		G.O. Promissory Notes Series 2017A		State Trust Fund Loan	
Dated	7/8/2014		7/7/2015		10/26/2016		10/26/2016		6/28/2017		8/9/2017	
Amount	$4,315,000		$3,805,000		$9,255,000		$11,285,000		$4,920,000		$4,931,000	
Maturity	2/1		2/1		4/1		4/1		4/1		3/15	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2019		58,913		25,238	360,000	234,175	1,465,000	257,725	440,000	104,350	89,339	2,043
2020	300,000	114,375	550,000	44,975	365,000	223,300	1,295,000	216,325	450,000	91,000	92,386	29,369
2021	355,000	106,221	365,000	35,825	375,000	212,200	1,375,000	176,275	460,000	77,350	95,700	26,055
2022	465,000	94,891	370,000	28,475	390,000	200,725	1,450,000	133,900	475,000	63,325	99,049	22,706
2023	485,000	80,869	380,000	20,975	400,000	188,875	1,520,000	89,350	490,000	51,300	102,516	19,239
2024	500,000	65,348	390,000	13,031	415,000	176,650	1,545,000	51,100	500,000	38,900	106,061	15,694
2025	515,000	48,468	395,000	4,444	420,000	164,125	705,000	25,075	510,000	26,300	109,816	11,939
2026	535,000	30,216			440,000	151,225	725,000	7,250	525,000	15,950	113,660	8,095
2027	560,000	10,360			450,000	140,125			535,000	5,350	117,638	4,117
2028					460,000	130,738						
2029					470,000	118,800						
2030					485,000	104,475						
2031					500,000	89,700						
2032					515,000	74,475						
2033					530,000	58,800						
2034					550,000	42,600						
2035					565,000	25,875						
2036					580,000	8,700						
2037												
2038												
	3,715,000	609,660	2,450,000	172,963	8,270,000	2,345,563	10,080,000	957,000	4,385,000	473,825	926,166	139,258

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CITY OF SUN PRAIRIE, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of February 7, 2019)

	G.O. Corporate Purpose Bonds Series 2017B		State Trust Fund Loan		G.O. Corporate Purpose Bonds Series 2018A		G.O. Promissory Notes Series 2018B		Taxable G.O. Corporate Purpose Bonds Series 2019A		G.O. Refunding Bonds Series 2019B							
Dated	11/30/2017		6/18/2018		10/11/2018		10/11/2018		2/7/2019		2/7/2019							
Amount	$4,900,000		$3,589,000		$7,125,000		$7,825,000		$9,330,000*		$2,735,000*							
Maturity	4/1		3/15		4/1		4/1		4/1		4/1							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal***	**Interest***	**Principal***	**Interest***	**Total Principal***	**Total Interest***	**Principal & Interest***	**Principal Outstanding***	**Principal %Paid***	**Year**
2019	190,000	121,850	50,000	112,832	460,000	269,411	1,110,000	273,793		237,941		63,227	5,839,017	1,912,450	7,751,468	69,645,827	7.74%	2019
2020	200,000	117,950	50,000	150,820	230,000	260,188	720,000	245,650	730,000	354,748		97,273	8,002,386	2,117,076	10,119,462	61,643,441	18.34%	2020
2021	200,000	113,950	300,000	148,283	240,000	248,438	645,000	218,350	750,000	330,495		97,273	7,110,700	1,910,807	9,021,507	54,532,741	27.76%	2021
2022	205,000	109,900	350,000	135,533	255,000	236,063	675,000	191,950	780,000	303,713		97,273	7,504,049	1,694,452	9,198,502	47,028,691	37.70%	2022
2023	210,000	105,750	400,000	120,658	265,000	223,063	705,000	164,350	750,000	276,180	60,000	96,388	6,767,516	1,475,395	8,242,912	40,261,175	46.66%	2023
2024	215,000	101,500	450,000	103,941	280,000	209,438	735,000	135,550	785,000	247,774	260,000	91,473	6,996,061	1,262,623	8,258,684	33,265,114	55.93%	2024
2025	220,000	97,150	489,000	84,533	295,000	195,063	760,000	105,650	810,000	217,463	265,000	83,136	5,493,816	1,063,344	6,557,160	27,771,298	63.21%	2025
2026	225,000	91,575	500,000	63,750	305,000	180,063	795,000	74,550	845,000	185,181	275,000	74,155	5,283,660	882,010	6,165,670	22,487,638	70.21%	2026
2027	230,000	84,750	500,000	42,500	325,000	164,313	825,000	42,150	880,000	150,673	285,000	64,350	4,707,638	708,687	5,416,325	17,780,000	76.45%	2027
2028	235,000	77,775	500,000	21,308	340,000	147,688	855,000	12,825	300,000	126,628	295,000	53,910	2,985,000	570,871	3,555,871	14,795,000	80.40%	2028
2029	245,000	70,575			355,000	133,863			310,000	113,893	305,000	43,110	1,685,000	480,240	2,165,240	13,110,000	82.63%	2029
2030	250,000	63,150			365,000	123,063			255,000	101,900	320,000	31,540	1,675,000	424,128	2,099,128	11,435,000	84.85%	2030
2031	260,000	55,500			375,000	111,494			265,000	90,654	330,000	19,190	1,730,000	366,538	2,096,538	9,705,000	87.14%	2031
2032	265,000	47,625			390,000	99,063			275,000	78,840	340,000	6,460	1,785,000	306,463	2,091,463	7,920,000	89.51%	2032
2033	275,000	39,525			405,000	86,144			290,000	66,265			1,500,000	250,734	1,750,734	6,420,000	91.49%	2033
2034	280,000	31,200			415,000	72,300			305,000	52,878			1,550,000	198,978	1,748,978	4,870,000	93.55%	2034
2035	290,000	22,650			430,000	57,513			320,000	38,735			1,605,000	144,773	1,749,773	3,265,000	95.67%	2035
2036	300,000	13,800			450,000	41,831			330,000	23,865			1,660,000	88,196	1,748,196	1,605,000	97.87%	2036
2037	310,000	4,650			465,000	25,538			350,000	8,138			1,125,000	38,325	1,163,325	480,000	99.36%	2037
2038					480,000	8,700							480,000	8,700	488,700	0	100.00%	2038
	4,605,000	1,370,825	3,589,000	984,157	7,125,000	2,893,230	7,825,000	1,464,818	9,330,000	3,005,959	2,735,000	918,756	75,484,844	15,904,789	91,389,633			

*Preliminary, subject to change.

CITY OF SUN PRAIRIE, WISCONSIN
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water and Light Utility Revenues
(As of February 7, 2019)

	Water & Light Utility Revenue Bonds Series 2008		Water & Light Utility Revenue Bonds Series 2012A		Water & Light Utility Revenue Bonds Series 2014							
Dated	11/6/2008		11/15/2012		6/16/2014							
Amount	$3,600,000		$2,800,000		$3,200,000							
Maturity	4/1		4/1		4/1							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Principal & Interest**	**Principal Outstanding**	**Principal %Paid**	**Year**
2019	280,000	62,260	130,000	57,145	160,000	102,740	570,000	222,145	792,145	5,925,000	8.78%	2019
2020	290,000	48,705	135,000	53,833	165,000	96,646	590,000	199,184	789,184	5,335,000	17.86%	2020
2021	300,000	35,725	140,000	50,395	175,000	90,271	615,000	176,391	791,391	4,720,000	27.33%	2021
2022	315,000	22,038	140,000	46,895	175,000	83,709	630,000	152,641	782,641	4,090,000	37.03%	2022
2023	325,000	7,475	145,000	43,514	175,000	77,146	645,000	128,135	773,135	3,445,000	46.96%	2023
2024			150,000	40,120	175,000	70,584	325,000	110,704	435,704	3,120,000	51.96%	2024
2025			155,000	36,420	175,000	64,459	330,000	100,879	430,879	2,790,000	57.04%	2025
2026			155,000	32,468	175,000	58,662	330,000	91,129	421,129	2,460,000	62.12%	2026
2027			160,000	28,293	175,000	52,646	335,000	80,939	415,939	2,125,000	67.28%	2027
2028			165,000	23,864	175,000	46,412	340,000	70,276	410,276	1,785,000	72.52%	2028
2029			170,000	19,173	175,000	39,959	345,000	59,131	404,131	1,440,000	77.83%	2029
2030			175,000	14,125	175,000	33,396	350,000	47,521	397,521	1,090,000	83.22%	2030
2031			180,000	8,710	175,000	26,615	355,000	35,325	390,325	735,000	88.68%	2031
2032			185,000	2,960	175,000	19,528	360,000	22,488	382,488	375,000	94.23%	2032
2033					185,000	12,055	185,000	12,055	197,055	190,000	97.07%	2033
2034					190,000	4,085	190,000	4,085	194,085	0	100.00%	2034
	1,510,000	176,203	2,185,000	457,913	2,800,000	878,913	6,495,000	1,513,028	8,008,028			

CITY OF SUN PRAIRIE, WISCONSIN
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Utility Revenues
(As of February 7, 2019)

	Sewerage Sys. Rev. Bonds, Series 2005
Dated	6/8/2005
Amount	$16,114,376
Maturity	5/1

Fiscal Year Ending	Principal	Interest	Total Principal	Total Interest	Principal & Interest	Principal Outstanding	Principal %Paid	Year
2019	888,460	147,435	888,460	147,435	1,035,895	5,789,822	13.30%	2019
2020	909,472	126,175	909,472	126,175	1,035,647	4,880,350	26.92%	2020
2021	930,981	104,411	930,981	104,411	1,035,392	3,949,369	40.86%	2021
2022	952,999	82,133	952,999	82,133	1,035,132	2,996,371	55.13%	2022
2023	975,537	59,328	975,537	59,328	1,034,865	2,020,834	69.74%	2023
2024	998,608	35,984	998,608	35,984	1,034,593	1,022,225	84.69%	2024
2025	1,022,225	12,088	1,022,225	12,088	1,034,313	0	100.00%	2025
	6,678,282	567,555	6,678,282	567,555	7,245,837			

CITY OF SUN PRAIRIE, WISCONSIN
Schedule of Bonded Indebtedness
Community Development Authority Debt Secured by Lease Agreements
(As of February 7, 2019)

	Community Development Lease Revenue Refunding Bonds Series 2014A							
Dated	6/24/2014							
Amount	$12,785,000							
Maturity	8/1							
Fiscal Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Principal & Interest**	**Principal Outstanding**	**Principal %Paid**	**Year**
2019	1,370,000	82,601	1,370,000	82,601	1,452,601	7,230,000	15.93%	2019
2020	1,390,000	147,393	1,390,000	147,393	1,537,393	5,840,000	32.09%	2020
2021	1,410,000	125,153	1,410,000	125,153	1,535,153	4,430,000	48.49%	2021
2022	1,440,000	99,068	1,440,000	99,068	1,539,068	2,990,000	65.23%	2022
2023	1,475,000	69,548	1,475,000	69,548	1,544,548	1,515,000	82.38%	2023
2024	1,515,000	36,360	1,515,000	36,360	1,551,360	0	100.00%	2024
	8,600,000	560,121	8,600,000	560,121	9,160,121			

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	$3,310,111,700
Multiply by 5%	0.05
Statutory Debt Limit	$ 165,505,585
Less: General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	(75,484,844)
Unused Debt Limit*	$ 90,020,741

OVERLAPPING DEBT[1]

Taxing District	2018 Equalized Value[2]	% In City	Total G.O. Debt[3]	City's Proportionate Share
Dane County	$ 65,007,455,200	5.0919%	$ 374,640,000	$ 19,076,294
Madison Area Technical College	88,862,705,893	3.7250%	183,555,000	6,837,424
Sun Prairie Area School District	5,110,914,835	64.6969%	204,900,000	132,563,948
DeForest Area School District	2,803,072,148	0.1252%	42,340,000	53,010
City's Share of Total Overlapping Debt				$158,530,676

*Preliminary, subject to change.

[1] Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

[2] Includes tax increment valuation.

[3] Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $3,310,111,700	Debt/ Per Capita 33,966[1]
Total General Obligation Debt*	$ 75,484,844	2.28%	$ 2,222.36
City's Share of Total Overlapping Debt	158,530,676	4.79%	4,667.33
Total*	$ 234,015,520	7.07%	$ 6,889.70

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

Concurrently with the Bonds, the City plans to issue the $2,735,000* Concurrent Obligations. In addition to the Concurrent Obligations, the City plans to issue approximately $15.4 million in general obligation bonds or notes within the next twelve months to pay the cost of street and utility improvements, and other public projects. The City may also obtain loan financing of approximately $16.7 million through the State of Wisconsin's Clean Water Fund Loan program to fund improvements to be made to the City's wastewater treatment plant. Financing obtained through the Clean Water Fund Loan program is expected to be secured by a pledge of sewer system revenues. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

*Preliminary, subject to change.

[1] Estimated 2018 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per $1,000
2014/15	$19,582,015	100%	$8.49
2015/16	20,195,115	100%	8.28
2016/17	20,930,522	100%	8.01
2017/18	22,176,272	100%	7.78
2018/19	23,361,350	In Progress	7.46

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per $1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools[1]	County	Local	Other[2]	Total
2014/15	$13.74	$3.12	$8.49	$0.18	$25.53
2015/16	13.67	3.15	8.28	0.18	25.28
2016/17	13.41	3.12	8.01	0.18	24.72
2017/18	13.07	3.14	7.78	0.00	23.99
2018/19	12.98	2.97	7.46	0.00	23.41

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in

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[1] The Schools tax rate reflects the composite rate of all local school districts and technical college district.

[2] Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

THE ISSUER

CITY GOVERNMENT

The City was incorporated as a city in 1958 (after operating as a village since 1868) and is governed by a Mayor and an eight-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to two-year terms. The appointed City Administrator, Director of Administrative Services and Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 225 full-time, 45 part-time, and 367 seasonal employees. Prior to January 1, 2017, only the City's sworn police officers were covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). As of January 1, 2017, eligible employees could elect to enter the WRS or the City's ICMA plans (as defined herein). Thereafter, all new eligible employees in the City are covered under the WRS. The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2015 ("Fiscal Year 2015"), the fiscal year ended December 31, 2016 ("Fiscal Year 2016") and the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the City's portion of contributions to WRS (not including any employee contributions) totaled $357,973, $360,240 and $358,235, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2016, the total pension liability of the WRS was calculated as $93.4 billion and the fiduciary net position of the WRS was calculated as $92.6 billion, resulting in a net pension liability of $0.8 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2017, the City reported a liability of $305,959 for its proportionate share of the net pension liability of the WRS. The net pension

liability was measured as of December 31, 2016 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.03712016% of the aggregate WRS net pension liability as of December 31, 2016.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note IV.B.1. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Defined Contribution Plan

Substantially all remaining employees who work for the City, the City's wastewater utility and the City's stormwater utility are covered under single-employer defined contribution plans (the "ICMA plans"). The total covered payroll for Fiscal Year 2017 was $1,552,232. The total pension contribution for Fiscal Year 2017 was $105,552. For more detailed information, see Note IV.B.2 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Sun Prairie Utilities Employees' Pension Plan

The Sun Prairie Utilities provides pension benefits to utility employees who have terminated their employment with the Sun Prairie Utilities and have satisfied specified eligibility standards through a single-employer defined benefit plan. As of December 31, 2017, there was one terminated plan member entitled to, but not yet receiving benefits and 19 active plan members under the plan. As of January 1, 2013, the plan stopped allowing new entrants and established a defined contribution plan. Pension benefit calculations are required to be updated every two years and prepared in accordance with GASB 68.

As shown in the City's audited financial statements for Fiscal Year 2017, as of December 31, 2017, the plan's calculated total pension liability was $2,433,378 and the plan fiduciary net position was $2,679,786, resulting in a net pension asset of $246,408.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note IV.A. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Beginning in January 1, 2014, in addition to the defined benefit pension plan, the Sun Prairie Utilities established the Sun Prairie Utilities Employees Retirement Plan which is a defined contribution plan. All employees hired on or after January 1, 2013 (but before January 1, 2017) had 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 $51,862 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. For more information, see Note IV.B.4. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
WPPA	December 1, 2020
IAFF	December 1, 2018*

*The IAFF contract is currently in negotiations.

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 2 retirees receiving benefits, 20 active plan members fully eligible to retire and 167 active plan members not fully eligible to retire, as of February 2017.

Pension benefits calculations are required to be updated every two years and prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board. An actuarial study for the City was last completed by Menard Consulting, Inc. in February 2017 with an actuarial valuation date of January 1, 2016.

The City is required to expense the estimated yearly cost of providing post-retirement benefits and such annual accrual expense is referred to as the "annual required contribution." As shown in the City's audited financial statements for Fiscal Year 2017, the annual required contribution for Fiscal Year 2017 was $17,825. For Fiscal Year 2017, contributions to the plan totaled $18,273, which was 102.51% of the annual required contribution. The City's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

As of January 1, 2016, the actuarial accrued liability for benefits was $112,192 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $112,192 and a funded ratio of actuarial value of assets to actuarial accrued liability of 0%.

For more detailed information, see Note IV.F. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

In February 2014, the City discharged two paramedics employed by the City after the City's EMS Medical Director withdrew the paramedics' credentials based upon the City's investigation into the paramedics' handling of a cardiac arrest case. The paramedics filed grievances, and, subject to the applicable collective bargaining agreement, the matter was submitted to binding arbitration. In February 2015, the arbitrator issued his decision finding that the City did not have just cause for the terminations and ordering the City to make the paramedics whole by reinstating them to the position and making them whole for the wages and benefits they would have earned but for their discharge. The City made a motion to Dane County Circuit Court to vacate the arbitration award. On January 7, 2016, the Circuit Court issued a ruling confirming the arbitration award and denying the City's motion to vacate. The Circuit Court remanded the matter to the arbitrator for further proceedings to finalize the remedy. In February 2017, the arbitrator awarded the paramedics damages in the aggregate amount of $622,000. The City filed an appeal to the arbitrator's ruling in March 2017 in the Wisconsin Court of Appeals. The Court of Appeals ruled in favor of the plaintiffs in May 2018. The City sought review by the Wisconsin Supreme Court but the Wisconsin Supreme Court denied review in early September 2018. The City does not have insurance coverage that would apply in the matter. Therefore, the City has paid the damages, including accrued interest, out of unassigned fund balance.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of October 31, 2018)

Fund	**Total Cash and Investments**
General	$ 11,117,861
Special Revenue	7,310,441
Fleet Inservice Fund	347,768
Capital Projects	2,444,225
Enterprise Funds	35,418,294
CDA	1,546,918
Debt Service	67,985
SPU Pension Investments	2,536,843
Total Funds on Hand	$ 60,790,335

ENTERPRISE FUNDS[1]

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2015	2016	2017	2018 Projected[2]
Water & Electric				
Total Operating Revenues	$30,000,744	$ 30,886,152	$ 31,457,134	$ 31,702,503
Less: Operating Expenses	(27,251,478)	(27,602,738)	(28,326,813)	(29,222,564)
Operating Income	$ 2,749,266	$ 3,283,414	$ 3,130,321	$ 2,479,939
Plus: Depreciation	2,225,192	2,379,199	2,509,561	2,671,146
Interest Income	701,873	777,175	900,170	981,121
Revenues Available for Debt Service	$ 5,676,331	$ 6,439,788	$ 6,540,052	$ 6,132,206
Sewer				
Total Operating Revenues	$ 3,771,488	$ 3,891,120	$ 3,972,177	$ 4,234,097
Less: Operating Expenses	(3,204,843)	(3,334,711)	(3,377,200)	(3,332,334)
Operating Income	$ 566,645	$ 556,409	$ 594,977	$ 901,763
Plus: Depreciation	1,353,660	1,365,065	1,380,361	1,280,000
Interest Income	33,566	80,819	93,798	126,632
Revenues Available for Debt Service	$ 1,953,871	$ 2,002,293	$ 2,069,136	$ 2,308,395
Stormwater				
Total Operating Revenues	$ 1,680,540	$ 1,808,596	$ 2,398,670	$ 2,444,703
Less: Operating Expenses	(1,594,311)	(1,924,164)	(1,816,325)	(1,909,043)
Operating Income	$ 86,229	$ (115,568)	$ 582,345	$ 535,660
Plus: Depreciation	896,158	942,730	991,026	950,000
Interest Income	3,168	9,148	32,045	82,030
Revenues Available for Debt Service	$ 985,555	$ 836,310	$ 1,605,416	$ 1,567,690

[1] The City sold its telecommunications utility (fiberoptic network) to TDS Metrocom, LLC in 2017. The figures shown do not include any amounts for the telecommunications utility.

[2] Projected information was determined in December, 2018, and projects revenues and expenses through December 31, 2018.

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2017 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2015 Audited	2016 Audited	2017 Audited	2018 Projected[1]	2019 Adopted Budget[2]
Revenues					
Taxes and special assessments	$ 13,059,775	$ 13,690,144	$ 14,469,172	$ 16,001,383	$ 17,116,671
Intergovernmental	3,836,071	3,821,053	3,227,581	3,245,628	2,747,812
Licenses and permits	515,432	533,275	961,195	917,270	789,945
Fines, forfeitures and penalties	192,788	191,014	171,172	165,443	172,000
Public charges for services	1,462,738	1,397,422	1,544,218	1,653,551	1,903,024
Investment income	28,646	57,032	95,090	188,478	143,500
Miscellaneous general revenues	1,222,182	697,512	382,031	483,551	629,150
Total Revenues	$ 20,317,632	$ 20,387,452	$ 20,850,459	$ 22,655,304	$ 23,502,102
Expenditures					
Current:					
General government	$ 3,610,525	$ 4,298,261	$ 4,218,868	$ 4,944,654[3]	$ 5,135,140
Public safety	9,796,061	10,288,497	10,854,383	11,953,675	12,790,035
Public works	3,025,007	2,656,667	2,915,598	2,852,943	3,204,034
Culture, recreation and education	3,268,968	3,245,894	1,693,518	1,839,555	2,301,441
Health and human services	23,500	54,500	84,500	246,941	132,332
Conservation and development	649,123	740,297	546,847	982,743	941,310
Debt Service	61,765	61,765	0	0	0
Total Expenditures	$ 20,434,949	$ 21,345,881	$ 20,313,714	$ 22,820,511	$ 24,504,292
Excess of revenues over (under) expenditures	$ (117,317)	$ (958,429)	$ 536,745	$ (165,207)	$ (1,002,190)
Other Financing Sources (Uses)					
Proceeds from sale of property	0	0	0	0	0
Proceeds of long-term debt	0	0	0	0	0
Operating transfers in	1,969,773	1,998,837	1,836,847	1,833,297	2,151,887
Operating transfers out	(817,158)	(392,539)	(2,075,672)	(2,018,445)	(1,947,896)
Total Other Financing Sources (Uses)	$ 1,152,615	$ 1,606,298	$ (238,825)	$ (185,148)	$ 203,991
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 1,035,298	$ 647,869	$ 297,920	$ (350,355)	$ (798,199)
General Fund Balance January 1	9,494,372	10,529,670	11,177,539	11,475,459	11,125,104
General Fund Balance December 31	$ 10,529,670	$ 11,177,539	$ 11,475,459	$ 11,125,104	$ 10,326,905
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	2,968,901	2,936,357	2,763,109	2,907,535	
Restricted	142,000	434,645	510,786	587,104	
Committed	0	0	0	0	
Assigned	3,066,431	3,513,829	3,602,423	3,760,952	
Unassigned	4,352,338	4,292,708	4,599,141	3,869,513	
Total	$ 10,529,670	$ 11,177,539	$ 11,475,459	$ 11,125,104	

[1] The 2018 projected amounts are as of December 31, 2018.

[2] The 2019 budget was adopted on November 13, 2018.

[3] Includes the $622,000 EMS settlement described under the heading "LITIGATION".

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 29,364, and a current estimated population of 33,966 comprises an area of 12.52 square miles and is located in South Central Wisconsin 155 miles northwest of Chicago, 75 miles west of Milwaukee, adjacent to the City of Madison and 10 miles east of the State Capitol building, on U.S. Highway 151.

LARGER EMPLOYERS[1]

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
School District of Sun Prairie Area	Elementary and secondary education	1,501 [2]
The City	Municipal government and services	637 [3]
Colony Brands	Fulfillment center for home goods	505 [4]
QBE Insurance	Insurance company	450
Prairie Athletic Club	Health club	330 [5]
Wisconsin Distributors	Alcohol distribution	310
Royle Printing	Printer	274
Continental Conti Tech	Automotive hose manufacturer	264
Frontier	Telecommunications	250
Walmart	Discount retail	250

Source: *The City's Website, 2018 Employers Guide from the Sun Prairie Chamber of Commerce, and written and telephone survey (August 2018).*

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[1] This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

[2] 1,028 Full-time, 104 Part-time & 369 Subs and hourly.

[3] 225 Full-time, 45 Part-time & 367 seasonal.

[4] 30 Full-time and 475 Part-time.

[5] 280-330 per the 2018 Employers Guide from the Sun Prairie Chamber of Commerce.

BUILDING PERMITS

	2014	2015	2016	2017	2018[1]
New Single Family Homes					
No. of building permits	134	163	154	133	169
Valuation	$30,241,320	$38,234,797	$39,458,527	$36,986,074	$48,032,734
New Multiple Family Buildings					
No. of building permits	22	25	8	21	16
Valuation	$7,461,525	$11,963,032	$4,034,000	$50,138,432	$42,498,526
New Commercial/Industrial					
No. of building permits	21	6	13	38	20
Valuation	$35,780,150	$3,385,000	$13,200,265	$97,415,938	$25,094,801
All Building Permits *(including additions and remodelings)*					
No. of building permits	1,713	1,735	1,729	2,251	2,187
Valuation	$92,363,480	$71,389,320	$76,658,098	$197,440,290	$138,471,515

Source: The City.

[1] As of November 20, 2018.

U.S. CENSUS DATA

Population Trend: City

2000 U.S. Census	20,369
2010 U.S. Census	29,364
2018 Estimated Population	33,966
Percent of Change 2000 - 2010	44.16%

Income and Age Statistics

	City	Dane County	State of Wisconsin	United States
2017 per capita income	$32,187	$37,193	$30,557	$31,177
2017 median household income	$67,512	$67,631	$56,759	$57,652
2017 median family income	$82,795	$91,169	$72,542	$70,850
2017 median gross rent	$1,011	$983	$813	$982
2017 median value owner occupied units	$216,800	$242,700	$169,300	$193,500
2017 median age	34.6 yrs.	34.8 yrs.	39.2 yrs.	37.8 yrs.

	State of Wisconsin	United States
City % of 2017 per capita income	105.33%	103.24%
City % of 2017 median family income	114.13%	116.86%

Housing Statistics

	City		
	2000	2017	Percent of Change
All Housing Units	8,198	13,500	64.67%

Source: *2000 and 2010 Census of Population and Housing, and 2017 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (www.factfinder2.census.gov).*

EMPLOYMENT/UNEMPLOYMENT DATA

	Average Employment		Average Unemployment		
Year	City	Dane County	City	Dane County	State of Wisconsin
2014	18,040	294,498	3.8%	3.7%	5.4%
2015	18,536	301,087	3.2%	3.2%	4.5%
2016	19,065	309,856	2.9%	2.8%	4.0%
2017	19,358	314,607	2.4%	2.4%	3.3%
2018, October	19,578	318,183	2.1%	2.1%	2.6%

Source: *Wisconsin Department of Workforce Development.*

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested the Auditor to perform any additional examination, assessments or evaluation with respect to such financial statements since the date thereof, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

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 of Sun Prairie

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 –

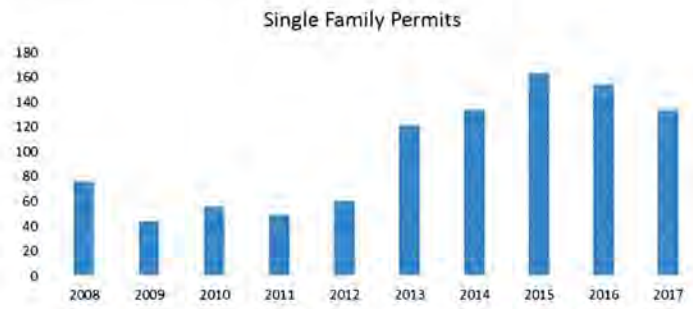
- The boundaries of Sun Prairie encompass an area approximately 12 square miles with an estimated population of 33,733.
- The City of Sun Prairie has historically been one of the fastest growing cities in Wisconsin with a population over 20,000 --a trend that continues today. This is also reflected in 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

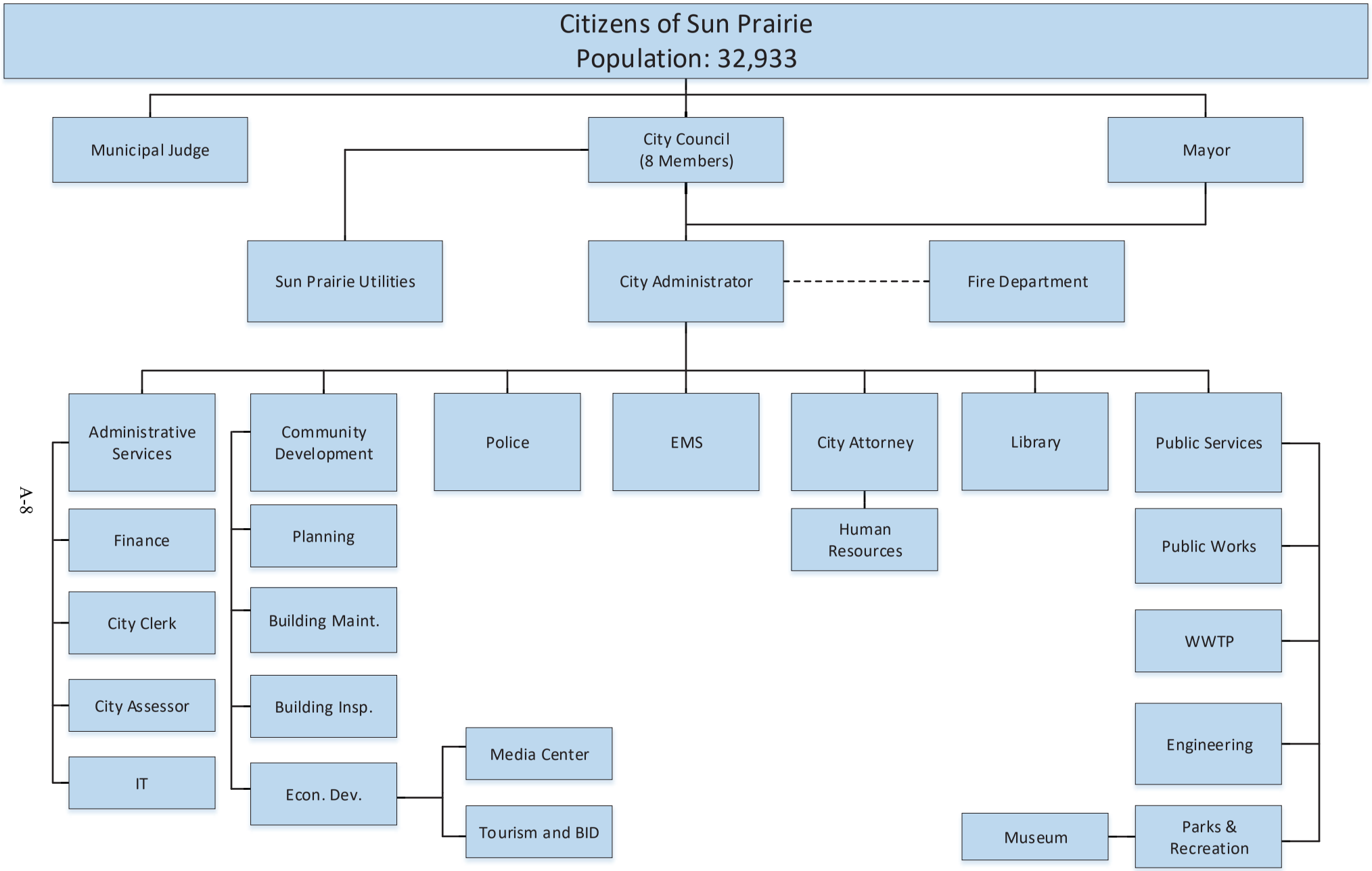
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO


Citizens of Sun Prairie
Population: 32,933
Municipal Judge
City Council
(8 Members)
Mayor
Sun Prairie Utilities
City Administrator
Fire Department
Administrative Services
Finance
City Clerk
City Assessor
IT
Community Development
Planning
Building Maint.
Building Insp.
Econ. Dev.
Media Center
Tourism and BID
Police
EMS
City Attorney
Human Resources
Library
Museum
Public Services
Public Works
WWTP
Engineering
Parks & Recreation

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

BAKER TILLY

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

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.

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

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.

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 Activities		Business-Type Activities		Total	
	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	128,922,283	123,954,482	156,535,142	149,824,239	285,457,425	273,778,721
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	11,499,884	11,917,798	5,974,748	5,834,148	17,474,632	17,751,946
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)	5,049,968	210,908	26,682,513	22,949,215	31,732,481	23,160,123
Total net position	$ 102,943,234	$ 90,800,453	$ 162,357,279	$ 152,268,494	$ 265,300,513	$ 243,068,947

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.

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.

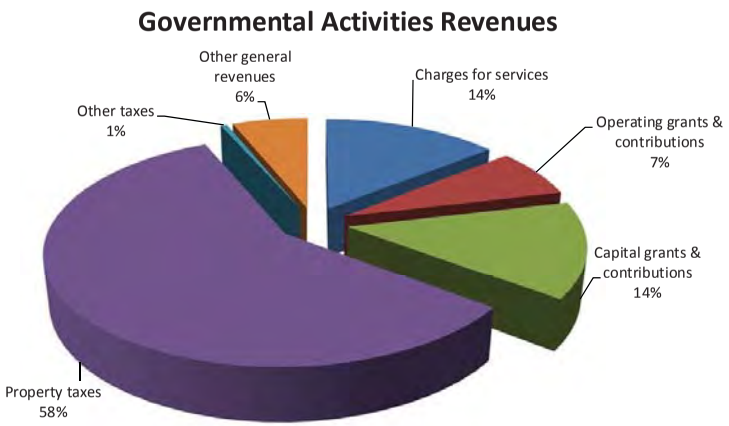
The following table provides a more detailed analysis of the City's change in net position:

CITY OF SUN PRAIRIE CHANGE IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	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

Governmental Activities

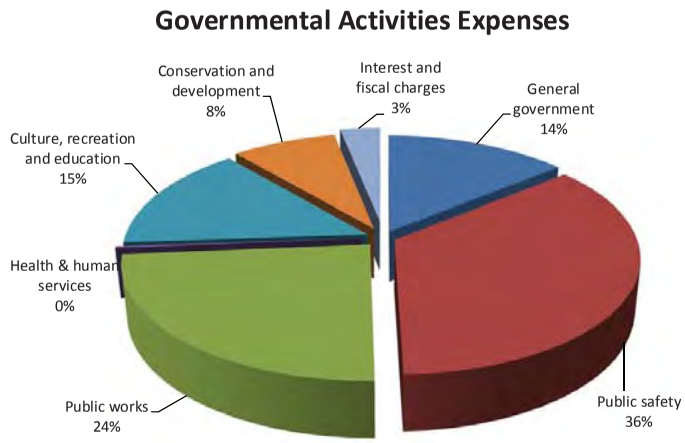
An examination of the statement of activities can provide a concise picture of how the various activities of the City are funded. The following charts draw data from the statement of activities. The City received $42.8 million in governmental activities revenues in 2017. This was an increase of $7.2 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 in revenues from 2016 to 2017. The primary changes are as follows:

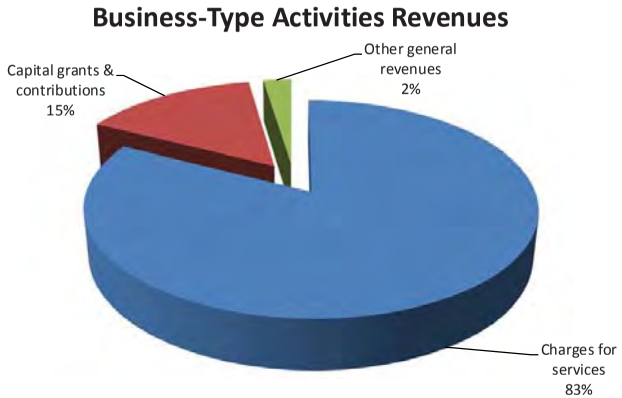
- The council approved an increase in the property tax levy ($1.4 million) primarily corresponding to the additional equalized value resulting from increased development in 2016.
- Public charges for services increased 14.3% ($1.4 million) due to development in the City. The increase in development resulted 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.

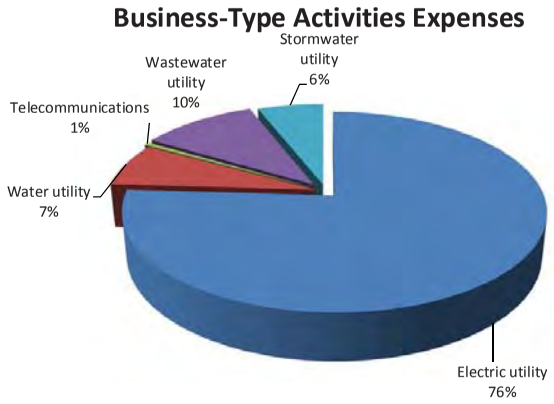
Total governmental activities expenses were $32.4 million in 2017. Public safety (including police, emergency medical services, building inspection, and fire services) accounts for the largest share of City expenses at 35.6%. This is followed by public works with 24.0%, general government with 14.1%,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



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%.





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.

CITY OF SUN PRAIRIE GOVERNMENTAL FUND BALANCE

	2017	2016
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	(2,143,429)	(2,277,614)
Total Fund Balance	$ 17,314,795	$ 17,748,458

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.

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 wells 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.

- **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.

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 Activities		Business-Type Activities		Total	
	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	$128,922,283	$123,954,482	$156,535,142	$149,824,239	$285,457,425	$273,778,721

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

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	3,320,000
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	8,398,229	12,361,797	-	-	8,398,229	12,361,797
Total	$50,765,148	$51,475,672	$31,726,215	$ 30,783,096	$82,491,363	$ 82,258,768

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Sun Prairie is an economically stable community located in northeastern Dane County and shares a border with the City of Madison, which is the state capital. This location has contributed to the City's rapid growth and strong economic position. As of January 1, 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	183,387,958	197,922,868	381,310,826	10,029,446
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	2,813,820	74,679	2,888,499	286,726
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	55,668,193	35,438,495	91,106,688	10,024,741
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	27,590,351	201,773	27,792,124	-

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	5,049,968	26,682,513	31,732,481	291,431
TOTAL NET POSITION	$102,943,234	$162,357,279	$265,300,513	$ 291,431

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: 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	32,369,263	6,097,388	3,029,758	5,973,701
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	34,532,666	38,030,634	-	6,942,761
Total Primary Government	$ 66,901,929	$ 44,128,022	$ 3,029,758	$ 12,916,462
Component Unit				
Community Development Authority	$ 278,890	$ -	$ -	$ -

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
$ 102,943,234	$ 162,357,279	$ 265,300,513	$ 291,431

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2017

	General Fund	General Debt Service Fund	General Capital Projects Fund
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	$ 34,237,440	$ 6,701,974	$ 2,499,661
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	6,893,180	87,602	126,101
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	15,868,801	6,480,643	205,822
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	11,475,459	133,729	2,167,738
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 34,237,440	$ 6,701,974	$ 2,499,661

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
$ 12,073,031	$ 55,512,106
$ 259,480	$ 1,009,076
28,813	256,880
48,312	218,056
-	302,762
842,625	6,498,551
-	788
2,535,006	2,535,006
3,714,236	10,821,119
4,442,442	26,618,711
378,484	757,481
4,820,926	27,376,192
2,502	2,765,611
5,152,720	7,285,877
909,372	909,372
-	4,281,519
(2,526,725)	2,072,416
3,537,869	17,314,795
$ 12,073,031	$ 55,512,106

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of December 31, 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	(43,332)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 102,943,234

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	20,850,459	6,662,364	370,934
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	20,313,714	6,659,152	5,867,539
Excess (deficiency) of revenues over expenditures	536,745	3,212	(5,496,605)
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)	(238,825)	119,794	6,230,104
Net Change in Fund Balances	297,920	123,006	733,499
FUND BALANCES - Beginning of Year	11,177,539	10,723	1,434,239
FUND BALANCES - END OF YEAR	$ 11,475,459	$ 133,729	$ 2,167,738

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
9,840,891	37,724,648
-	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
16,239,962	49,080,367
(6,399,071)	(11,355,719)
300,000	300,000
3,904,536	8,871,000
-	141,354
1,953,045	5,151,766
(1,346,598)	(3,542,064)
4,810,983	10,922,056
(1,588,088)	(433,663)
5,125,957	17,748,458
$ 3,537,869	$ 17,314,795

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)
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
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
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
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	$	12,142,781

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	5,444,049	1,591,277	881,738	7,917,064	338,102
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	10,094,089	9,140,680	10,228,978	29,463,747	2,056,232
Total Liabilities	15,538,138	10,731,957	11,110,716	37,380,811	2,394,334
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	201,773	-	-	201,773	-
Total Deferred Inflows of Resources	201,773	-	-	201,773	-
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	16,719,848	7,815,372	2,147,293	26,682,513	735,508
TOTAL NET POSITION	$ 73,454,298	$ 46,398,668	$ 42,504,313	$ 162,357,279	$ 4,943,921

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	$ 31,659,787	$ 3,972,177	$ 2,398,670	$ 38,030,634	$ 1,171,234
OPERATING EXPENSES					
Operation and maintenance	25,917,588	1,996,839	825,299	28,739,726	591,274
Depreciation	2,571,864	1,380,361	991,026	4,943,251	696,916
Total Operating Expenses	28,489,452	3,377,200	1,816,325	33,682,977	1,288,190
Operating Income (Loss)	3,170,335	594,977	582,345	4,347,657	(116,956)
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	10,218	15,793	63,633	89,644	104,073
Total Nonoperating Revenues (Expenses)	542,722	(127,456)	(149,120)	266,146	65,580
Income Before Contributions, Transfers, and Special Item	3,713,057	467,521	433,225	4,613,803	(51,376)
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	283,913	-	-	283,913	-
Total Contributions, Transfers, and Special Item	1,066,875	2,732,761	1,675,343	5,474,979	677,373
Change in Net Position	4,779,932	3,200,282	2,108,568	10,088,782	625,997
NET POSITION - Beginning of Year	68,674,366	43,198,386	40,395,745	152,268,497	4,317,924
NET POSITION - END OF YEAR	$ 73,454,298	$ 46,398,668	$ 42,504,313	$162,357,279	$ 4,943,921

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	4,722,193	1,284,827	881,281	6,888,301	889,735
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	250,709	342,931	32,045	625,685	4,301
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	(1,813,395)	(415,000)	-	(2,228,395)	141,993
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	(4,263,418)	1,059,984	(1,806,992)	(5,010,426)	(890,848)
Net Change in Cash and Cash Equivalents	(1,103,911)	2,272,742	(893,666)	275,165	145,181
CASH AND CASH EQUIVALENTS - Beginning of Year	8,864,197	6,884,500	4,891,214	20,639,911	-
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 7,760,286	$ 9,157,242	$ 3,997,548	$ 20,915,076	$ 145,181

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	$ 4,722,193	$ 1,284,827	$ 881,281	$ 6,888,301	$ 889,735
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	$ 7,760,286	$ 9,157,242	$ 3,997,548	$ 20,915,076	$ 145,181
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 Trust Fund	Agency Funds
CURRENT ASSETS		
Cash and investments	$ -	$ 34,438,705
Taxes receivable	-	11,772,681
Due from other governments	-	302,210
NONCURRENT ASSETS		
Restricted Assets		
Investments	2,679,786	-
TOTAL ASSETS	2,679,786	46,513,596
LIABILITIES		
Due to other governments	-	46,513,596
NET POSITION		
Restricted for pensions	$ 2,679,786	$ -

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	370,447
Total Additions	514,940
DEDUCTIONS	
Benefits and refunds	749,802
Investment management fees	20,452
Total Deductions	770,254
CHANGE IN NET POSITION	(255,314)
NET POSITION - Beginning of Year	2,935,100
NET POSITION - END OF YEAR	$ 2,679,786

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

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As of and for the Year Ended December 31, 2017

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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.

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.

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.

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)

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.

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.

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.

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

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.

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

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.

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.

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.

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.

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.

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

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
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.

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.

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	$ 81,715,961	$ 81,586,759	

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	34,438,705
Total Deposits and Investments	$ 81,715,961

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.

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

	December 31, 2017			
Investment Type	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	$ 3,128,148	$ 5,190,874	$ -	$ 8,319,022

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	$ 10,100,071

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.

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:

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

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.

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:

	Unearned	Unavailable
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
Total Unearned/Unavailable Revenue for Governmental Funds	$ 26,618,711	$ 757,481

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.

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
Total	$ 285,786	$ 7,329,066

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	1,660,395	-	-	1,660,395
Total Capital Assets Not Being Depreciated	43,559,873	2,301,780	2,541,016	43,320,637
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	3,620,907	744,769	28,120	4,337,556
Total Capital Assets Being Depreciated	138,014,887	10,944,278	1,939,664	147,019,501
Total Capital Assets	181,574,760	13,246,058	4,480,680	190,340,138

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	(57,620,278)	(4,941,213)	1,143,636	(61,417,855)
Net Capital Assets Being Depreciated	80,394,609	6,003,065	796,028	85,601,646
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	$123,954,482	$ 8,304,845	$ 3,337,044	$128,922,283

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	12,372
Total Governmental Activities Depreciation Expense	$ 4,941,213

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	7,643,484	3,095,233	-	10,738,717
Total Capital Assets Not Being Depreciation	9,185,358	4,554,891	673,843	13,066,406
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	44,919,518	2,478,847	92,639	47,305,726
Total Capital Assets Being Depreciated	196,299,428	10,492,716	4,106,071	202,686,073
Total Capital Assets	205,484,786	15,047,607	4,779,914	215,752,479
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	(10,143,483)	(991,026)	92,638	(11,041,871)
Total Accumulated Depreciation	(55,660,547)	(5,195,159)	1,638,369	(59,217,337)
Net Capital Assets Being Depreciated	140,638,881	5,297,557	2,467,702	143,468,736
Business-type Capital Assets, Net of Accumulated Depreciation	$149,824,239	$ 9,852,448	$ 3,141,545	$156,535,142

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	991,026
Total Business-type Activities Depreciation Expense	$ 4,943,251

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.

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	1,059,348
Total - Fund Financial Statements		8,440,867
Less: Fund eliminations		(4,461,956)
Less: Government-wide eliminations		(4,118,306)
Add: Interfund advances		(415,000)
Total Internal Balances - Government-Wide Statement of Net Position		$ (554,395)

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	$ 1,919,758
Business-type Activities	Governmental Activities	(2,474,153)
Total Government-Wide Financial Statements		$ (554,395)

All amounts are due within one year.

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	415,000	285,000
Total - Fund Financial Statements		2,535,006	
Less: Fund eliminations		(2,120,006)	
Total - Interfund Advances		$ 415,000	

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:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
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	347,260	Fund closeout
Total - Fund Financial Statements		5,293,759	
Less: Fund eliminations		(3,542,064)	
Total Transfers - Government-Wide Statement of Activities		$ 1,751,695	

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.

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	40,019,095	9,886,272	6,760,540	43,144,827	7,200,112
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	14,443,138	1,167,200	5,401,949	10,208,389	1,984,795
Total Governmental Activities Long-Term Liabilities	$ 54,462,233	$ 11,053,472	$ 12,162,489	$ 53,353,216	$ 9,184,907
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	31,349,120	5,027,547	4,283,328	32,093,339	3,032,933
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	645,856	193,140	299,144	539,852	136,511
Total Business-type Activities Long-Term Liabilities	$ 31,994,976	$ 5,220,687	$ 4,582,472	$ 32,633,191	$ 3,169,444

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.

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					$ 42,366,919

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					$ 16,470,000

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 Principal	Governmental Activities General Obligation Debt Interest	Business-type Activities General Obligation Debt Principal	Business-type Activities General Obligation Debt 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	$ 42,366,919	$ 4,569,219	$ 16,470,000	$ 4,359,341

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.

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
Sun Prairie Utilities					
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	2,900,000
Total Sun Prairie Utilities					7,440,000
Wastewater Utilities					
Revenue bonds	6/8/05	5/1/25	2.365%	15,844,256	7,546,215
Total Business-type Activities - Revenue Debt					$ 14,986,215

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt Principal	Business-type Activities Revenue Debt Interest
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	375,000	16,140
Totals	$ 14,986,215	$ 2,496,616

Capital Leases

Refer to Note III. G.

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.

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:

	Governmental Activities		
Years	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	$ 8,398,229	$ 1,135,063	$ 9,533,292

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	$ 92,056,269

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	2,763,109	-	-	2,502	2,765,611
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	510,786	133,729	1,488,642	5,152,720	7,285,877
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	-	-	-	909,372	909,372
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	3,602,423	-	679,096	-	4,281,519
Unassigned (deficit):	4,599,141	-	-	(2,526,725)	2,072,416
Total Fund Balances	$ 11,475,459	$ 133,729	$ 2,167,738	$ 3,537,869	$ 17,314,795

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	(637,124)
Total Net Investment in Capital Assets	$ 131,184,254

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	$ 1,555,688	$ 1,555,688	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.

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

	12/31/2017			
Investment Type	Level 1	Level 2	Level 3	Total
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.

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

I. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

d. Long-Term Obligations (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
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.	11,275,000	-	1,325,000	9,950,000	1,350,000
Totals	$14,635,000	$ -	$ 4,685,000	$ 9,950,000	$ 1,350,000

Debt service requirements to maturity are as follows:

	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
2023-2024	2,990,000	418,868	3,408,868
Totals	$ 9,950,000	$ 1,135,063	$ 11,085,063

e. Employee Retirement System

The CDA has no employees.

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	20

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	2,679,786
Net Pension Liability (Asset)	$ (246,408)
Fiduciary Net Position as Percentage of Total Pension Liability	110.1 %

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.

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.

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.

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)

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:

Employee Category	Employee	Employer
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.

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

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.

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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
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
Variable Fund Asset Class				
U.S Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long-term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

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.

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 calculated 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.

	2017
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	(749,802)
Net Change in Total Pension Liability	(602,649)
Total Pension Liability - Beginning	3,036,027
Total Pension Liability - Ending (a)	$ 2,433,378

NOTE IV - OTHER INFORMATION (cont.)

B. Employees' Retirement Systems (cont.)

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

	2017
Plan fiduciary net position	
Employer contributions	$ 144,493
Net investment income (loss)	370,447
Benefit payments, including refunds of member contributions	(749,802)
Administration	(20,452)
Net Change in Plan Fiduciary Net Position	(255,314)
Plan Fiduciary Net Position - Beginning	2,935,100
Plan Fiduciary Net Position - Ending (b)	$ 2,679,786
Net Position Liability (Asset) - Ending (a) - (b)	$ (246,408)
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	
Annual pension contribution	Individual aggregate
Actuarial accrued liability	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	1 year
Asset valuation method	Market value
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.

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	-	83,851
Totals	$ 17,869	$ 201,773

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	(57,422)
Totals	$ (183,904)

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.

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:

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

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.

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.

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		(3,067)
Annual OPEB cost		16,964
Contributions made		(18,273)
Decrease in Net OPEB obligation		(1,309)
Net OPEB Obligation - Beginning of Year		55,146
Net OPEB Obligation - End of Year	$	53,837

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

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		-
Unfunded Actuarial Accrued Liability (UAAL)	$	112,192
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.

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	-

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.

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			
	Original	Final	Actual	Variance with 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

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
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	1,487,219	1,487,219	1,544,218	56,999
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	1,500	1,500	9,527	8,027
Total Special Assessments	3,500	3,500	11,501	8,001
INVESTMENT INCOME				
Investment income	40,000	40,000	95,090	55,090
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	109,100	109,100	80,398	(28,702)
Total Miscellaneous	576,988	591,988	382,031	(209,957)
Total Revenues	20,567,469	20,582,469	20,850,459	267,990

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

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

Fiscal Year Ended	Proportion of the Net Pension Liability/ (Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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

Fiscal Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%

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

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

	2017	2016	2015	2014
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	(749,802)	(284,856)	(694,422)	(45,496)
Net change in total pension liability	(602,649)	(13,544)	(472,712)	96,433
Total pension liability - beginning	3,036,027	3,049,571	3,522,283	3,425,850
Total pension liability - ending (a)	$ 2,433,378	$ 3,036,027	$ 3,049,571	$3,522,283
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	(20,452)	(22,084)	(26,118)	(24,766)
Net change in plan fiduciary net position	(255,314)	118,014	(550,054)	328,277
Plan fiduciary net position - beginning	2,935,100	2,817,086	3,367,140	3,038,863
Plan fiduciary net position - ending (b)	$ 2,679,786	$ 2,935,100	$ 2,817,086	$3,367,140
Net pension liability (asset) - ending (a) - (b)	$ (246,408)	$ 100,927	$ 232,485	$ 155,143
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

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

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

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

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.

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

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

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
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	1,477,500	1,477,500	162,478	(1,315,022)
Total Revenues	1,495,003	1,495,003	370,934	(1,124,069)
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	-	128,400	67,526	60,874
Total Expenditures	9,245,003	9,901,042	5,867,539	4,033,503
Excess (deficiency) of revenues over expenditures	(7,750,000)	(8,406,039)	(5,496,605)	2,909,434
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	-	-	(119,794)	(119,794)
Total Other Financing Sources (Uses)	7,750,000	7,885,545	6,230,104	(1,655,441)
Net Change in Fund Balance	-	(520,494)	733,499	1,253,993
FUND BALANCE - Beginning	1,434,239	1,434,239	1,434,239	-
FUND BALANCE - ENDING	$ 1,434,239	$ 913,745	$ 2,167,738	$ 1,253,993

NONMAJOR GOVERNMENTAL FUNDS

CITY OF SUN PRAIRIE

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

	Special Revenue Funds				Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
	Park Improvement Fund	Wisconsin Development Fund	Transporta-tion Impact Fee Fund	Grant Funds	Library	Sun Prairie Media Center	Refuse and Recycling	Street Trees	TID No. 6	TID No. 7	TID No. 8
ASSETS											
Cash and investments	$ 1,484,617	$ 146,385	$ 3,068,502	$ -	$ 37,819	$ -	$ -	$ -	$ -	$ -	$ 7,921
Receivables											
Taxes	-	-	-	-	-	-	1,201,862	-	133,509	-	1,876,956
Accounts	77,422	-	-	19,139	1,074	100,705	196	-	4,966	-	4,597
Accrued interest	1,794	-	32	-	-	-	-	-	-	-	-
Loans	-	4,003	-	-	-	-	-	-	-	18,352	-
Delinquent special assessments	-	-	-	-	-	-	5,307	-	-	-	-
Due from other funds	-	1,347	-	388,176	337,577	277,441	320,764	246,296	31,704	-	-
Due from other governments	-	-	-	90,204	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	2,502	-	-	-	-	-
TOTAL ASSETS	$ 1,563,833	$ 151,735	$ 3,068,534	$ 497,519	$ 376,470	$ 380,648	$ 1,528,129	$ 246,296	$ 170,179	$ 18,352	$ 1,889,474
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities											
Accounts payable	$ 97,215	$ -	$ -	$ 57,712	$ 21,696	$ 2,360	$ 18,148	$ 9,840	$ -	$ -	$ -
Accrued liabilities	-	-	-	1,117	22,085	5,563	48	-	-	-	-
Deposits	5,000	-	-	-	-	-	-	-	-	-	-
Due to other funds	8,696	-	568,013	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	415,000	-	1,195,306
Total Liabilities	110,911	-	568,013	58,829	43,781	7,923	18,196	9,840	415,000	-	1,195,306
Deferred Inflows of Resources											
Unearned revenues	-	-	-	-	-	-	1,201,875	-	133,509	-	1,877,463
Unavailable revenues	79,216	4,003	32	90,204	-	-	5,365	-	4,966	18,352	1,347
Total Deferred Inflows of Resources	79,216	4,003	32	90,204	-	-	1,207,240	-	138,475	18,352	1,878,810
Fund Balances (Deficit)											
Nonspendable	-	-	-	-	-	2,502	-	-	-	-	-
Restricted	1,373,706	147,732	2,500,489	348,486	332,689	-	-	-	-	-	-
Committed	-	-	-	-	-	370,223	302,693	236,456	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	(383,296)	-	(1,184,642)
Total Fund Balances (deficit)	1,373,706	147,732	2,500,489	348,486	332,689	372,725	302,693	236,456	(383,296)	-	(1,184,642)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,563,833	$ 151,735	$ 3,068,534	$ 497,519	$ 376,470	$ 380,648	$ 1,528,129	$ 246,296	$ 170,179	$ 18,352	$ 1,889,474

CITY OF SUN PRAIRIE

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

	Capital Projects Funds				Capital Projects Funds	Permanent Funds		
	TID No. 9	TID No. 11	TID No. 12	TID No. 13	Development Projects	Ashley Trust Fund	Library Trust Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and investments	$ 44,129	$ -	$ 81,387	$ -	$ -	$ 1,000	$ 448,618	$ 5,320,378
Receivables								
Taxes	1,057,068	119,610	52,917	-	-	-	-	4,441,922
Accounts	-	-	-	-	377,133	-	-	585,232
Accrued interest	-	-	-	-	-	-	-	1,826
Loans	-	-	-	-	-	-	-	22,355
Delinquent special assessments	-	-	-	-	-	-	-	5,307
Due from other funds	-	-	-	-	-	-	-	1,603,305
Due from other governments	-	-	-	-	-	-	-	90,204
Prepaid items	-	-	-	-	-	-	-	2,502
TOTAL ASSETS	$ 1,101,197	$ 119,610	$ 134,304	$ -	$ 377,133	$ 1,000	$ 448,618	$ 12,073,031
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ 971	$ -	$ -	$ 51,538	$ -	$ -	$ 259,480
Accrued liabilities	-	-	-	-	-	-	-	28,813
Deposits	-	-	-	-	43,312	-	-	48,312
Due to other funds	-	-	-	-	265,916	-	-	842,625
Advances from other funds	686,901	94,348	92,410	51,041	-	-	-	2,535,006
Total Liabilities	686,901	95,319	92,410	51,041	360,766	-	-	3,714,236
Deferred Inflows of Resources								
Unearned revenues	1,057,068	119,610	52,917	-	-	-	-	4,442,442
Unavailable revenues	-	-	-	-	174,999	-	-	378,484
Total Deferred Inflows of Resources	1,057,068	119,610	52,917	-	174,999	-	-	4,820,926
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	-	-	-	2,502
Restricted	-	-	-	-	-	1,000	448,618	5,152,720
Committed	-	-	-	-	-	-	-	909,372
Unassigned (deficit)	(642,772)	(95,319)	(11,023)	(51,041)	(158,632)	-	-	(2,526,725)
Total Fund Balances (deficit)	(642,772)	(95,319)	(11,023)	(51,041)	(158,632)	1,000	448,618	3,537,869
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,101,197	$ 119,610	$ 134,304	$ -	$ 377,133	$ 1,000	$ 448,618	$ 12,073,031

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				Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
	Park Improvement Fund	Wisconsin Development Fund	Transporta-tion Impact Fee Fund	Grant Funds	Library	Sun Prairie Media Center	Refuse and Recycling	Street Trees	TID No. 6	TID No. 7	TID No. 8
REVENUES											
Taxes	$ -	$ -	$ -	$ 74,009	$ -	$ -	$ -	$ -	$ 139,198	$ 983,771	$ 1,757,962
Intergovernmental	-	-	-	526,141	456,653	-	47,410	-	812	30,313	33,274
Licenses and permits	46,158	-	-	-	-	372,968	-	-	-	-	-
Public charges for services	783,668	-	1,033,932	224,229	49,814	-	1,216,403	122,505	-	-	28,079
Special assessments	-	-	-	-	-	-	3,570	-	-	-	-
Investment income	6,856	1,831	18,647	1,510	1,691	1,061	7,991	888	-	2,380	16
Miscellaneous	547	15,496	-	12,939	59,162	37,563	29,631	1,599	23,754	49	3,148
Total Revenues	837,229	17,327	1,052,579	838,828	567,320	411,592	1,305,005	124,992	163,764	1,016,513	1,822,479
EXPENDITURES											
Current											
Public safety	-	-	-	21,736	-	-	-	-	-	-	-
Public works	-	-	-	817,689	-	-	1,243,122	-	-	-	1,678
Culture, recreation and education	319,201	-	-	1,600	1,991,597	410,479	-	-	-	-	-
Conservation and development	-	-	-	51,427	-	-	-	30,486	-	274,000	-
Capital Outlay	-	-	-	-	-	-	-	-	4,273	736,425	183,859
Debt Service											
Principal	-	-	-	-	-	-	-	-	424,750	2,231,778	1,455,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	10,923	57,885	231,672
Total Expenditures	319,201	-	-	892,452	1,991,597	410,479	1,243,122	30,486	439,946	3,300,088	1,872,209
Excess (deficiency) of revenues over expenditures	518,028	17,327	1,052,579	(53,624)	(1,424,277)	1,113	61,883	94,506	(276,182)	(2,283,575)	(49,730)
OTHER FINANCING SOURCES (USES)											
Sale of property	-	-	-	-	-	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in	9,248	-	-	249,647	1,679,217	-	14,933	-	-	-	-
Transfers out	(77,476)	-	(849,576)	-	-	-	-	-	(400)	(352,234)	(8,629)
Total Other Financing Sources (Uses)	(68,228)	-	(849,576)	249,647	1,679,217	-	14,933	-	(400)	(352,234)	(8,629)
Net Change in Fund Balances	449,800	17,327	203,003	196,023	254,940	1,113	76,816	94,506	(276,582)	(2,635,809)	(58,359)
FUND BALANCES (DEFICIT) - Beginning of Year	923,906	130,405	2,297,486	152,463	77,749	371,612	225,877	141,950	(106,714)	2,635,809	(1,126,283)
FUND BALANCES (DEFICIT) - END OF YEAR	$ 1,373,706	$ 147,732	$ 2,500,489	$ 348,486	$ 332,689	$ 372,725	$ 302,693	$ 236,456	$ (383,296)	$ -	$ (1,184,642)

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				Capital Projects Funds	Permanent Funds		
	TID No. 9	TID No. 11	TID No. 12	TID No. 13	Development Projects	Ashley Trust Fund	Library Trust Fund	Total Nonmajor Governmental Funds
REVENUES								
Taxes	$ 970,519	$ 50,668	$ -	$ -	$ -	$ -	$ -	$ 3,976,127
Intergovernmental	31,189	3,112	-	-	-	-	-	1,128,904
Licenses and permits	-	-	-	-	-	-	-	419,126
Public charges for services	-	-	-	-	556,994	-	-	4,015,624
Special assessments	-	-	-	-	-	-	-	3,570
Investment income	-	-	627	-	-	-	60,800	104,298
Miscellaneous	96	39	8,715	-	504	-	-	193,242
Total Revenues	1,001,804	53,819	9,342	-	557,498	-	60,800	9,840,891
EXPENDITURES								
Current								
Public safety	-	-	-	-	-	-	-	21,736
Public works	-	-	-	-	616,267	-	-	2,678,756
Culture, recreation and education	-	-	-	-	-	-	20,756	2,743,633
Conservation and development	603,000	-	3,949,496	21,996	-	-	-	4,930,405
Capital Outlay	20,576	59,610	-	29,045	-	-	-	1,033,788
Debt Service								
Principal	235,000	-	20,000	-	-	-	-	4,366,528
Interest and fiscal charges	159,725	-	4,911	-	-	-	-	465,116
Total Expenditures	1,018,301	59,610	3,974,407	51,041	616,267	-	20,756	16,239,962
Excess (deficiency) of revenues over expenditures	(16,497)	(5,791)	(3,965,065)	(51,041)	(58,769)	-	40,044	(6,399,071)
OTHER FINANCING SOURCES (USES)								
Sale of property	300,000	-	-	-	-	-	-	300,000
Long-term debt issued	-	-	3,904,536	-	-	-	-	3,904,536
Transfers in	-	-	-	-	-	-	-	1,953,045
Transfers out	(41,146)	(11,173)	(5,964)	-	-	-	-	(1,346,598)
Total Other Financing Sources (Uses)	258,854	(11,173)	3,898,572	-	-	-	-	4,810,983
Net Change in Fund Balances	242,357	(16,964)	(66,493)	(51,041)	(58,769)	-	40,044	(1,588,088)
FUND BALANCES (DEFICIT) - Beginning of Year	(885,129)	(78,355)	55,470	-	(99,863)	1,000	408,574	5,125,957
FUND BALANCES (DEFICIT) - END OF YEAR	$ (642,772)	$ (95,319)	$ (11,023)	$ (51,041)	$ (158,632)	$ 1,000	$ 448,618	$ 3,537,869

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
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	117,000	134,800	837,229	702,429
EXPENDITURES				
Current				
Culture, recreation, and education	38,000	539,396	319,201	220,195
Total Expenditures	38,000	539,396	319,201	220,195
Excess (deficiency) of revenues over expenditures	79,000	(404,596)	518,028	922,624
OTHER FINANCING SOURCES (USES)				
Transfers in	9,248	9,248	9,248	-
Transfers out	(84,288)	(84,288)	(77,476)	6,812
Total Other Financing Sources (Uses)	(75,040)	(75,040)	(68,228)	6,812
Net Change in Fund Balance	3,960	(479,636)	449,800	929,436
FUND BALANCE - Beginning	923,906	923,906	923,906	-
FUND BALANCE - ENDING	$ 927,866	$ 444,270	$ 1,373,706	$ 929,436

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

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

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

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

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
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	752,094	759,094	838,828	79,734
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	1,022,744	1,035,744	892,452	143,292
Excess (deficiency) of revenues over expenditures	(270,650)	(276,650)	(53,624)	223,026
OTHER FINANCING SOURCES				
Transfers in	282,866	282,866	249,647	(33,219)
Total Other Financing Sources	282,866	282,866	249,647	(33,219)
Net Change in Fund Balance	12,216	6,216	196,023	189,807
FUND BALANCE - Beginning	152,463	152,463	152,463	-
FUND BALANCE - ENDING	$ 164,679	$ 158,679	$ 348,486	$ 189,807

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
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	17,536	17,536	59,162	41,626
Total Revenues	518,391	518,391	567,320	48,929
EXPENDITURES				
Current				
Culture, recreation, and education	2,061,212	2,061,212	1,991,597	69,615
Total Expenditures	2,061,212	2,061,212	1,991,597	69,615
Excess (deficiency) of revenues over expenditures	(1,542,821)	(1,542,821)	(1,424,277)	118,544
OTHER FINANCING SOURCES				
Transfers in	1,422,740	-	1,679,217	1,679,217
Total Other Financing Sources	1,422,740	-	1,679,217	1,679,217
Net Change in Fund Balance	(120,081)	(1,542,821)	254,940	1,797,761
FUND BALANCE - Beginning	77,749	77,749	77,749	-
FUND BALANCE - ENDING	$ (42,332)	$ (1,465,072)	$ 332,689	$ 1,797,761

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

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

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
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	1,270,813	1,270,813	1,305,005	34,192
EXPENDITURES				
Current				
Public works	1,315,746	1,315,746	1,243,122	72,624
Total Expenditures	1,315,746	1,315,746	1,243,122	72,624
Excess (deficiency) of revenues over expenditures	(44,933)	(44,933)	61,883	106,816
OTHER FINANCING SOURCES				
Transfers in	14,933	14,933	14,933	-
Net Change in Fund Balance	(30,000)	(30,000)	76,816	106,816
FUND BALANCE - Beginning	225,877	225,877	225,877	-
FUND BALANCE - ENDING	$ 195,877	$ 195,877	$ 302,693	$ 106,816

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

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

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 132,837	$ 132,837	$ 139,198	$ 6,361
Intergovernmental	1,000	1,000	812	(188)
Miscellaneous	29,471	29,471	23,754	(5,717)
Total Revenues	163,308	163,308	163,764	456
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	19,236	19,236	10,923	8,313
Total Expenditures	163,645	163,645	439,946	(276,301)
Excess (deficiency) of revenues over expenditures	(337)	(337)	(276,182)	(275,845)
OTHER FINANCING USES				
Transfers out	-	-	(400)	(400)
Net Change in Fund Balance	(337)	(337)	(276,582)	(276,245)
FUND BALANCE (DEFICIT) - Beginning	(106,714)	(106,714)	(106,714)	-
FUND BALANCE (DEFICIT) - ENDING	$ (107,051)	$ (107,051)	$ (383,296)	$ (276,245)

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
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	980,816	980,816	1,016,513	35,697
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	107,760	107,760	57,885	49,875
Total Expenditures	928,214	928,214	3,300,088	(2,371,874)
Excess (deficiency) of revenues over expenditures	52,602	52,602	(2,283,575)	(2,336,177)
OTHER FINANCING USES				
Transfers out	(3,938)	(3,938)	(352,234)	(348,296)
Net Change in Fund Balance	48,664	48,664	(2,635,809)	(2,684,473)
FUND BALANCE - Beginning	2,635,809	2,635,809	2,635,809	-
FUND BALANCE - ENDING	$ 2,684,473	$ 2,684,473	$ -	$ (2,684,473)

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
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	1,718,629	1,718,629	1,822,479	103,850
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	262,377	262,377	231,672	30,705
Total Expenditures	1,907,341	1,907,341	1,872,209	35,132
Excess (deficiency) of revenues over expenditures	(188,712)	(188,712)	(49,730)	138,982
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,937)	(3,937)	(8,629)	(4,692)
Total Other Financing Sources (Uses)	(3,937)	(3,937)	(8,629)	(4,692)
Net Change in Fund Balance	(192,649)	(192,649)	(58,359)	134,290
FUND BALANCE (DEFICIT) - Beginning	(1,126,283)	(1,126,283)	(1,126,283)	-
FUND BALANCE (DEFICIT) - ENDING	$ (1,318,932)	$ (1,318,932)	$ (1,184,642)	$ 134,290

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

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

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

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

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			Variance with
	Original	Final	Actual	Final Budget
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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
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

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

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			Variance with
	Original	Final	Actual	Final Budget
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	14,092,894	11,772,681	14,092,894	11,772,681
TOTAL ASSETS	$ 43,675,115	$46,211,386	$43,675,115	$ 46,211,386
Liabilities				
Due to other governments	$ 43,675,115	$46,211,386	$43,675,115	$ 46,211,386
TOTAL LIABILITIES	$ 43,675,115	$46,211,386	$43,675,115	$ 46,211,386
MPSISC				
Assets				
Cash and investments	$ 217,837	$ -	$ 217,837	$ -
Due from other governments	142,861	159,349	-	302,210
TOTAL ASSETS	$ 360,698	$ 159,349	$ 217,837	$ 302,210
Liabilities				
Due to other governments	$ 360,698	$ -	$ 58,488	$ 302,210
TOTAL LIABILITIES	$ 360,698	$ -	$ 58,488	$ 302,210
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	142,861	159,349	-	302,210
TOTAL ASSETS	$ 44,035,813	$46,370,735	$43,892,952	$ 46,513,596
Liabilities				
Due to other governments	$ 44,035,813	$46,211,386	$43,733,603	$ 46,513,596
TOTAL LIABILITIES	$ 44,035,813	$46,211,386	$43,733,603	$ 46,513,596

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	3,963,568
Net Cash Flows From Capital and Related Financing Activities	(853,918)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	263,096
Net Change in Cash and Cash Equivalents	(590,822)
CASH AND CASH EQUIVALENTS - Beginning of Year	2,146,510
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,555,688
NONCASH ACTIVITIES	
Amortization of deferred charge on debt	$ 81,921

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.

Contents

	Page
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.	119 – 124
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.	129 – 134
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.	135 – 137
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.	138

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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)	5,049,968	1,815,833	(5,401,666)	(6,985,148)	(9,936,972)	(4,684,083)	(8,632,515)	(5,756,470)	(6,534,870)	(5,552,769)
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)	26,682,513	22,949,218	19,261,881	18,264,906	18,035,454	14,966,284	14,391,500	12,672,275	11,381,637	12,118,004
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)	31,732,481	24,765,051	13,860,215	11,279,758	8,098,482	10,282,201	5,758,985	6,915,805	4,846,767	6,565,235
Total primary government activities net position	265,300,513	243,068,950	$ 232,058,204	$ 215,654,888	$ 205,174,470	$ 199,294,373	$ 186,733,252	$ 181,187,748	$ 177,996,003	$ 176,444,578

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

PRIMARY GOVERNMENT	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	32,369,263	30,663,866	$ 25,676,991	$ 29,501,590	$ 28,010,789	$ 26,923,526	$ 29,895,404	$ 28,680,683	$ 30,217,103	$ 29,083,231
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	34,532,666	34,135,243	$ 32,958,516	$ 32,735,283	$ 31,940,615	$ 30,951,376	$ 29,970,312	$ 29,276,398	$ 26,197,774	$ 26,244,871
Total primary government expenses	$ 66,901,929	$ 64,799,109	$ 58,635,507	$ 62,236,873	$ 59,951,404	$ 57,874,902	$ 59,865,716	$ 57,957,081	$ 56,414,877	$ 55,328,102
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	$ 15,100,847	$ 9,599,366	$ 11,144,687	$ 9,253,399	$ 6,583,362	$ 11,428,267	$ 6,593,341	$ 5,926,120	$ 5,754,326	$ 6,901,591
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	44,973,395	39,283,417	$ 38,911,980	$ 37,749,651	$ 34,790,488	$ 34,336,018	$ 33,743,278	$ 30,403,655	$ 27,137,367	$ 28,608,154
Total primary government program revenues	$ 60,074,242	$ 48,882,783	$ 50,056,667	$ 47,003,050	$ 41,373,850	$ 45,764,285	$ 40,336,619	$ 36,329,775	$ 32,891,693	$ 35,509,745

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

PRIMARY GOVERNMENT	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	$ (6,827,687)	$ (15,916,326)	$ (8,578,840)	$ (15,233,823)	$ (18,577,554)	$ (12,110,617)	$ (19,529,097)	$ (21,627,306)	$ (23,523,184)	$ (19,818,357)
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	$ 29,411,197	$ 27,783,909	$ 26,086,904	$ 26,093,339	$ 25,284,221	$ 25,479,629	$ 25,191,056	$ 24,523,315	$ 22,439,332	$ 24,612,419
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	$ (351,947)	$ (856,840)	$ (949,605)	$ (379,098)	$ (826,570)	$ (807,891)	$ (116,455)	$ 295,736	$ 2,635,277	$ 634,183
Total primary government general revenue	$ 29,059,250	$ 26,927,069	$ 25,137,299	$ 25,714,241	$ 24,457,651	$ 24,671,738	$ 25,074,601	$ 24,819,051	$ 25,074,609	$ 25,246,602
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	$ 22,231,563	$ 11,010,743	$ 16,558,459	$ 10,480,418	$ 5,880,097	$ 12,561,121	$ 5,545,504	$ 3,191,745	$ 1,551,425	$ 5,428,245

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	$ 11,475,459	$ 11,177,539	$ 10,529,670	$ 9,494,372	$ 8,960,627	$ 8,627,161	$ 7,211,599	$ 6,719,122	$ 6,682,540	$ 6,703,270
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	$ 5,839,336	$ 6,570,919	$ 4,904,751	$ 4,658,112	$ 9,242,489	$ 6,233,459	$ 4,117,806	$ 9,750,896	$ 8,381,371	$ 12,895,051

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)

	2017	2016	2015	2014	2013	2012
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	37,724,648	33,875,133	33,539,030	32,172,200	29,965,907	30,894,262
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	49,080,367	38,563,547	36,599,661	55,130,782	33,873,002	39,000,444
Excess (deficiency) of revenues over expenditures	(11,355,719)	(4,688,414)	(3,060,631)	(22,958,582)	(3,907,095)	(8,106,182)
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)	10,922,056	7,002,451	4,342,568	21,337,272	7,249,591	11,637,397
Net change in fund balances	(433,663)	2,314,037	1,281,937	(1,621,310)	3,342,496	3,531,215
Ratio of total debt service expenditures to total noncapital expenditures*	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)

	2011	2010	2009	2008
Revenues				
Taxes	21,787,728	21,516,604	21,224,675	20,286,661
Intergovernmental	4,648,414	4,682,143	4,801,502	4,305,881
Licenses and permits	695,076	567,365	645,024	815,120
Fines, forfeitures, and penalties	182,241	180,286	173,933	150,276
Public charges for services	2,646,705	1,722,939	1,999,866	2,634,543
Special assessments	49,836	32,264	61,720	61,441
Investment income	86,692	133,587	462,499	684,965
Miscellaneous	705,889	759,635	924,472	871,289
Total Revenues	30,802,581	29,594,823	30,293,691	29,810,176
Expenditures				
Current				
General government	4,016,718	3,861,624	4,152,341	4,073,516
Public safety	8,674,597	8,872,437	9,105,763	8,819,378
Public works	5,230,598	4,832,927	4,801,280	5,161,448
Health and human services	-	-	-	-
Culture, recreation, and education	3,776,128	3,661,678	3,702,777	3,846,903
Conservation and development	654,263	617,861	628,412	629,482
Capital outlay	2,790,721	2,914,804	12,837,935	2,526,138
Debt service				
Principal	9,447,810	6,341,267	9,274,495	8,641,168
Interest and fiscal charges	2,875,571	3,157,940	3,297,302	3,427,436
Total expenditures	37,466,406	34,260,538	47,800,305	37,125,469
Excess (deficiency) of revenues over expenditures	(6,663,825)	(4,665,715)	(17,506,614)	(7,315,293)
Other financing sources				
Sale of property	31,000	-	30,724	4,399,697
Long-term debt issued	-	4,700,000	11,629,116	5,500,000
Refunding Debt Issued				
Capital leases issued	-	-	6,300,000	-
Payments to escrow agent	-	-	(6,083,907)	-
Premium on debt issued	-	-	8,794	11,645
Debt issuance costs	-	(16,851)	(130,060)	(99,262)
Transfers in	2,252,060	1,536,486	1,619,306	1,618,283
Transfers out	(759,848)	(147,813)	(401,769)	(489,617)
Total other financing sources (uses)	1,523,212	6,071,822	12,972,204	10,940,746
Net change in fund balances	(5,140,613)	1,406,107	(4,534,410)	3,625,453
Ratio of total debt service expenditures to total noncapital expenditures*	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)

		City Direct Rates						Overlapping Rates					
Levy Year	Budget Year	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	Net Tax Rate
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

	2017			2008		
Taxpayer	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	$ 232,145,400		7.71%	$ 238,105,500		9.29%

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

			Collected within the Fiscal Year of the Levy			Total Collections to Date[1]	
Levy Year	Budget Year	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections of the Levy in Subsequent Years	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

	Governmental Activities			Business-Type Activities					
Fiscal Year	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	Total Primary Government	Percentage of Personal Income	Per Capita
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	256,432,840	4.91%	12,590,852
Total Overlapping Debt	704,307,257		154,483,990
Total Direct and Overlapping Debt	$ 764,444,562		$ 214,621,295

[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

	Sun Prairie[1]		Per Capita Personal Income[1]			Unemployment Rates[2]		
Year	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

	2017			2009		
Taxpayer	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	4,424		22.30%	4,118		24.63%

Source: City Economic Development Division

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

	Full Time Equivalent Employees									
Function/ program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

February 7, 2019

Re: City of Sun Prairie, Wisconsin ("Issuer")
$2,735,000* General Obligation Refunding Bonds, Series 2019B,
dated February 7, 2019 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount*	Interest Rate
2023	$ 60,000	___%
2024	260,000	___
2025	265,000	___
2026	275,000	___
2027	285,000	___
2028	295,000	___
2029	305,000	___
2030	320,000	___
2031	330,000	___
2032	340,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on October 1, 2019.

The Bonds maturing on April 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

* Preliminary, subject to change.

[The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the resolution awarding the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Sun Prairie, Dane County, Wisconsin (the "Issuer") in connection with the issuance of $2,735,000* General Obligation Refunding Bonds, Series 2019B, dated February 7, 2019 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on January 15, 2019 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated January 16, 2019 delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

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* Preliminary, subject to change.

"Issuer" means the City of Sun Prairie, Dane County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Director of Administrative Services of the Issuer who can be contacted at 300 East Main Street, Sun Prairie, Wisconsin, 53590, phone (608) 825-1192, fax (608) 834-4302.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2018, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - DIRECT DEBT
2. DEBT - DEBT LIMIT
3. VALUATIONS - CURRENT PROPERTY VALUATIONS
4. TAX LEVIES AND COLLECTIONS - TAX LEVIES AND COLLECTIONS

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 7th day of February, 2019.

_____
Paul T. Esser
Mayor

(SEAL)

_____
Elena Hilby
City Clerk

APPENDIX E

NOTICE OF SALE

$2,735,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B
CITY OF SUN PRAIRIE, WISCONSIN

Bids for the purchase of $2,735,000* General Obligation Refunding Bonds, Series 2019B (the "Bonds") of the City of Sun Prairie, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on January 15, 2019, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of refunding certain obligations of the City. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated February 7, 2019, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	$60,000	2027	$285,000	2031	$330,000
2024	260,000	2028	295,000	2032	340,000
2025	265,000	2029	305,000		
2026	275,000	2030	320,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on April 1 and October 1 of each year, commencing October 1, 2019, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a

business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City may designate a City officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after April 1, 2029 shall be subject to optional redemption prior to maturity on April 1, 2028 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about February 7, 2019, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the

Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B to the Preliminary Official Statement.)

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than $2,700,812, nor more than $2,899,100, plus accrued interest on the principal sum of $2,735,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or

3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $54,700 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers and Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NOT-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

CONTINUING DISCLOSURE

In order to assist the underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) <u>If all of the requirements of a "competitive sale" are not satisfied and the bidder selects the hold-the-offering-price rule</u>, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) <u>If all of the requirements of a "competitive sale" are not satisfied and the bidder selects the 10% test</u>, the bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Connie DeKemper, Director of Administrative Services
City of Sun Prairie, Wisconsin

BID FORM

The Common Council **January 15, 2019**
City of Sun Prairie, Wisconsin

RE: $2,735,000* General Obligation Refunding Bonds, Series 2019B
DATED: February 7, 2019

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $_____ (not less than $2,700,812, nor more than $2,899,100) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2023	_____	% due	2027	_____	% due	2031
_____	% due	2024	_____	% due	2028	_____	% due	2032
_____	% due	2025	_____	% due	2029			
_____	% due	2026	_____	% due	2030			

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our Deposit in the amount of $54,700, to be held by the City pending delivery and payment. Alternatively, if we are the winning bidder, we will wire our Deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers and Associates Good Faith Account No. 3208138.** Such Deposit shall be received by Ehlers and Associates no later than two hours after the bid opening time. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the Deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about February 7, 2019.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an Underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are <u>not</u> met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from February 7, 2019 of the above bid is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Sun Prairie, Wisconsin, on January 15, 2019.

By: _____ By: _____

Title: _____ Title: _____