PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 17, 2026

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; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). 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 Bonds shall not be "qualified tax-exempt obligations".

New Issue **Rating: Moody's Ratings "A1"**

CITY OF SUN PRAIRIE, WISCONSIN
(Dane County)

$9,675,000* WATER AND LIGHT UTILITY REVENUE BONDS, SERIES 2026B

BID OPENING: September 24, 2026, 10:00 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on September 24, 2026 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $9,675,000* Water and Light Utility Revenue Bonds, Series 2026B (the "Bonds") are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City of Sun Prairie, Wisconsin (the "City"), to provide funds for the public purpose of financing additions, improvements and extensions to the City's Water and Light Utility (the "Utility System") including water main replacements, construction of a new well house, replacement of voltage regulators and acquisition of a crane and digger derrick. The Bonds are not general obligations of the City but are payable only from and secured by a pledge of the net revenue of the Utility System. The Bonds are being issued on a parity with the City's outstanding Water and Light Utility Revenue Bonds, Series 2012A, dated November 15, 2012, the Water and Light Utility Revenue Bonds, Series 2014, dated June 16, 2014, the Water and Light Utility Revenue Bonds, Series 2021A, dated February 10, 2021 and the Water and Light Utility Revenue Bonds, Series 2024B, dated August 8, 2024. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: October 15, 2026

MATURITY: April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$390,000	2034	$470,000	2041	$515,000
2028	385,000	2035	490,000	2042	535,000
2029	400,000	2036	510,000	2043	560,000
2030	410,000	2037	435,000	2044	590,000
2031	425,000	2038	450,000	2045	615,000
2032	440,000	2039	470,000	2046	640,000
2033	460,000	2040	485,000		

***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, up to a maximum of $365,000 per maturity or mandatory redemption amount. 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: April 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on April 1, 2036 and thereafter are subject to call for prior optional redemption on April 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: $9,578,250.00.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $193,500 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND 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).

This Preliminary 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. Under no circumstances 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 be unlawful 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 and completion 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 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 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 Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). 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 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 to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery 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 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 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 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 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 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 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 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
Steve C. Stocker	Mayor	April 2027
Rex Owens	Council President	April 2028
Bill Baker	Alderman	April 2027
Cheryl Batterman	Alderman	April 2028
Emily Comstock	Alderman	April 2027
Maureen Crombie	Alderman	April 2028
Casey Drengler	Alderman	April 2027
Mike Jacobs	Alderman	April 2027
Santiago Rosas	Alderman	April 2028

ADMINISTRATION

Aaron Oppenheimer, City Administrator
Renee Schwass, Finance Director
Elena Hilby, City Clerk
Suelena Lee, Treasurer
Kathleen McDaniel, City Attorney

PROFESSIONAL SERVICES

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

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(*Other office located in Minneapolis, Minnesota*)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Sun Prairie, Wisconsin (the "City") and the issuance of its $9,675,000* Water and Light Utility Revenue Bonds, Series 2026B (the "Bonds"). **The Common Council adopted a resolution on August 18, 2026 (the "Parameters Resolution"), which authorizes the Finance Director or the City Administrator to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on September 24, 2026, neither the Finance Director nor the City Administrator will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.**

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 Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link 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 October 15, 2026. The Bonds will mature on April 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2027, 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"). 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 Parameters Resolution.

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. 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, 2036 shall be subject to optional redemption prior to maturity on April 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*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 66.0621, Wisconsin Statutes, by the City, to provide funds for the public purpose of financing additions, improvements and extensions to the City's Water and Light Utility (the "Utility System") including water main replacements, construction of a new well house, replacement of voltage regulators and acquisition of a crane and digger derrick.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$9,675,000	
Transfers from Prior Issue Debt Service Reserve Funds (DSR)	2,846,618	
Estimated Interest Earnings	131,694	
Total Sources		**$12,653,312**
Uses		
Estimated Underwriter's Discount	$120,938	
Costs of Issuance	145,950	
Deposit to Debt Service Reserve Fund (DSRF)	3,602,572	
Deposit to Project Construction Fund	8,779,632	
Rounding Amount	4,220	
Total Uses		**$12,653,312**

*Preliminary, subject to change.

SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the resolution adopted on July 21, 1992, as previously supplemented and further supplemented by the Parameters Resolution, the form of which is attached hereto as APPENDIX E.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY BUT ARE payable from and secured by a pledge of the net revenue of the Utility System.

The City pledges a first lien on the net revenues of the Utility System for payment of principal of and interest on the Bonds after payment of operation and maintenance expenses. Such pledge is on a parity with the pledge granted to the owners of the City's outstanding Water and Light Utility Revenue Bonds, Series 2012A, dated November 15, 2012, the Water and Light Utility Revenue Bonds, Series 2014, dated June 16, 2014, the Water and Light Utility Revenue Bonds, Series 2021A, dated February 10, 2021 and the Water and Light Utility Revenue Bonds, Series 2024B, dated August 8, 2024 (collectively, the "Prior Bonds").

Rate Covenant: The City covenants to establish, charge and collect such lawfully established rates and charges for the services provided by the Utility System so that net revenues (i.e. gross revenues derived from said rates and charges less all costs of operation and maintenance, including the wholesale purchase of power and payments to WPPI, but exclusive of debt service, depreciation, or local tax equivalents) will be sufficient for payment of the bonds payable from the Utility System each year, and will make all good faith efforts so that net revenues will be at least 1.10 times the amount of principal and interest coming due on all outstanding bonds payable from the income and revenues of the Utility System each year.

Additional Bonds Test: The City reserves the right and privilege to issue additional revenue bonds, from time to time, payable from Utility System revenues and ranking on a parity with any outstanding Utility System revenue bonds. Before such additional parity bonds are issued, the City must demonstrate that, among other things, the net revenues of the Utility System during the fiscal year next preceding the issuance of such additional revenue bonds were equal to at least 1.10 times the highest combined annual amount that will be required for principal and interest on all outstanding bonds and the bonds then proposed to be issued for any succeeding fiscal year in which there will be a principal maturing on such bonds, provided that if the City has revised rates, then net revenues assuming such rates, as certified by an independent consulting engineer or certified public accountant, rather than actual rates, may be used. Additional parity bonds may also be issued for the purpose of refunding any bonds maturing for the payment of which there are insufficient moneys in the special redemption funds.

Service to City: The City is to pay the reasonable cost and value of any services rendered to the City by the Utility System in an amount which, together with other revenues of the Utility System, will produce net revenues not less than 1.10 times the annual debt service requirements on the Prior Bonds, Bonds and any parity bonds then outstanding. Such payment by the City is subject to annual appropriation by the Common Council and other conditions set forth in the Parameters Resolution, as supplemented.

Bond Reserve Account: The City covenants to establish and maintain a Reserve Account in an amount equal to an amount which at no time exceeds the lesser of (a) maximum annual debt service on the outstanding Prior Bonds, Bonds and any outstanding parity bonds; or (b) 125% of average annual debt service on the outstanding Prior Bonds, Bonds and any outstanding parity bonds. Upon issuance of the Bonds, an amount necessary to make the amount on deposit in the Reserve Account equal to the reserve requirement will be deposited in the Reserve Account.

UTILITY SYSTEM REVENUE DEBT OUTSTANDING

All outstanding Utility System revenue debt of the City is listed on the following page. The debt service coverage ratios included on this page are calculated using 2025 net revenues. No guarantee can be given that the net revenues in future years will be the same as the net revenues in 2025, and future net revenues may be materially different.

HISTORIC UTILITY SYSTEM DEBT SERVICE COVERAGES

The exhibit on Page 5 presents the three-year historic debt service coverages of the Utility System.

City of Sun Prairie, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water and Light Utility Revenues
(As of 10/15/2026)

	Water and Light Utility Revenue Bonds Series 2012A		Water and Light Utility Revenue Bonds Series 2014		Water and Light Utility Revenue Bonds Series 2021A		Water and Light Utility Revenue Bonds Series 2024B		Water and Light Utility Revenue Bonds Series 2026B								
Dated	11/15/2012		06/16/2014		02/10/2021		08/08/2024		10/15/2026								
Amount	$2,800,000		$3,200,000		$6,300,000		$25,755,000		$9,675,000*								
Maturity	04/01		04/01		04/01		04/01		04/01								
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**	**Coverage**
2027	160,000	28,293	175,000	52,646	285,000	100,656	880,000	1,132,100	390,000	362,933	1,890,000	1,676,628	3,566,628	40,190,000	4.49%	**2027**	**3.02**
2028	165,000	23,864	175,000	46,412	300,000	88,956	925,000	1,086,975	385,000	365,717	1,950,000	1,611,923	3,561,923	38,240,000	9.13%	**2028**	**3.03**
2029	170,000	19,173	175,000	39,959	305,000	76,856	980,000	1,039,350	400,000	353,134	2,030,000	1,528,471	3,558,471	36,210,000	13.95%	**2029**	**3.03**
2030	175,000	14,125	175,000	33,396	320,000	69,156	1,025,000	989,225	410,000	339,869	2,105,000	1,445,771	3,550,771	34,105,000	18.95%	**2030**	**3.04**
2031	180,000	8,710	175,000	26,615	320,000	65,756	1,080,000	936,600	425,000	325,900	2,180,000	1,363,581	3,543,581	31,925,000	24.13%	**2031**	**3.04**
2032	185,000	2,960	175,000	19,528	325,000	61,925	1,135,000	881,225	440,000	311,084	2,260,000	1,276,722	3,536,722	29,665,000	29.50%	**2032**	**3.05**
2033			185,000	12,055	325,000	57,659	1,190,000	823,100	460,000	295,376	2,160,000	1,188,190	3,348,190	27,505,000	34.64%	**2033**	**3.22**
2034			190,000	4,085	335,000	52,913	1,255,000	761,975	470,000	278,891	2,250,000	1,097,863	3,347,863	25,255,000	39.98%	**2034**	**3.22**
2035					340,000	47,000	1,320,000	697,600	490,000	261,534	2,150,000	1,006,134	3,156,134	23,105,000	45.09%	**2035**	**3.42**
2036					345,000	40,150	1,385,000	629,975	510,000	243,005	2,240,000	913,130	3,153,130	20,865,000	50.42%	**2036**	**3.42**
2037					350,000	33,200	1,455,000	558,975	435,000	225,068	2,240,000	817,243	3,057,243	18,625,000	55.74%	**2037**	**3.53**
2038					360,000	26,100	1,530,000	484,350	450,000	207,807	2,340,000	718,257	3,058,257	16,285,000	61.30%	**2038**	**3.53**
2039					365,000	18,850	1,610,000	405,850	470,000	188,932	2,445,000	613,632	3,058,632	13,840,000	67.11%	**2039**	**3.52**
2040					375,000	11,450	1,685,000	331,900	485,000	168,396	2,545,000	511,746	3,056,746	11,295,000	73.16%	**2040**	**3.53**
2041					385,000	3,850	1,755,000	263,100	515,000	146,388	2,655,000	413,338	3,068,338	8,640,000	79.47%	**2041**	**3.51**
2042							1,825,000	191,500	535,000	122,892	2,360,000	314,392	2,674,392	6,280,000	85.08%	**2042**	**4.03**
2043							1,900,000	117,000	560,000	98,115	2,460,000	215,115	2,675,115	3,820,000	90.92%	**2043**	**4.03**
2044							1,975,000	39,500	590,000	71,805	2,565,000	111,305	2,676,305	1,255,000	97.02%	**2044**	**4.03**
2045									615,000	43,997	615,000	43,997	658,997	640,000	98.48%	**2045**	**16.36**
2046									640,000	14,880	640,000	14,880	654,880	0	100.00%	**2046**	**16.46**
	1,035,000	97,124	1,425,000	234,696	5,035,000	754,478	24,910,000	11,370,300	9,675,000	4,425,720	42,080,000	16,882,318	58,962,318				

2025 Net Revenues Available for Debt Service**
$10,781,086

* Preliminary, subject to change.

**The debt service coverage ratios included on this page are calculated using 2025 net revenues. No guarantee can be given that the net revenues in future years will be the same as the net revenues in 2025 and future net revenues may be materially different.

CITY OF SUN PRAIRIE, WISCONSIN

HISTORIC STATEMENT OF REVENUES AND EXPENSES

The following table shows the historic comparison of net revenues and debt service secured by revenues of the Utility System for the three year period ended December 31, 2025.

		Audited 2023	Audited 2024	Audited 2025
Operating Revenues		$ 36,211,593	$ 37,284,840	$ 39,489,208
Total Operating Revenues		36,211,593	37,284,840	39,489,208
Operating Expenses				
	Operation and Maintenance	29,401,491	28,822,495	31,904,049
	Depreciation and Amortization	3,216,414	3,383,824	3,576,618
Total Operating Expenses		32,617,905	32,206,319	35,480,667
Operating Income		3,593,688	5,078,521	4,008,541
Plus:	Depreciation and Amortization	3,216,414	3,383,824	3,576,618
	Interest Income	1,872,567	2,686,077	2,687,938
	Miscellaneous nonoperating income	26,017	(8,499)	507,989
Net Revenues Available for Debt Service		$ 8,708,686	$ 11,139,923	$ 10,781,086
Debt Service				
	2012A Water & Light	$ 188,514	$ 190,120	$ 191,420
	2014 Water & Light	252,146	245,584	239,459
	2021A Water & Light	382,756	387,856	382,556
	2024B Water & Light	-	-	1,372,479
Total Debt Service		$ 823,416	$ 823,560	$ 2,185,914
Debt Service Coverage		**10.58**	**13.53**	**4.93**

DESCRIPTION OF WATER SYSTEM

The City's Water Utility (the "Water Utility") is a separate enterprise fund. It operates under service rules established by the Wisconsin Public Service Commission ("WPSC") which regulates the rates charged. The City owns, operates and maintains the municipal Water Utility and related appurtenances serving customers located within the City and one customer in the Township of Burke. The Water Utility, established in 1910, is governed by the Sun Prairie Utilities Commission (the "Commission") which consists of five members appointed by the Mayor, subject to approval of the Common Council, the Mayor or his council member designee, and one council member appointed by Common Council at their annual organizational meeting for a total of seven members. The Commission is the policy-making body of the Water Utility, overseeing all projects and programs, reviewing and approving the budget, and determining Water Utility projects. Water Utility operations are directed by the General Manager.

The Water Utility consists of seven wells with electric pumping equipment and a water distribution system. The wells have an actual capacity of 8,658 gallons per minute. The wells pumped an average of 2,948,049 gallons per day in 2025. The maximum gallons pumped in any one day during 2025 was 3,845,000 gallons and the minimum gallons pumped in any one day was 2,311,000 gallons. In addition, the Water Utility owns three steel elevated storage tanks with a total storage capacity of 1,100,000 gallons and three reservoirs with a total storage capacity of 1,750,000 gallons of additional capacity.

The Water Utility includes other related appurtenances including 888,981 feet of various types of 4"-12" water mains; 10,860 service lines of various types of 3/4"-10" water pipe; 12,350 utility-owned meters; and 1,884 hydrants.

History of Water Customers[1]

Year	Residential	Commercial	Industrial	Public Authority	Multi Family	Total
2021	10,558	830	17	45	334	11,784
2022	10,701	834	17	47	332	11,931
2023	10,849	853	17	50	378	12,147
2024	10,981	910	16	52	389	12,348
2025	11,025	902	27	51	396	12,401

Source: WPSC Reports

History of Water Billings by Customer Type[2]

Year	Residential	Commercial	Industrial	Public Authority	Multi Family	Total Billings
2021	$2,024,036	$371,860	$60,338	$972,648	$330,839	3,759,721
2022	2,463,177	515,554	73,574	1,121,239	410,994	4,584,538
2023	2,562,563	552,606	78,051	1,180,358	486,989	4,860,567
2024	2,718,042	558,887	73,664	1,282,061	598,687	5,231,341
2025	2,834,765	593,911	84,098	1,309,430	614,545	5,436,749

Source: WPSC Reports

[1]Includes sales to other public authorities, but not private or public fire protection services.

[2]Includes sales to other public authorities, private and public fire protection services and interdepartmental sales.

History of Water Sales by Customer Type - Billed Volumes in Gallons (000's omitted) [1]

Year	Residential	Commercial	Industrial	Multi-Family	Other Services	Total Billings
2021	557,001	146,836	35,756	150,661	14,383	904,637
2022	532,866	175,619	36,659	155,549	15,325	916,018
2023	563,927	194,752	38,756	168,994	23,779	990,208
2024	539,310	179,820	33,318	186,742	19,156	958,346
2025	547,788	180,222	37,983	191,848	15,154	972,995

Source: WPSC Reports

History of Water Sales

Year	No. of Customers[2]	Gallons Sold (in 000's)[1]	Total Billings[1]
2021	11,784	904,637	$3,759,721
2022	11,931	916,018	4,584,538
2023	12,147	990,208	4,860,567
2024	12,348	958,346	5,231,341
2025	12,401	972,995	5,436,749

Source: WPSC Reports

2025 Larger Water Customers

Total 2025 Gallons Sold: 972,995,000

Total 2025 Billings: $5,436,749

Customer	Gallons Sold	Billings[1]	% of Total Billings
Goldleaf Housemeters	24,970,394	$103,344	1.90%
Sun Prairie Area School District	18,245,695	88,075	1.62%
The City	6,785,893	35,588	0.65%
Springs at Sun Prairie	8,064,794	34,796	0.64%
Pan-O-Gold Baking Company	13,580,224	30,312	0.56%
The Element	9,406,661	27,585	0.51%
Rolling Prairie Harmony Housing	9,206,160	27,243	0.50%
Revere Apartments	6,503,643	24,300	0.45%
Kwik Trip Inc.	8,521,837	22,870	0.42%
PAC LLC	9,307,618	22,777	0.42%

[1] Includes fire protection services.

[2] Excludes fire protection services.

Water Rates and Charges

Rates and charges for the Water Utility are subject to approval by the WPSC. The following monthly water rates have been in effect since November 12, 2025.

Monthly Service Charge:

5/8	inch meter	$14.00	3	inch meter	$81.00
3/4	inch meter	14.00	4	inch meter	118.00
1	inch meter	21.00	6	inch meter	200.00
1 1/4	inch meter	28.00	8	inch meter	296.00
1 1/2	inch meter	35.00	10	inch meter	421.00
2	inch meter	52.00	12	inch meter	547.00

Plus Volume Charge:

Residential:

All water used monthly	$ 2.38	per 100 cubic feet

Multi Family Residential:

All water used monthly	$ 2.36	per 100 cubic feet

Non-Residential:

First 2,000 cubic feet used each month	$ 2.36	per 100 cubic feet
Next 14,700 cubic feet used each month	$ 2.24	per 100 cubic feet
Over 16,700 cubic feet used each month	$ 1.76	per 100 cubic feet

Average Bill for Residential Service in 2025

Avg. Monthly Usage in Gallons	Avg. Monthly Bill
4,140	$21.43

Bills for water service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 3% but not less than $.50 will be added to bills not paid within 20 days of issuance. This one time late payment charge will be applied only to any unpaid balance for the current billing period's usage. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued and unless payment or satisfactory arrangement for payment is made within 10 days, service may be disconnected pursuant to Chapter PSC 185, Wisconsin Adm. Code. Under the Wisconsin Statutes, delinquent charges may be placed on the tax roll and levied as a special charge against the property.

DESCRIPTION OF ELECTRIC SYSTEM

The City's Electric System (the "Electric System") is owned and operated by the City and is a separate enterprise fund. It operates under service rules established by the WPSC which regulates the rates charged. The Electric System, established in 1910, is governed by the Commission. The Commission is the policy-making body of the Electric System, overseeing all projects and programs, reviewing and approving the budget, and determining Electric System projects. Electric System operations are directed by the General Manager.

The City purchases its power and energy requirements from WPPI Energy under a contract that expires in 2055.

The Electric System consists of five substations for its service area which includes the City, and several customers in the Town of Sun Prairie and Town of Bristol. The Electric System includes other related appurtenances, including 18,784 electric meters, 2,346 line transformers and 2,855 street lights.

History of Electric Sales (excluding sales for resale)

Year	Number of Customers	Total kWh (000's omitted)	Total Billings
2021	17,489	295,286	$29,659,310
2022	17,681	294,014	32,243,723
2023	18,561	291,977	30,563,937
2024	18,813	289,313	31,256,089
2025	18,947	303,535	33,207,284

Source: WPSC Reports

History of Electric Meter Connections by Customer Type (excludes area / yard lighting)

Year	Residential	Commercial	Industrial	Public Authority	Total
2021	15,438	1,745	5	1	17,189
2022	15,605	1,771	5	1	17,382
2023	16,436	1,819	6	1	18,262
2024	16,647	1,844	5	1	18,497
2025	17,082	1,817	5	1	18,905

Source: WPSC Reports

History of Electric Billings by Customer Type

Year	Residential	Commercial	Industrial	Lighting Service	Total
2021	$13,396,350	$12,846,969	$2,799,356	$616,635	$29,659,310
2022	14,401,458	14,645,056	2,547,636	649,573	32,243,723
2023	13,822,516	13,434,499	2,670,269	636,653	30,563,937
2024	14,259,598	13,439,415	2,837,090	719,986	31,256,089
2025	15,177,428	14,947,479	2,591,112	491,265	33,207,284

Source: WPSC Reports

History of Electric Sales by Customer Type - Billed Volumes in kWh (000's omitted)

Year	Residential	Small Power	Large Power	Industrial	General Service	Lighting	Total
2021	117,556	41,478	65,103	36,208	31,842	3,099	295,286
2022	116,611	38,276	76,853	29,913	29,285	3,076	294,014
2023	116,698	36,494	72,320	33,026	30,399	3,040	291,977
2024	117,532	36,553	64,912	33,625	33,137	3,554	289,313
2025	125,279	38,718	73,346	31,338	32,761	2,093	303,535

Source: WPSC Reports

History of Electricity Produced, Purchased and Cost

Year	kWh Purchased (000's omitted)	Cost of kWh Purchased
2021	304,589	$23,517,042
2022	303,385	25,744,741
2023	299,238	24,080,413
2024	299,202	23,062,966
2025	310,601	25,141,683

Source: WPSC Reports

History of Peak Demand by Month

Year	Peak Demand (kW)
2021	68,330 (June)
2022	68,953 (June)
2023	74,755 (August)
2024	72,496 (August)
2025	69,046 (July)

Source: WPSC Reports

2025 Larger Electric Customers

Total 2025 kWh Sold:	303,534,874
Total 2025 Billings:	$33,207,284

Customer	kWh Sold	Billings	% of Total Billings
Sun Prairie Area School District	12,729,566	$1,533,872	4.62%
Royle Printing	14,295,071	1,370,851	4.13%
The City	6,554,026	961,786	2.90%
Madison Kipp Corp.	10,524,788	861,113	2.59%
Thermal Spray Technologies	6,413,439	703,907	2.12%
Pan-O-Gold Baking Company	7,350,315	617,122	1.86%
Woodman’s Food Market, Inc.	6,304,163	520,784	1.57%
OESL-Automotive	5,597,921	513,040	1.54%
Costco - Store #1121	4,366,967	393,385	1.18%
Roundy’s Supermarkets-Copps	4,149,481	349,850	1.05%

Electric Rates and Charges

Electric rates are subject to approval by the WPSC. The following Electric rates and charges became effective August 1, 2026. Billings for all customers are rendered monthly. A charge of 3% but not less than 50 cents will be added to bills not paid within 20 days from date of issuance. A late payment charge shall be applied only once to any given amount outstanding. The charge is applicable to all customers.

Monthly Charge	RG1 Residential (a)	GS1 General Service (b)	CP1 Small Power (c)	CP2 Large Power (d)	CP3 Industrial Power (e)
Customer Charge			$100.00	$200.00	$250.00
Single Phase	$13.75	$14.75			
Three Phase	$21.00	$22.00			
Distribution Demand Charge					
per kW of distribution demand			$1.75	$1.75	$2.25
Demand Charge					
per kW of on-peak billed demand			$9.25	$12.25	$15.00
Energy Charge per kWh	$0.1085	$0.1106			
On-Peak:			$0.0977	$0.0707	$0.0603
Off-Peak			$0.0618	$0.0468	$0.0446

(a) Residential single-phase customers for ordinary household purposes.

(b) Commercial, institutional, government, farm and other single and three-phase customers.

(c) Maximum Measured Demand in excess of 40 kW per month for three or more months in a consecutive 12-month period, but not greater than 200 kW per month for three or more months in a consecutive 12-month period.

(d) Monthly Maximum Measured Demand is in excess of 200 kW per month for three or more months in a consecutive 12-month period, but not greater than 1,000 kW per month for three or more months in a consecutive 12-month period.

(e) Monthly Maximum Measured Demand in excess of 1,000 kW per month for three or more months in a consecutive 12-month period.

Average Bill for Residential Service in 2025:

Avg. Monthly Usage	**611 kWh**
Avg. Monthly Bill	**$74.04**

PCAC (Power Cost Adjustment Clause): All metered rates are subject to a positive or negative power cost adjustment charge equivalent to the amount by which the current cost of power (per kilowatt-hour of sales) is greater or lesser than the base cost of power purchased (per kilowatt-hour of sales).

The current cost per kilowatt-hour of energy billed is equal to the adjusted cost of power purchased for the most recent month divided by the kilowatt-hours of energy sold. The monthly adjustment is equal to the current cost less the base cost. The base cost of power is $0.0849 per kilowatt-hour.

RATING

The City received a rating of "A1" on the Bonds from Moody's Ratings ("Moody's"). 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 brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Bonds, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

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.

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. Ehlers is currently engaged as 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 ("Bond Counsel"), 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 special 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 the 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 the 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; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). 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 Bonds shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

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

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, 2025 have been audited by Baker Tilly US, 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

The 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. Potential investors should read this Official Statement, including the appendices, in its entirety.

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Utility System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the water and electric service currently provided, the revenues of the Utility System will be affected proportionately.

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 Parameters 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

2026 Equalized Value	$6,829,052,400
2026 Equalized Value Reduced by Tax Increment Valuation	$6,579,043,200
2025 Assessed Value	$5,709,187,900

2026 EQUALIZED VALUE BY CLASSIFICATION

	2026 Equalized Value[1]	Percent of Total Equalized Value
Residential	$4,428,897,000	64.854%
Commercial	2,295,036,400	33.607%
Manufacturing	104,503,300	1.530%
Agricultural	171,600	0.003%
Undeveloped	65,100	0.001%
Other	379,000	0.006%
Total	$6,829,052,400	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2022	$4,009,822,300	$4,767,506,600	14.16%
2023	5,480,121,200[2]	5,481,682,200	14.98%
2024	5,583,720,300	6,077,193,700	10.86%
2025	5,709,187,900	6,473,743,000	6.53%
2026	N/A	6,829,052,400	5.49%

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

[1]Includes tax increment valuation.

[2]Revaluation completed in this year.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value[1]	Percent of City's Total Equalized Value
Fedler Connery Apartments	Apartments	$187,179,689	2.89%
Weidner Apartments	Apartments	74,163,586	1.15%
Prairie Lakes Retail	Commercial/Retail	61,189,653	0.95%
Park 151	Business Park	60,874,651	0.94%
Gebhardt Properties	Apartments	49,321,402	0.76%
Continental 345 Fund LLC	Apartments	48,756,938	0.75%
SSM Health	Medical Facility	43,076,243	0.67%
Cr Creekside LLC (Hey Day)	Housing	42,943,575	0.66%
Ryan Great Lakes Sun Prairie LLC	Apartments	38,282,271	0.59%
Menards[2]	Retail	32,373,658	0.50%
Total		$638,161,666	9.86%
City's Total 2025 Equalized Value[3]		$6,473,743,000	

Source: The City.

DEBT

DIRECT DEBT[4]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Concurrent Obligations, as described herein)*	$108,131,955

*Preliminary, subject to change.

[1]Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the City. 2025 information is the latest available.

[2]Assessment under appeal by taxpayer.

[3]Includes tax increment valuation.

[4]Outstanding debt is as of the dated date of the Bonds and the Concurrent Obligations.

Revenue Debt (see schedules following)

Total revenue debt secured by water and light revenues (includes the Bonds)* See Schedule on Page 4	$42,080,000
Total revenue debt secured by sewer revenues	$75,155,858

Unsecured Promissory Note

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
1/11/2021	$ 500,000	WPPI Note[1]	1/28/2031	$216,666

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 expects to issue its $12,025,000* General Obligation Promissory Notes, Series 2026A (the "Concurrent Obligations"). The City typically borrows annually for its capital improvement needs, but the timing and amount of such borrowing in 2027 have yet to be determined. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

*Preliminary, subject to change.

[1]The WPPI Note financed an advanced metering project. While the WPPI Note is unsecured, the City expects to pay debt service on the WPPI Note with revenues of the water and electric utility.

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	$6,829,052,400
Multiply by 5%	0.05
Statutory Debt Limit[1]	$341,452,620
Less: General Obligation Debt*	(108,131,955)
Unused Debt Limit*	$233,320,665

*Preliminary, subject to change.

[1]The City has adopted a Debt Management Policy (the "Policy"). The Policy provides that the City's total direct debt outstanding at the end of each budget year will not exceed 1.75% of the City's total equalized value for that year. Direct debt is defined in the Policy to include the total amount of outstanding general obligation and lease revenue debt principal less that portion of the principal that the City expects to abate with revenues of its water, sewer and storm water and electric utilities and further assuming utility user rates are maintained at a level that will generate net revenues in a sum sufficient to abate the payments. The Policy further provides that the portion of the City's total tax levy that will be used for payment of general obligation debt will not exceed 27.5% of the total levy amount. Under the Policy, the City may authorize a capital improvement plan that will cause the City to exceed the above-described limits under certain conditions specified in the Policy. The City represents that it will be in compliance with the Policy in connection with the issuance of the Bonds.

City of Sun Prairie, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 10/15/2026)

	Corporate Purpose Bonds Series 2016A		Promissory Notes Series 2017A		Corporate Purpose Bonds Series 2017B		Corporate Purpose Bonds Series 2018A		Promissory Notes Series 2018B		Taxable Corporate Purpose Bonds Series 2019A	
Dated	10/26/2016		06/28/2017		11/30/2017		10/11/2018		10/11/2018		02/07/2019	
Amount	$9,255,000		$4,920,000		$4,900,000		$7,125,000		$7,825,000		$9,255,000	
Maturity	04/01		04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	450,000	140,125	535,000	5,350	230,000	84,750	325,000	164,313	825,000	42,150	865,000	120,325
2028	460,000	130,738			235,000	77,775	340,000	147,688	855,000	12,825	295,000	101,618
2029	470,000	118,800			245,000	70,575	355,000	133,863			310,000	91,558
2030	485,000	104,475			250,000	63,150	365,000	123,063			255,000	81,966
2031	500,000	89,700			260,000	55,500	375,000	111,494			265,000	72,930
2032	515,000	74,475			265,000	47,625	390,000	99,063			275,000	63,343
2033	530,000	58,800			275,000	39,525	405,000	86,144			285,000	53,191
2034	550,000	42,600			280,000	31,200	415,000	72,300			295,000	42,533
2035	565,000	25,875			290,000	22,650	430,000	57,513			305,000	31,280
2036	580,000	8,700			300,000	13,800	450,000	41,831			315,000	19,343
2037					310,000	4,650	465,000	25,538			330,000	6,600
2038							480,000	8,700				
2039												
2040												
2041												
2042												
2043												
2044												
2045												
	5,105,000	794,288	535,000	5,350	2,940,000	511,200	4,795,000	1,071,506	1,680,000	54,975	3,795,000	684,685

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City of Sun Prairie, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/15/2026)

	Refunding Bonds Series 2019B		Corporate Purpose Bonds Series 2019C		Promissory Notes Series 2019D		Promissory Notes Series 2020A		Corporate Purpose Bonds Series 2021B		Promissory Notes Series 2021C	
Dated	02/07/2019		07/17/2019		07/17/2019		08/13/2020		08/12/2021		08/12/2021	
Amount	$2,555,000		$10,975,000		$9,605,000		$6,765,000		$4,860,000		$8,355,000	
Maturity	04/01		04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	270,000	56,100	475,000	237,925	1,045,000	87,050	620,000	34,950	205,000	81,775	635,000	49,250
2028	280,000	45,100	500,000	216,050	1,085,000	49,875	635,000	19,300	210,000	74,500	645,000	36,450
2029	290,000	33,700	520,000	195,650	1,120,000	16,800	645,000	9,725	220,000	65,900	655,000	25,088
2030	300,000	23,400	540,000	177,150			650,000	3,250	230,000	59,200	665,000	15,188
2031	310,000	14,250	550,000	160,800					235,000	54,550	680,000	5,100
2032	320,000	4,800	570,000	144,000					240,000	49,800		
2033			590,000	126,600					245,000	44,950		
2034			610,000	108,600					245,000	40,050		
2035			620,000	90,150					255,000	35,050		
2036			645,000	71,175					255,000	29,950		
2037			660,000	51,600					265,000	24,750		
2038			685,000	31,425					270,000	19,400		
2039			705,000	10,575					270,000	14,000		
2040									280,000	8,500		
2041									285,000	2,850		
2042												
2043												
2044												
2045												
	1,770,000	177,350	7,670,000	1,621,700	3,250,000	153,725	2,550,000	67,225	3,710,000	605,225	3,280,000	131,075

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City of Sun Prairie, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/15/2026)

	Promissory Notes Series 2022A		State Trust Fund Loan		Promissory Notes Series 2023A		Promissory Notes Series 2024A		State Trust Fund Loan		State Trust Fund Loan	
Dated	08/09/2022		12/27/2022		08/10/2023		08/08/2024		12/16/2024		12/16/2024	
Amount	$6,755,000		$1,804,000		$11,030,000		$26,080,000		$500,000		$3,400,000	
Maturity	04/01		03/15		04/01		04/01		03/15		03/15	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2027	595,000	124,650	147,182	43,864	945,000	324,675	1,180,000	1,086,050	123,230	19,422	837,963	132,071
2028	620,000	100,350	131,990	59,057	995,000	276,175	1,225,000	1,025,925	129,355	13,297	879,614	90,420
2029	650,000	74,950	138,421	52,626	1,050,000	225,050	1,275,000	963,425	135,859	6,793	923,842	46,192
2030	665,000	51,975	144,996	46,051	1,100,000	171,300	1,375,000	897,175				
2031	690,000	31,650	151,883	39,164	1,150,000	120,800	1,425,000	827,175				
2032	710,000	10,650	159,010	32,037	1,195,000	73,900	1,475,000	754,675				
2033			166,650	24,397	1,250,000	25,000	1,520,000	679,800				
2034			174,566	16,481			1,565,000	602,675				
2035			172,396	8,189			1,025,000	537,925				
2036							1,095,000	484,925				
2037							1,140,000	429,050				
2038							1,225,000	369,925				
2039							1,305,000	306,675				
2040							1,305,000	241,425				
2041							1,305,000	182,700				
2042							1,305,000	130,500				
2043							1,305,000	78,300				
2044							1,305,000	26,100				
2045												
	3,930,000	394,225	1,387,093	321,866	7,685,000	1,216,900	23,355,000	9,624,425	388,444	39,512	2,641,418	268,683

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City of Sun Prairie, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/15/2026)

	Promissory Notes Series 2025A		Promissory Notes Series 2026A							
Dated	08/27/2025		10/15/2026							
Amount	$16,700,000		$12,025,000*							
Maturity	04/01		04/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	560,000	696,950	2,130,000	362,671	12,998,375	3,894,416	16,892,791	95,133,580	12.02%	**2027**
2028	730,000	664,700	955,000	331,232	11,205,959	3,473,073	14,679,032	83,927,622	22.38%	**2028**
2029	975,000	622,075	985,000	300,428	10,963,121	3,053,196	14,016,318	72,964,501	32.52%	**2029**
2030	1,005,000	572,575	1,020,000	267,790	9,049,996	2,657,708	11,707,703	63,914,505	40.89%	**2030**
2031	1,100,000	519,950	1,055,000	233,129	8,746,883	2,336,191	11,083,074	55,167,622	48.98%	**2031**
2032	1,160,000	463,450	1,090,000	196,335	8,364,010	2,014,152	10,378,162	46,803,612	56.72%	**2032**
2033	1,185,000	404,825	1,130,000	157,253	7,581,650	1,700,485	9,282,135	39,221,962	63.73%	**2033**
2034	1,200,000	351,200	1,175,000	115,580	6,509,566	1,423,218	7,932,784	32,712,396	69.75%	**2034**
2035	1,195,000	303,300	1,220,000	71,264	6,077,396	1,183,195	7,260,591	26,635,000	75.37%	**2035**
2036	380,000	271,800	1,265,000	24,225	5,285,000	965,749	6,250,749	21,350,000	80.26%	**2036**
2037	500,000	254,200			3,670,000	796,388	4,466,388	17,680,000	83.65%	**2037**
2038	625,000	231,700			3,285,000	661,150	3,946,150	14,395,000	86.69%	**2038**
2039	695,000	205,300			2,975,000	536,550	3,511,550	11,420,000	89.44%	**2039**
2040	705,000	176,859			2,290,000	426,784	2,716,784	9,130,000	91.56%	**2040**
2041	705,000	147,338			2,295,000	332,888	2,627,888	6,835,000	93.68%	**2041**
2042	715,000	116,716			2,020,000	247,216	2,267,216	4,815,000	95.55%	**2042**
2043	725,000	84,763			2,030,000	163,063	2,193,063	2,785,000	97.42%	**2043**
2044	735,000	51,453			2,040,000	77,553	2,117,553	745,000	99.31%	**2044**
2045	745,000	17,228			745,000	17,228	762,228	0	100.00%	**2045**
	15,640,000	6,156,381	12,025,000	2,059,905	108,131,955	25,960,202	134,092,157			

* Preliminary, subject to change. The Concurrent Obligations are expected to be issued concurrently with the Bonds.

City of Sun Prairie, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage Revenues
(As of 10/15/2026)

	Sewerage System Revenue Bonds (CWFL) Series 2021		Sewerage System Revenue Bonds (CWFL) 1) Series 2025		Sewerage System Revenue Bonds (CWFL) 2) Series 2025B							
Dated	03/24/2021		02/26/2025		09/10/2025							
Amount	$15,772,657		$3,203,395		$60,028,816							
Maturity	05/01		05/01		05/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	0	89,555	0	33,723	0	742,857	0	866,135	866,135	75,155,858	.00%	**2026**
2027	781,424	173,308	140,660	65,900	0	1,485,713	922,084	1,724,921	2,647,004	74,233,775	1.23%	**2027**
2028	793,028	161,618	143,754	62,771	2,687,490	1,452,456	3,624,272	1,676,844	5,301,116	70,609,503	6.05%	**2028**
2029	804,805	149,754	146,917	59,574	2,754,005	1,385,117	3,705,726	1,594,444	5,300,171	66,903,776	10.98%	**2029**
2030	816,756	137,714	150,149	56,306	2,822,167	1,316,112	3,789,072	1,510,131	5,299,203	63,114,705	16.02%	**2030**
2031	828,885	125,495	153,452	52,966	2,892,015	1,245,399	3,874,352	1,423,860	5,298,212	59,240,352	21.18%	**2031**
2032	841,194	113,094	156,828	49,553	2,963,593	1,172,936	3,961,615	1,335,583	5,297,198	55,278,738	26.45%	**2032**
2033	853,686	100,510	160,278	46,065	3,036,942	1,098,679	4,050,905	1,245,254	5,296,160	51,227,832	31.84%	**2033**
2034	866,363	87,739	163,804	42,500	3,112,106	1,022,585	4,142,273	1,152,823	5,295,096	47,085,559	37.35%	**2034**
2035	879,228	74,778	167,408	38,857	3,189,131	944,607	4,235,767	1,058,241	5,294,008	42,849,792	42.99%	**2035**
2036	892,285	61,624	171,091	35,133	3,268,062	864,699	4,331,437	961,456	5,292,894	38,518,354	48.75%	**2036**
2037	905,535	48,275	174,855	31,328	3,348,946	782,814	4,429,336	862,417	5,291,753	34,089,018	54.64%	**2037**
2038	918,982	34,728	178,702	27,439	3,431,833	698,901	4,529,517	761,068	5,290,585	29,559,501	60.67%	**2038**
2039	932,629	20,980	182,633	23,464	3,516,770	612,913	4,632,033	657,357	5,289,390	24,927,468	66.83%	**2039**
2040	946,479	7,028	186,651	19,402	3,603,811	524,795	4,736,941	551,225	5,288,165	20,190,528	73.14%	**2040**
2041			190,758	15,250	3,693,005	434,497	3,883,762	449,748	4,333,510	16,306,765	78.30%	**2041**
2042			194,954	11,008	3,784,407	341,964	3,979,361	352,972	4,332,333	12,327,404	83.60%	**2042**
2043			199,243	6,671	3,878,071	247,141	4,077,314	253,813	4,331,127	8,250,090	89.02%	**2043**
2044			203,627	2,240	3,974,053	149,971	4,177,680	152,211	4,329,891	4,072,411	94.58%	**2044**
2045					4,072,411	50,396	4,072,411	50,396	4,122,807	0	100.00%	**2045**
	12,061,279	1,386,198	3,065,763	680,150	60,028,816	16,574,551	75,155,858	18,640,900	93,796,758			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4236-06, the amount of disbursements as of September 2, 2026 is $2,908,436.81. The schedule shown assumes full draws of the loan.

2) Pursuant to the Wisconsin Capital Finance Office, Project No. 4236-99, the amount of disbursements as of September 2, 2026 is $38,868,297.35. The schedule shown assumes full draws of the loan.

OVERLAPPING DEBT[1]

Taxing District	Equalized Value[2]	% In City	Total G.O. Debt[3]	City's Proportionate Share
Dane County	$124,237,566,300 [4]	5.4968%	$883,015,000	$48,537,569
Madison Area Technical College District	159,919,721,111 [4]	4.0481%	184,740,000	7,478,460
Sun Prairie Area School District	9,816,084,362 [4]	65.8967%	259,880,000	171,252,344
DeForest Area School District	5,661,836,774 [4]	0.0931%	106,813,000	99,443
City's Share of Total Overlapping Debt				$227,367,815

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $6,829,052,400	Debt/ Per Capita 40,238[5]
Total General Obligation Debt*	$108,131,955	1.58%	$2,687.31
City's Share of Total Overlapping Debt	227,367,815	3.33%	5,650.57
Total*	$335,499,770	4.91%	$8,337.88

*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, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

[4] 2025 Equalized Values. 2026 Equalized Values are expected to be certified October 15, 2026.

[5]Preliminary estimated 2026 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
2021/22	$26,576,336	100%	$6.82
2022/23	28,199,644	100%	6.32
2023/24	32,233,491	100%	6.34
2024/25	34,717,863	100%	6.23
2025/26	37,136,625	100%	6.30

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.

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. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

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	Total
2021/22	$12.42	$2.89	$6.82	$22.13
2022/23	11.24	2.72	6.32	20.28
2023/24	10.52	2.76	6.34	19.62
2024/25	10.79	2.60	6.23	19.62
2025/26	10.81	2.50	6.30	19.61

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; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). 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 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%.

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

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.

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. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to revenue bonds issued pursuant to Section 66.0621, Wis. Stats., such as the Bonds, may be subject to the special provisions described above.

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of State programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2025, the City received approximately $2,076,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately $2,036,000 received in 2024. The City is expected to receive approximately $2,319,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

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. All Council Members are elected to two-year terms. The appointed City Administrator, Finance Director, City Treasurer and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 299 full-time, 38 part-time, and 654 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). 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, 2023, the fiscal year ended December 31, 2024 and the fiscal year ended December 31, 2025 ("Fiscal Year 2025"), the City's portion of contributions to WRS (not including any employee contributions) totaled $1,786,155, $2,304,301 and $2,649,281, respectively.

Governmental Accounting Standards Board Statement No. 68 ("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, 2024, the total pension liability of the WRS was calculated as $136.18 billion and the fiduciary net position of the WRS was calculated as $134.54 billion, resulting in a net pension liability of $1.64 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 2025, the City reported a liability of $2,269,961 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 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 0.13814565% of the aggregate WRS net pension liability as of December 31, 2024.

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 4.1 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.[1]

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. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, 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
Wisconsin Professional Police Association (WPPA)	December 31, 2029
International Association of Fire Fighters (IAFF)	December 31, 2027

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.

An actuarial study for the plan was most recently completed by Nyhart in June 2024 with an actuarial valuation date of December 31, 2023.

[1]On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The Circuit Court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the Circuit Court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The Circuit Court's decision was appealed to the Wisconsin Court of Appeals. On January 23, 2025, the Court of Appeals granted a motion to stay the decision pending outcome of the appeal. On July 29, 2026, the Court of Appeals overturned the Circuit Court's decision and upheld the Act. On August 17, 2026, the plaintiffs petitioned the Wisconsin Supreme Court for review, and no guarantee can be made regarding the outcome of the matter.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As shown in the actuarial report, as of December 31, 2023, the plan's total OPEB liability was $32,581 and the plan fiduciary net position was $0, resulting in a net OPEB liability of $32,581. The City's auditors determined that the current OPEB is no longer material for inclusion in the City's audited financial statements.

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, 2025, there were three terminated plan members entitled to, but not yet receiving benefits, eight active plan members and three active members with suspended accruals 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. An actuarial study for the plan was most recently completed by Definiti LLC in July 2026 with an actuarial valuation date of December 31, 2025.

For Fiscal Year 2025, contributions by Sun Prairie Utilities to the plan totaled $125,000. The City's current funding practice is to at least fully fund the actuarially determined contribution.

As of December 31, 2025, the plan's calculated total pension liability was $3,719,620 and the plan fiduciary net position was $3,335,838, resulting in a net pension liability of $383,782.

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 4.2. 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 Definiti 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 $62,219 and $62,733 for 2025 and 2024 compensation, respectively, were made in the subsequent year. All employees hired on or after January 1, 2017, are required to participate in the Wisconsin Retirement System, and all existing retirement plans are closed to new participants. For more information, see Note 4.3 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.

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 August 10, 2026)

Fund	Total Cash and Investments
General	$21,192,504
Special Revenue	670,904
Fleet Inservice Fund/HealthCare Inservice Fund	2,863,698
Capital Projects	25,238,341
Enterprise Funds	41,070,446
SPU Pension Investments	3,787,642
Ashley Trust Fund	1,000
Debt Service	1,619,576
Total Funds on Hand	$96,444,111

ENTERPRISE FUNDS

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

	2023 Audited	2024 Audited	2025 Audited
Water and Light			
Total Operating Revenues	$36,211,593	$37,284,840	$39,489,208
Less: Operating Expenses	(32,617,905)	(32,206,319)	(35,480,667)
Operating Income	$3,593,688	$5,078,521	$4,008,541
Plus: Depreciation	3,216,414	3,383,824	3,576,618
Interest Income	1,872,567	2,686,077	2,687,938
Miscellaneous nonoperating income	26,017	(8,499)	507,989
Revenues Available for Debt Service	$8,708,686	$11,139,923	$10,781,086
Wastewater			
Total Operating Revenues	$6,167,888	$6,431,545	$6,986,078
Less: Operating Expenses	(5,887,838)	(6,094,423)	(6,470,578)
Operating Income	$280,050	$337,122	$515,500
Plus: Depreciation	2,347,295	2,459,895	2,578,428
Interest Income	739,877	764,170	586,094
Revenues Available for Debt Service	$3,367,222	$3,561,187	$3,680,022
Stormwater			
Total Operating Revenues	$2,963,858	$3,147,043	$3,572,972
Less: Operating Expenses	(2,843,010)	(3,049,023)	(3,554,260)
Operating Income	$120,848	$98,020	$18,712
Plus: Depreciation	1,324,989	1,362,615	1,379,821
Interest Income	453,896	455,978	375,275
Revenues Available for Debt Service	$1,899,733	$1,916,613	$1,773,808

SUMMARY GENERAL FUND INFORMATION

The 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 statements are available upon request. Appendix A includes the 2025 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31			
	2022 Audited	**2023 Audited**	**2024 Audited**	**2025 Audited**
Revenues				
Taxes and special assessments	$20,322,213	$21,534,165	$25,016,680	$27,099,654
Intergovernmental	4,530,618	4,027,640	5,640,753	5,950,512
Licenses and permits	1,031,625	1,039,563	890,461	828,304
Fines, forfeitures and penalties	162,194	158,030	172,750	193,384
Public charges for services	2,757,106	3,404,688	4,375,344	4,127,614
Investment income	103,078	1,023,598	1,293,279	1,044,625
Miscellaneous	588,202	970,934	686,306	827,556
Total Revenues	$29,495,036	$32,158,618	$38,075,573	$40,071,649
Expenditures				
Current:				
General government	$5,994,230	$6,354,187	$7,392,403	$7,918,857
Public safety	15,039,809	17,527,496	20,277,915	21,242,466
Public works	3,533,546	4,084,171	4,206,592	4,507,391
Health and human services	359,454	453,777	440,216	467,212
Culture, recreation and education	4,817,130	5,667,583	5,969,399	5,636,026
Conservation and development	1,238,544	1,421,175	1,529,246	1,662,294
Debt service:				
Principal	49,416	0	0	0
Total Expenditures	$31,032,129	$35,508,389	$39,815,771	$41,434,246
Excess of revenues over (under) expenditures	($1,537,093)	($3,349,771)	($1,740,198)	($1,362,597)
Other Financing Sources (Uses)				
Transfers in	$3,111,073	$2,460,118	$2,907,568	$3,205,265
Transfers (out)	(948,081)	(819,920)	(984,902)	(1,054,128)
Total Other Financing Sources (Uses)	2,162,992	1,640,198	1,922,666	2,151,137
Net changes in Fund Balances	$625,899	($1,709,573) [1)]	$182,468	$788,540
General Fund Balance January 1	$13,654,634	$14,280,533	$12,570,960	$12,753,428
General Fund Balance December 31	$14,280,533	$12,570,960	$12,753,428	$13,541,968
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	$3,209,903	$1,843,923	$1,159,577	$488,655
Restricted	1,313,028	1,015,142	956,799	967,530
Assigned	5,209,279	3,890,737	4,278,600	4,604,871
Unassigned	4,548,323	5,821,158	6,358,452	7,480,912
Total	$14,280,533	$12,570,960	$12,753,428	$13,541,968

[1)] The decrease is non-spendable fund balance is primarily due to a reduction in advances to certain of the City's TIDs and a decrease in prepaid expenses. The City's unassigned fund balance continued to meet the City's fund balance goal of 16% to 20% of the prior year general fund revenue budget.

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Budget[1]
Revenues	
Taxes and special assessments	$27,601,598
Intergovernmental	5,914,492
Licenses and permits	819,075
Fines, forfeitures and penalties	207,400
Public charges for services	3,923,088
Investment income	1,101,000
Miscellaneous	816,387
Total Revenues	$40,383,040
Expenditures	
General government	$8,022,304
Public safety	23,503,554
Public works	4,756,976
Health and human services	461,121
Culture, recreation and education	6,238,544
Conservation and development	1,659,809
Contingency	306,704
Total Expenditures	$44,949,012
Excess of revenues over (under) expenditures	($4,565,972)
Other Financing Sources (Uses)	
Fund balance applied/Cash reserves	$96,699
Transfers in	4,786,833
Transfers (out)	(317,560)
Total Other Financing Sources (Uses)	4,565,972
Net changes in Fund Balances	$0
General Fund Balance January 1	$13,541,968
General Fund Balance December 31	$13,541,968

[1] The 2026 budget was adopted on December 2, 2025, and the figures reflect amendments to date.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 35,967 and a current preliminary estimated population of 40,238 comprises an area of 13.1 square miles and is located in South Central Wisconsin 155 miles northwest of Chicago, Illinois, 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
Sun Prairie Area School District	Elementary and secondary education	1,501
The City	Municipal government and services	991
QBE Insurance	Insurance company	600
Colony Brands	Fulfillment center for home goods	505
Costco	Retail	419
Wisconsin Distributors	Alcohol distribution	412
Axim Geospatial	Geospatial Mapping	360
Prairie Athletic Club	Health club	300
Trachte Building Systems	Building System Manufacturer	291
Target	Discount retail	274

Source: The City.

[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.

BUILDING PERMITS

	2022	2023	2024	2025	2026[1]
New Single Family Homes					
No. of building permits	100	92	80	94	56
Valuation	$37,442,365	$38,929,712	$35,459,634	$45,240,713	$28,200,750
New Multiple Family Buildings					
No. of building permits	30	36	5	0	0
Valuation	$75,101,056	$71,652,598	$37,300,000	$0	$0
New Commercial/Industrial					
No. of building permits	12	7	7	7	7
Valuation	$41,984,109	$15,991,422	$78,921,935	$67,191,011	$10,908,463
All Building Permits *(including additions and remodelings)*					
No. of building permits	2,915	2,807	2,984	2,896	1,877
Valuation	$212,312,792	$183,020,683	$289,563,513	$167,776,179	$81,208,441

Source: The City.

[1]As of July 31, 2026.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	29,364
2020 U.S. Census Population	35,967
Percent of Change 2010 - 2020	22.49%
2026 Preliminary Estimated Population	40,238

Income and Age Statistics

	The City	Dane County	State of Wisconsin	United States
2024 per capita income	$47,609	$53,181	$43,373	$44,673
2024 median household income	$90,942	$89,975	$77,485	$80,734
2024 median family income	$115,727	$124,904	$100,141	$99,999
2024 median gross rent	$1,419	$1,398	$1,087	$1,413
2024 median value owner occupied units	$365,700	$394,800	$266,500	$332,700
2024 median age	36.7 yrs.	35.7 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
City % of 2024 per capita income	109.77%	106.57%
City % of 2024 median family income	115.56%	115.73%

Housing Statistics

	The City		
	2020	2024	Percent of Change
All Housing Units	14,952	16,195	8.31%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov/cedsci).

EMPLOYMENT/UNEMPLOYMENT DATA

	Average Employment		Average Unemployment		
Year	The City	Dane County	The City	Dane County	State of Wisconsin
2022	20,505	321,430	2.2%	2.1%	2.8%
2023	21,208	330,027	2.3%	2.2%	2.8%
2024	21,657	334,235	2.4%	2.4%	3.0%
2025[1]	21,549	332,573	2.7%	2.6%	3.2%
2026, July[1]	21,582	333,085	2.8%	2.9%	3.4%

Source: Wisconsin Department of Workforce Development.

[1]Preliminary.

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 or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, 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.

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Sun Prairie, WI

For the Year Ended December 31, 2025

City of Sun Prairie, Wisconsin

Annual Comprehensive Financial Report

Year Ended December 31, 2025

Prepared By:

Department of Finance
Renee Schwass, Finance Director

City of Sun Prairie

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December 31, 2025

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INTRODUCTORY SECTION

SUN PRAIRIE

CITY ADMINISTRATOR'S OFFICE

300East Main St
Sun Prairie, WI 53590-2227
608-825-1193
cityofsunprairie.com

June 24, 2026

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

The City of Sun Prairie's (the City) 2025 Annual Comprehensive Financial Report, 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 Funds and Enterprise Funds. Budgetary control is maintained through expenditure limitation at the cost center level (a cost center can be a fund, major program, department or specific activity for which control of expenditures is considered appropriate). Proposed expenditures for which monies 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 US, LLP, an independent certified public accounting firm, has audited the City's financial statements. Baker Tilly US, LLP concluded, based upon its audit procedures, that the City's annual financial report for the fiscal year ended December 31, 2025, 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 a 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 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 –

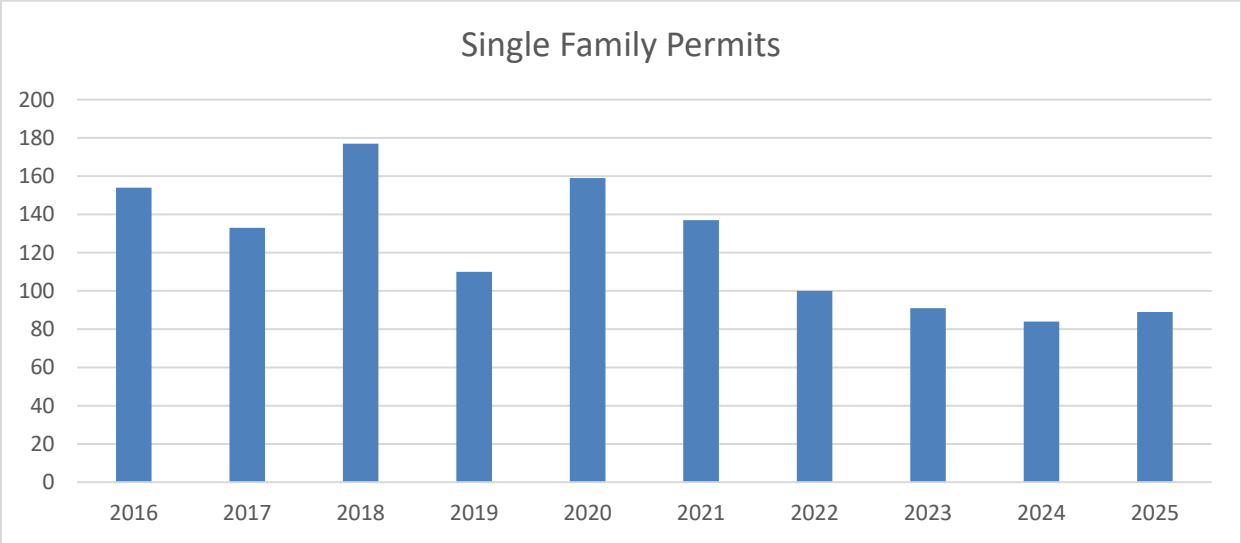
- The boundaries of Sun Prairie encompass an area approximately 13.1 square miles with an estimated population of 40,079.
- The City of Sun Prairie has historically been one of the fastest growing cities in Wisconsin; a trend that continues today as 700 new residents are welcomed each year. This is also 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 which hosts many popular events, including but not limited to the annual Groundhog Day Prognostication, Streets of Sun Prairie, Outdoor Farmers Market, and the Fall Festival.
- 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 with over 430 acres of development and 1,600 employees.
- The Grand Avenue Interchange on U.S. 151 is one of the fastest growing retail centers in Wisconsin.
- The City's largest employer is the Sun Prairie Area School District employing over 1500 people.
- Several major employers have their headquarters here in Sun Prairie, including Colony Brands, Costco, QBE Insurance, Prairie Athletic Club, Wisconsin Distributors, Axim Geospatial, Target and Trachte Building Systems, Inc.
- Sun Prairie's Angell Park Speedway is one of nation's oldest clay oval racetracks, hosting midget auto racing events throughout the summertime. In 2023, Angell Park celebrated being the home to Sun Prairie's annual Sweet Corn Festival for 70 years.

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.

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 2025 include:

- Affordable housing project completed with 75 units brought to market
- Over $39 million in new commercial construction occurred in 2025 with another $25 million anticipated in 2026
- Completion of a $50 million dollar medical facility
- Approximately $44 million in municipal projects neared completion in 2025
- The citizens passed a $25 million-dollar operating referendum in November 2024 for the Sun Prairie School District. The referendum was passed to stabilize the school district budget, remain competitive with wages across employee groups and to provide educational programming to an increasing complex student population.
- The City received approximately $1.8 million of the allocated $3.6 million in American Rescue Plan Act (ARPA) funds in 2021 and the remaining $1.8 million in 2022. City Council approved using these funds to construct a shelter at Wetmore Park, assistance to small businesses, and provide mental health support services. The City Council approved a plan for the execution of the second tranche of ARPA funds in 2022, which included funding to non-profit organizations as well as internal City department requests. As of December, 31, 2025, all funds received under the American Rescue Plan Act have been obligated to eligible expenses. Funds continue to be expended as allowed under the law until December 31, 2026.



Overall property valuation increased by 2.25%, which continues the annual increases the City has seen over the last several years. With these continued increases, the City has regained the losses sustained during the great recession. Over the long-term the City is likely to continue to experience residential and commercial growth due to its proximity to the City of Madison. In 2025, the City had net new construction growth of 2.72% or $165.1 million.

As a public power community, the City can provide its residential customers with electric rates averaging approximately 18% lower than the rates charged by the large investor-owned utilities servicing the surrounding communities.

Unemployment rates remain historically low with extremely high levels of labor force participation. The annual average unemployment rate for Sun Prairie was 2.3% with the labor force participation at 97.7%. This is reflective of the entire Dane County averages at 2.4% unemployment rate with the labor force participation at 97.6% and below the state values with an unemployment rate of 3.1% and the labor force participation at 96.9%. The per capita and median income of the City is above the state average. We expect the City to continue these trends in the future.

LONG-TERM FINANCIAL PLANNING

The City of Sun Prairie is committed to planning for the future to ensure that both private development and public investment in new infrastructure are coordinated and aimed at a common vision for the community. The City adopted a new Comprehensive Plan in 2019 with the Economic Development chapter being updated in 2025. This plan replaces the existing comprehensive plan that has been guiding development and infrastructure decisions since 2009. The Common Council also endorsed a Strategic Plan in 2019. This plan provides guidance on the priorities of the Council and their long-term vision for the City. The Parks and Open Space Plan was adopted in 2017 and updated again in 2025. In addition, a community-driven redevelopment plan which provides an implementation strategy for the properties that were destroyed by the gas explosion in July 2018 was finalized in 2019 and approved in 2020. Annually the City prepares a ten-year Capital Improvement Plan to plan and updates its five-year Financial Management Plan. Both plans aid policy makers in long-term decision-making goals. City officials use these plans to guide community development decisions, to assist with community facility budgeting, as well as focus and stimulate private housing, business, and industrial development decisions.

The Common Council approved the creation of the 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. TID No. 8 will close in 2026 and capture its final increment in 2026, which will be transferred to the Affordable Housing Fund.

The Common Council approved the creation of TIF No. 9 district in 2007 and expanded the TID in 2013. This mixed-use TID has developed into a thriving retail center including the completion of the Hilton Garden Inn. TID No. 9 will close in 2026 and capture its final increment in 2026, which will be transferred to the Affordable Housing Fund.

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 created TIF No. 12 district in 2016 and expanded the TID in 2017 and 2021. This industrial TID is in the northeast area of the City aimed to expand the current Business Park. 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 TID takes advantage of the close proximity of State Hwy 151. Full buildout was completed in 2023, which will likely allow the TID to close early.

The Common Council approved the creation of TIF No. 14 district in 2020. This district is an overlay of TID No. 8 and was created to implement the objectives of the Sun Prairie Stronger Plan.

The Common Council created TIF No. 15 district in 2021 to facilitate the affordable multi-family development and redevelopment of far West Main Street.

The Common Council created TIF No. 16 district in 2023 to facilitate affordable age-restricted and multi-family developments in partnership with Habitat for Humanity and Northpointe Development.

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. On January 1, 2024, the Sun Prairie Fire and Rescue Company became a department of the City. The citizens of Sun Prairie enjoy the 725 acres of parks and 54 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, and a newly expanded and renovated 60,600 square-foot library that serves the City as well as the surrounding area.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sun Prairie for its annual comprehensive financial report for the fiscal year ended December 31, 2024. This was the tenth consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

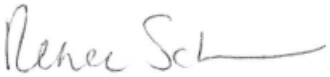
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive 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 US, 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

Renee Schwass
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sun Prairie
Wisconsin

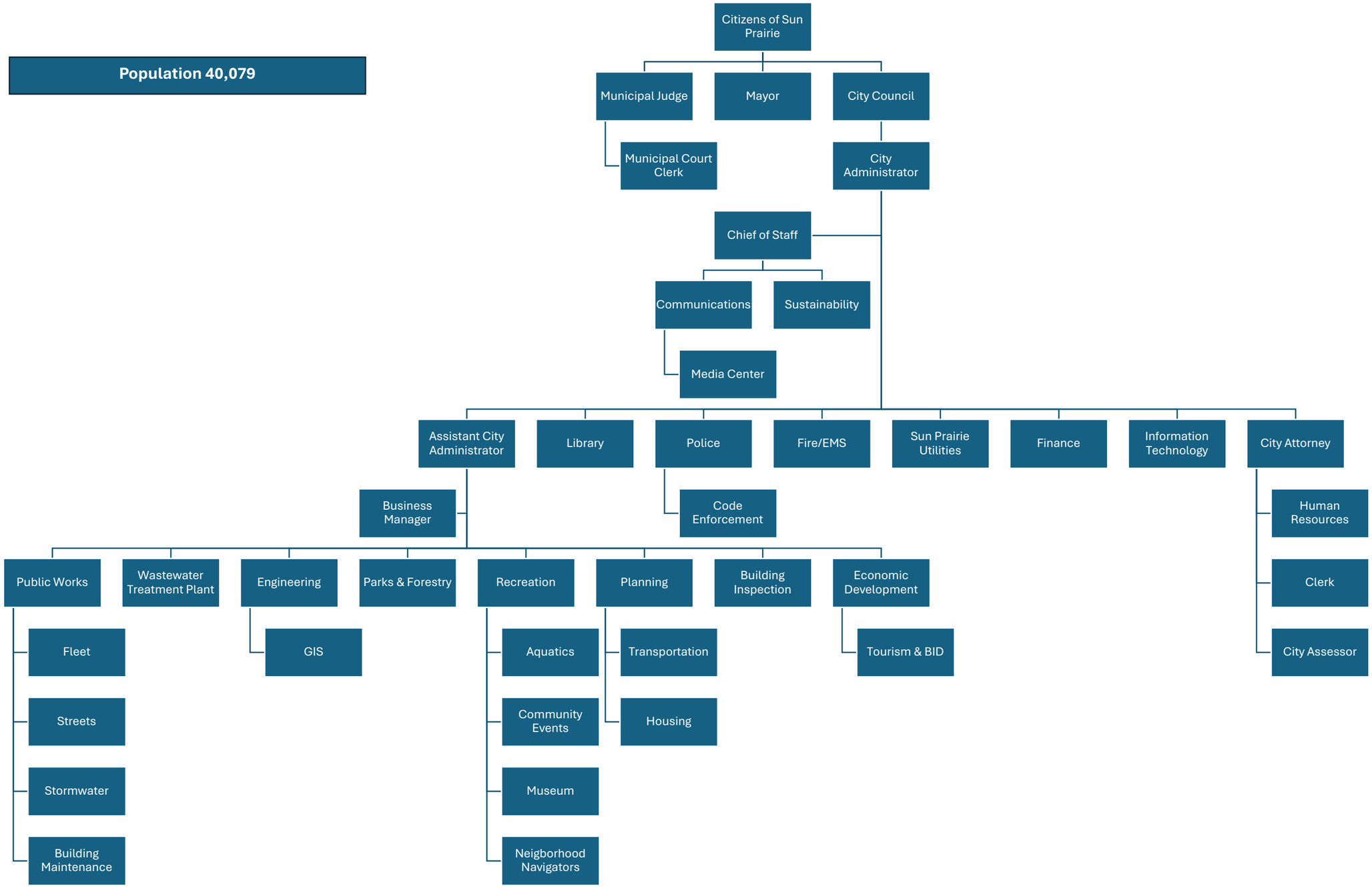
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

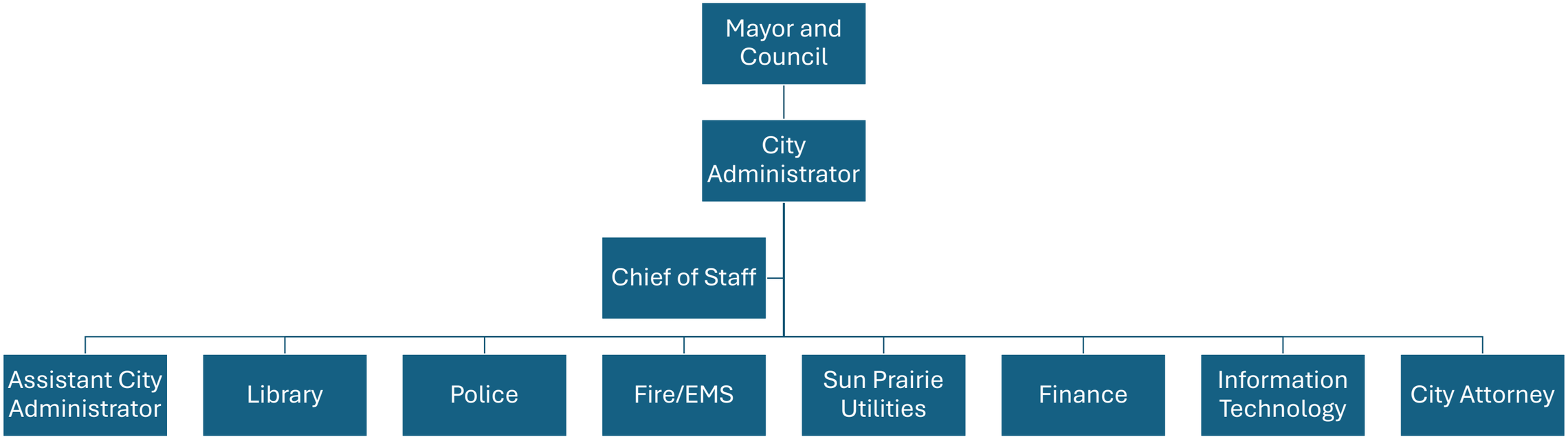
Executive Director/CEO

Attachment A: Proposed Organizational Structure



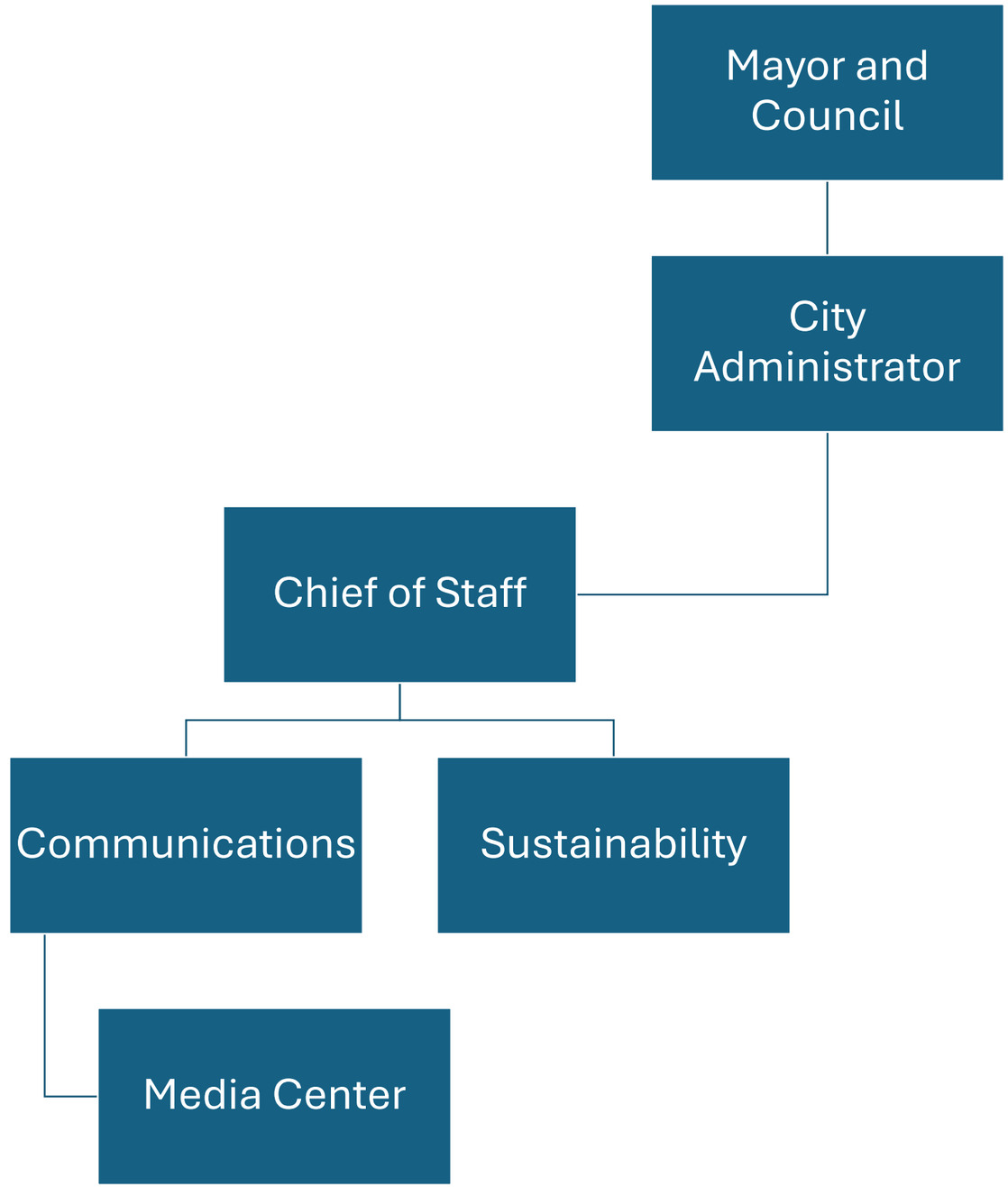
Attachment A: Proposed Organizational Structure

2026 Approved Organizational Structure: City Administrator's Direct Reports



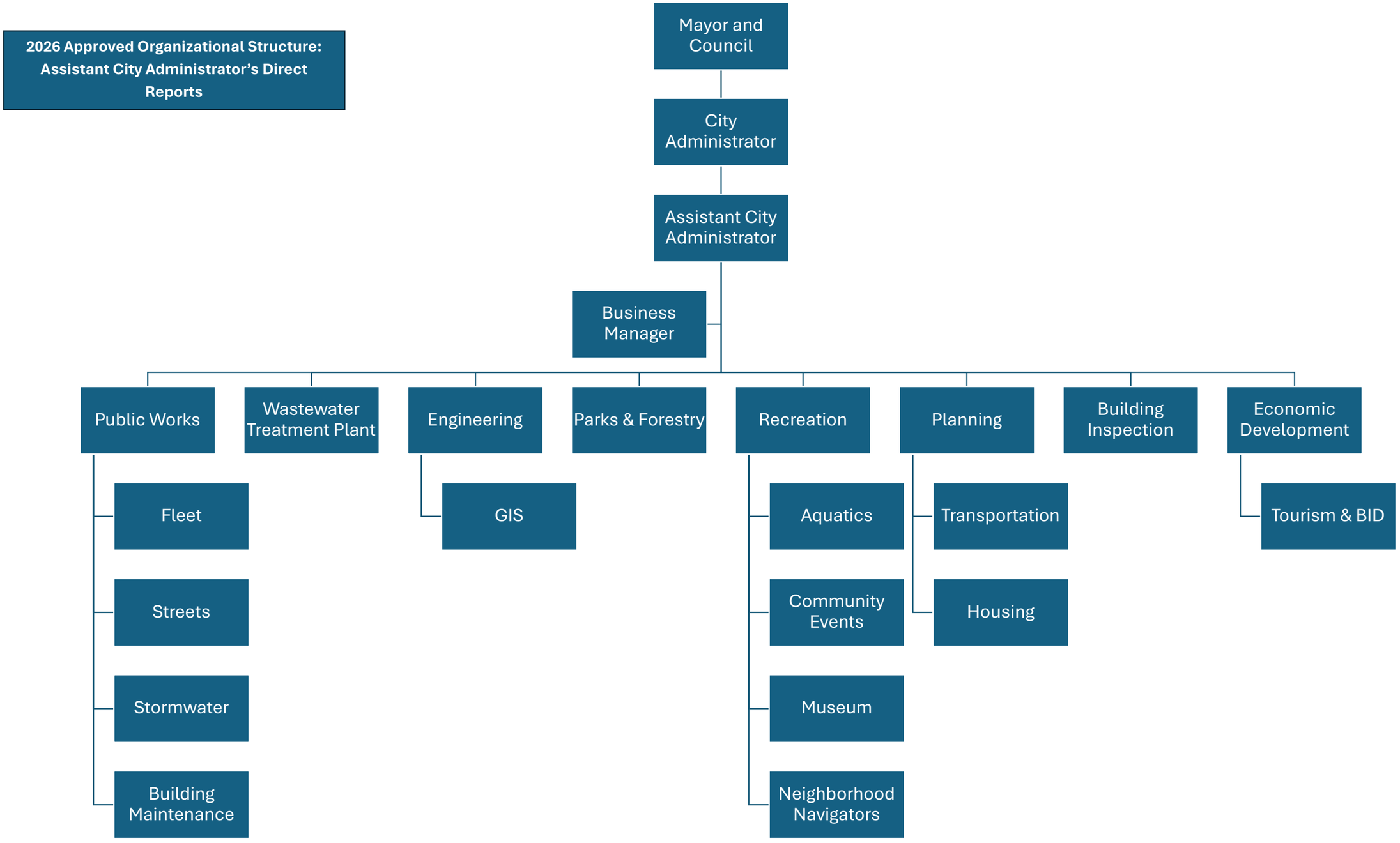
Attachment A: Proposed Organizational Structure

2026 Approved Organizational Structure: City Administrator's Office



Attachment A: Proposed Organizational Structure

2026 Approved Organizational Structure: Assistant City Administrator's Direct Reports



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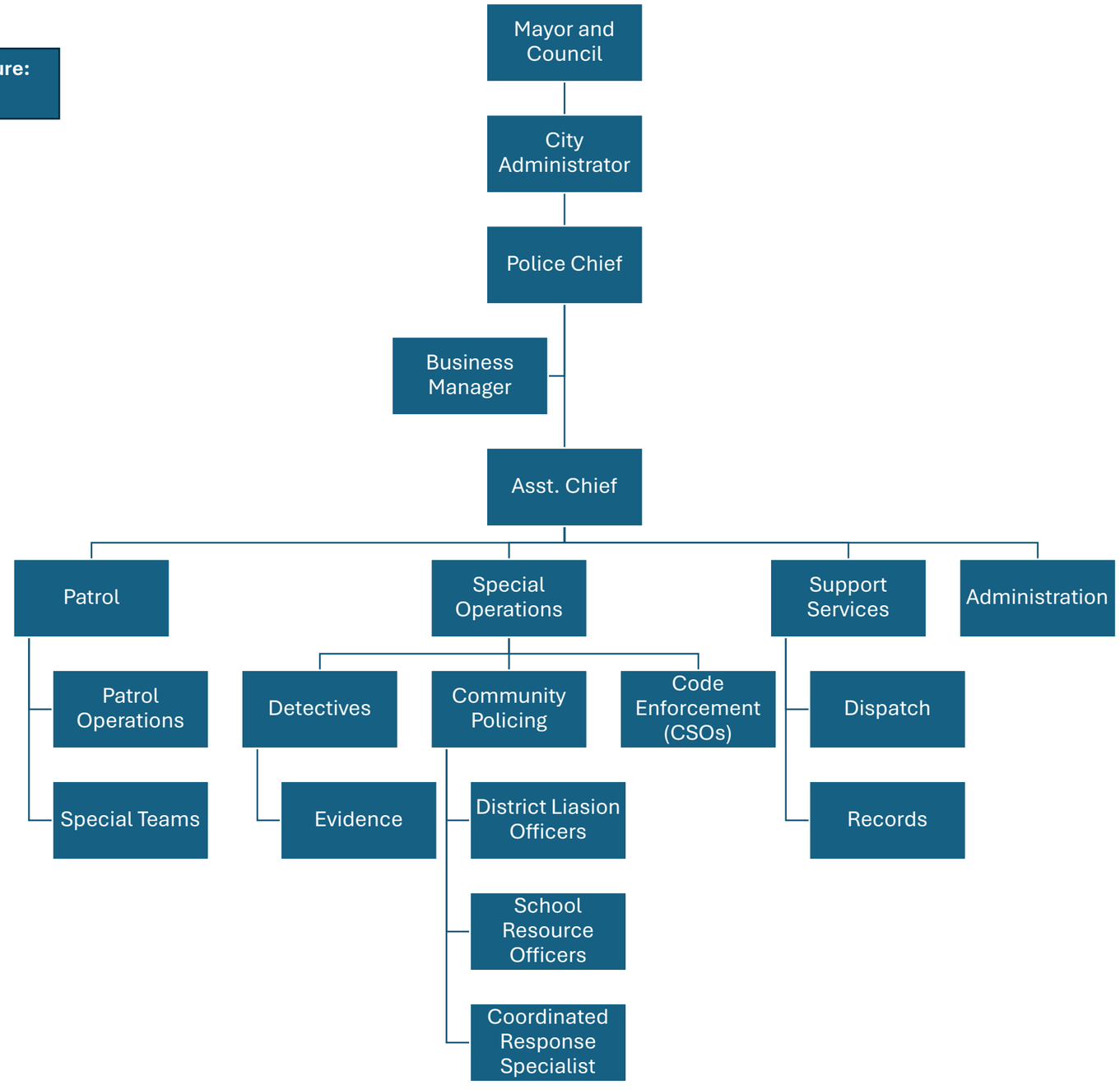
Attachment A: Proposed Organizational Structure

2026 Approved Organizational Structure: City Attorney's Office

Attachment A: Proposed Organizational Structure

2026 Approved Organizational Structure: Police Department



CITY OF SUN PRAIRIE
DIRECTORY OF OFFICIALS
December 31, 2025

MAYOR

Steve C. Stocker

COUNCIL PRESIDENT

Maureen Crombie

COUNCIL MEMBERS

District 1 – Casey Drengler
District 1 – Rex Owens
District 2 – Bill Baker
District 2 – Santiago Rosas
District 3 – Michael Jacobs
District 3 – Maureen Crombie
District 4 – Emily Comstock
District 4 – Vacant

ADMINISTRATION

City Administrator	Aaron Oppenheimer
Assistant City Administrator	Caitlin Stene
Finance Director	Renee Schwass
City Attorney	Kathleen McDaniel
City Assessor	Peter Krystowiak
City Clerk	Elena Hilby
Engineering Director	Tom Veith
Planning Director	Joshua Clements
Chief Code Official	Dennis Wilken
Public Works Director	JR Brimmer
Economic Development Director	Taylor Brown
Fire/EMS Chief	Christopher Garrison
Interim Human Resources Director	Rose Simon-Silva
Information Technology Director	Donald McDermott
Library Director	Svetha Hetzler
Parks and Forestry Director	Cindy Burtley
Recreation Director	Chad Shelton
Police Chief	Kevin Warych
Wastewater Conveyance & Treatment Director	Jeremy Cramer
Sun Prairie Utilities Manager	Jill Weiss

FINANCIAL SECTION

Independent Auditors' Report

To the City Council of
City of Sun Prairie

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sun Prairie, Wisconsin (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2025 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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'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

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory and Statistical Sections included in the annual comprehensive financial report but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
June 24, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SUN PRAIRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2025

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, 2025. 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 5.4% in 2025 to $419.5 million. The City's net investment in capital assets was $320.6 million at the end of 2025. An additional $23.8 million was held for restricted purposes with $75.1 million in unrestricted net position.

- At the end of 2025, the City's governmental activities reported a positive balance in unrestricted net position of $21.5 million. This is a decrease of $1.3 million from the previous year due primarily to decreases in accounts receivable and land held for resale.

- The City's general fund had an increase in fund balance of $788,540 for 2025. The general fund's unassigned fund balance at the end of 2025 increased by $1,122,460 to $7.5 million. The unassigned fund balance amount at the end of 2025 is 18.64% of the prior year's general fund revenue budget, including PILOT. This is within the City's goal for unassigned fund balance of 16.0% to 20.0% of the prior year general fund revenue budget. The primary decrease in non-spendable fund balance is due to a reduction in advances to tax increment financing districts. The remaining advance to TID No. 14 is anticipated to repay the general fund in whole in future years.

- The City continues to experience an increase in property values in 2025. Equalized value increased by 6.53% for 2025 following an increase of 10.9% for 2024. The total property tax levy for the 2024-25 tax year was $44,578,074 an increase of 11.4% compared to the prior year.

- The City issued $16.7 million in General Obligation Notes. The General Obligation Notes were issued for street improvements, fleet replacement, building improvements, and park improvements.

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, 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.

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, 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 and water, 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 and healthcare. These distribute charges of fleet and healthcare 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, 2025 and 2024 are summarized in the table below.

The City's net position increased by $21.4 million or 5.4% during the current fiscal year primarily due to an increase in 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. Net position also increased due to the increase in restricted net position for both economic development and transportation improvement initiatives, as well as an increase in unrestricted net position.

The net investment in capital assets accounts for 76.4% of the City's total net position. This represents 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 2025 and 2024:

CITY OF SUN PRAIRIE NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 107,258,104	$ 111,449,033	$ 72,195,397	$ 80,874,754	$ 179,453,501	$ 192,323,787
Capital assets	216,768,828	192,670,609	270,513,511	231,121,487	487,282,339	423,792,096
Total assets	324,026,932	304,119,642	342,708,908	311,996,241	666,735,840	616,115,883
Deferred outflows	12,583,646	15,115,359	2,649,687	3,052,282	15,233,333	18,167,641
Non-current liabilities						
Due within one year	12,184,394	11,569,127	4,250,654	4,416,873	16,435,048	15,986,000
Due in more than one year	77,347,165	74,925,942	93,730,193	75,230,097	171,077,358	150,156,039
Other Liabilities	6,299,050	6,083,210	7,962,956	4,371,585	14,262,006	10,454,795
Total Liabilities	95,830,609	92,578,279	105,943,803	84,018,555	201,774,412	176,596,834
Deferred inflows	57,463,474	56,263,337	3,233,769	3,320,284	60,697,243	59,583,621
Net position:						
Net Investments in Capital Assets	145,337,562	133,565,355	175,247,549	175,385,857	320,585,111	308,951,212
Restricted	16,449,960	14,021,345	7,346,402	6,488,877	23,796,362	20,510,222
Unrestricted	21,528,973	22,806,685	53,587,072	45,834,950	75,116,045	68,641,635
Total net position	$ 183,316,495	$ 170,393,385	$ 236,181,023	$ 227,709,684	$ 419,497,518	$ 398,103,069

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 $23.8 million as of December 31, 2025. Restricted net position for governmental activities increased $2.4 million primarily due to the performance of the TIF districts and transportation-related net income.

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 $75.1 million at the end of the year. It is important to note that $53.6 million of the unrestricted net position is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities.

Change in Net Position

The City's combined net position increased by $21.4 million from fiscal year 2024 to 2025, an increase of 5.4%. Of this increase, the net position of the City's governmental activities increased by 7.6%, or $12.9 million. The net position of the business-type activities increased 3.7%, or $8.5 million.

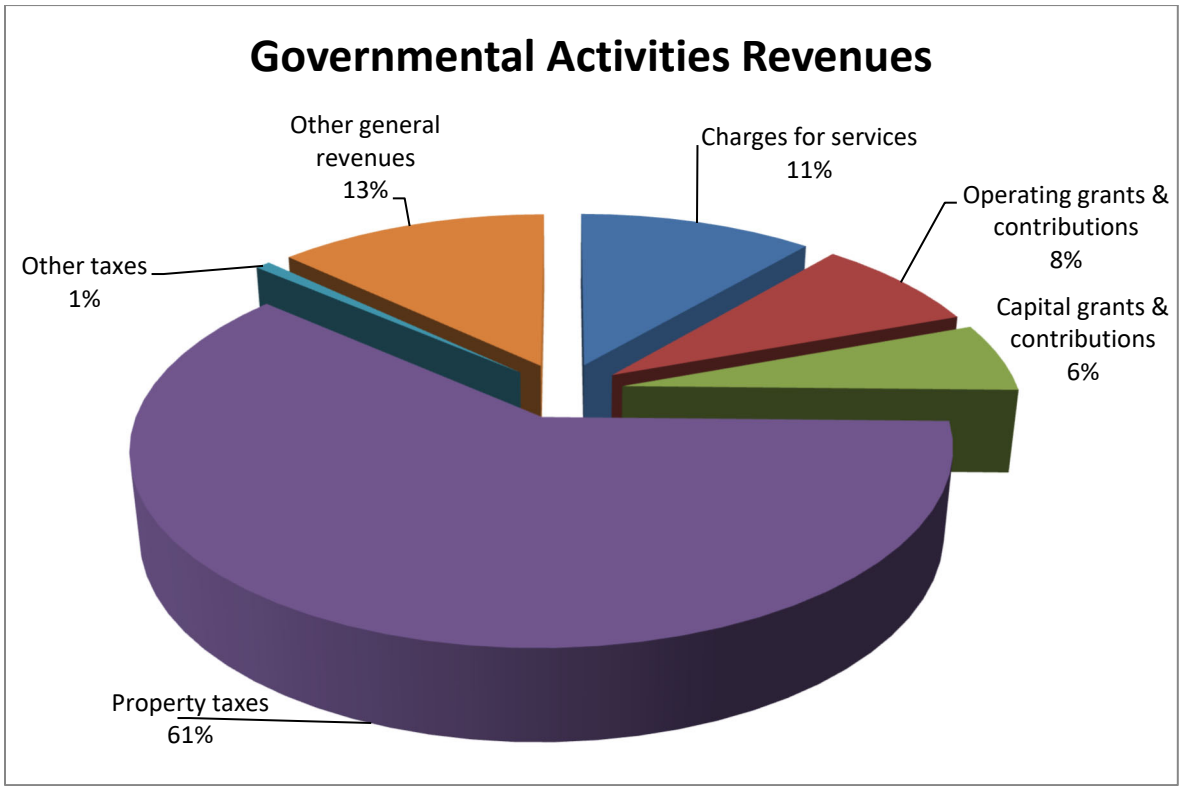
The following table provides a more detailed analysis of the City's change in net position:

CITY OF SUN PRAIRIE CHANGE IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$ 8,207,556	$ 9,329,994	$ 50,048,258	$ 46,863,428	$ 58,255,814	$ 56,193,422
Operating grants & contributions	5,981,909	5,047,346	-	-	5,981,909	5,047,346
Capital grants & contributions	4,322,000	3,306,260	3,718,029	3,492,964	8,040,029	6,799,224
General revenues						
Property taxes	44,578,074	40,031,823	-	-	44,578,074	40,031,823
Other taxes	531,096	392,823	-	-	531,096	392,823
Other general revenues	9,474,914	7,256,619	4,801,184	4,013,504	14,276,098	11,270,123
Total revenues	73,095,549	65,364,865	58,567,471	54,369,896	131,663,020	119,734,761
Expenses						
General government	8,264,025	6,752,568	-	-	8,264,025	6,752,568
Public safety	22,697,082	19,665,320	-	-	22,697,082	19,665,320
Public works	12,500,838	13,469,355	-	-	12,500,838	13,469,355
Health and human services	803,559	581,720	-	-	803,559	581,720
Culture, recreation, and education	7,474,580	7,103,877	-	-	7,474,580	7,103,877
Conservation and development	7,828,882	5,405,930	-	-	7,828,882	5,405,930
Interest expense	2,849,195	1,951,469	-	-	2,849,195	1,951,469
Electric Utility	-	-	32,204,596	29,098,855	32,204,596	29,098,855
Water Utility	-	-	4,803,378	4,442,089	4,803,378	4,442,089
Wastewater Utility	-	-	6,962,896	6,453,676	6,962,896	6,453,676
Stormwater Utility	-	-	3,879,540	3,361,438	3,879,540	3,361,438
Total expenses	62,418,161	54,930,239	47,850,410	43,356,058	110,268,571	98,286,297
Increase in net position	10,677,388	10,434,626	10,717,061	11,013,838	21,394,449	21,448,464
Transfers	2,245,722	2,049,166	(2,245,722)	(2,049,166)	-	-
Change in net position	12,923,110	12,483,792	8,471,339	8,964,672	21,394,449	21,448,464
Net position - beginning of the year	170,393,385	157,909,593	227,709,684	218,745,012	398,103,069	376,654,605
Net position - end of the year	$ 183,316,495	$ 170,393,385	$ 236,181,023	$ 227,709,684	$ 419,497,518	$ 398,103,069

Governmental Activities

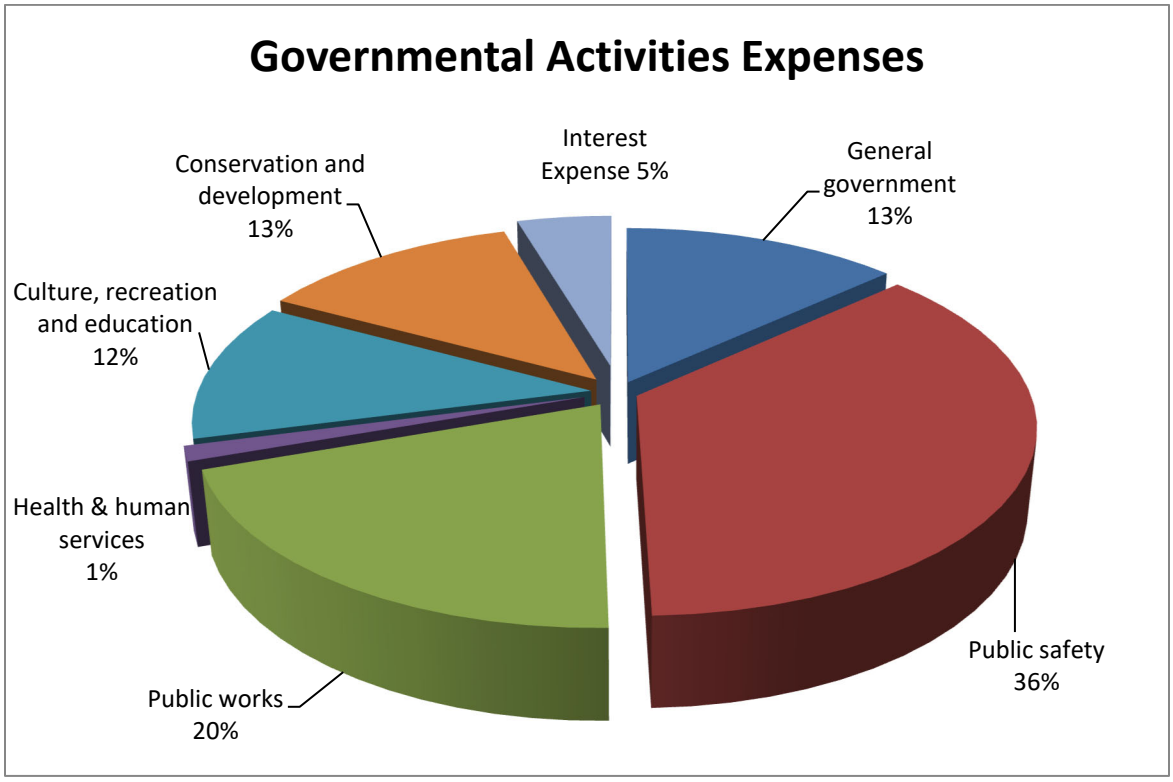
An examination of the statement of activities can provide a concise picture of how the various activities of the City are funded. The following charts draw data from the statement of activities. The City received $73.1 million in governmental activities revenues in 2025. This was an increase of $7.7 million from the prior year. The City is highly dependent upon property taxes for funding, and they remain the largest source of governmental activities revenues representing 61.0% of the total in 2025. 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 14.1%, while charges for services and all other sources account for 24.9% of total governmental activity resources.



The City experienced an overall 11.8% increase in revenues from 2024 to 2025. The primary changes are as follows:

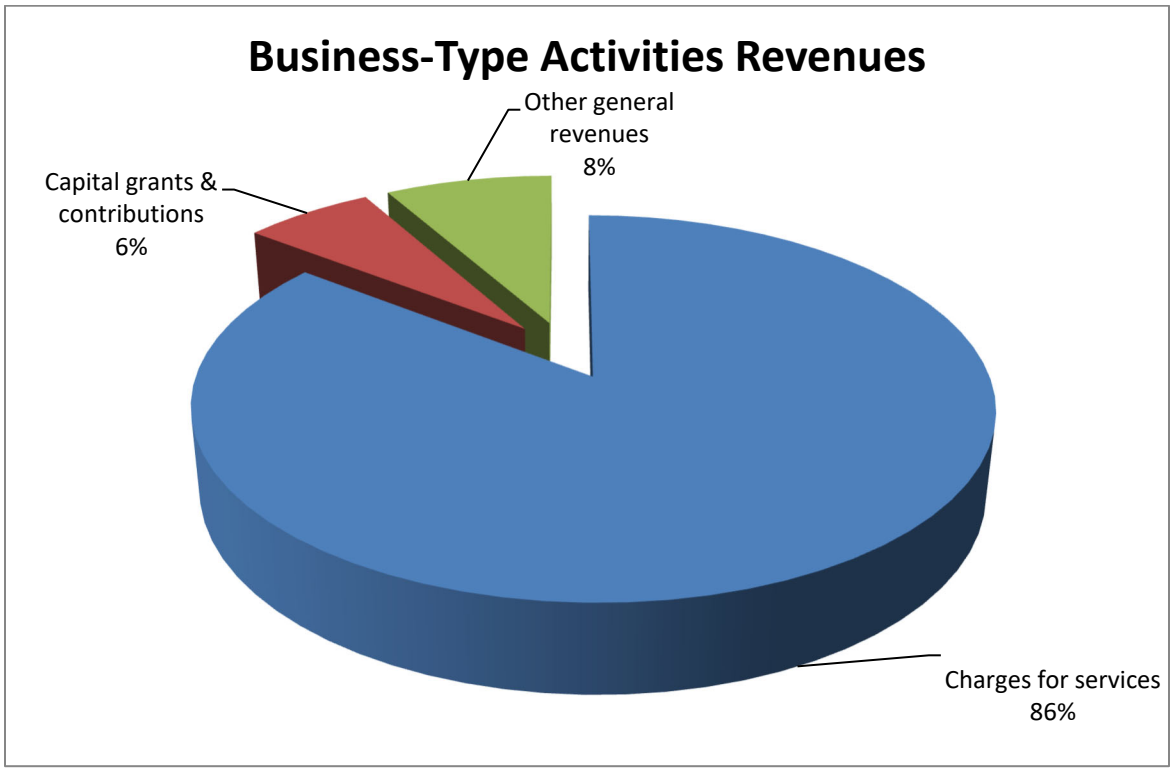
- The council approved an increase in the property tax levy ($4.5 million) largely corresponding to the additional equalized value resulting from increased development in 2024.
- Other general revenues increased 30.6% ($2.2 million) due to an increase in state shared revenues along with increased investment income.
- Charges for services decreased 12.0% ($1.1 million) largely due to decreases in permit and inspection fees, along with a decrease in ambulance activity from 2025 to 2024.

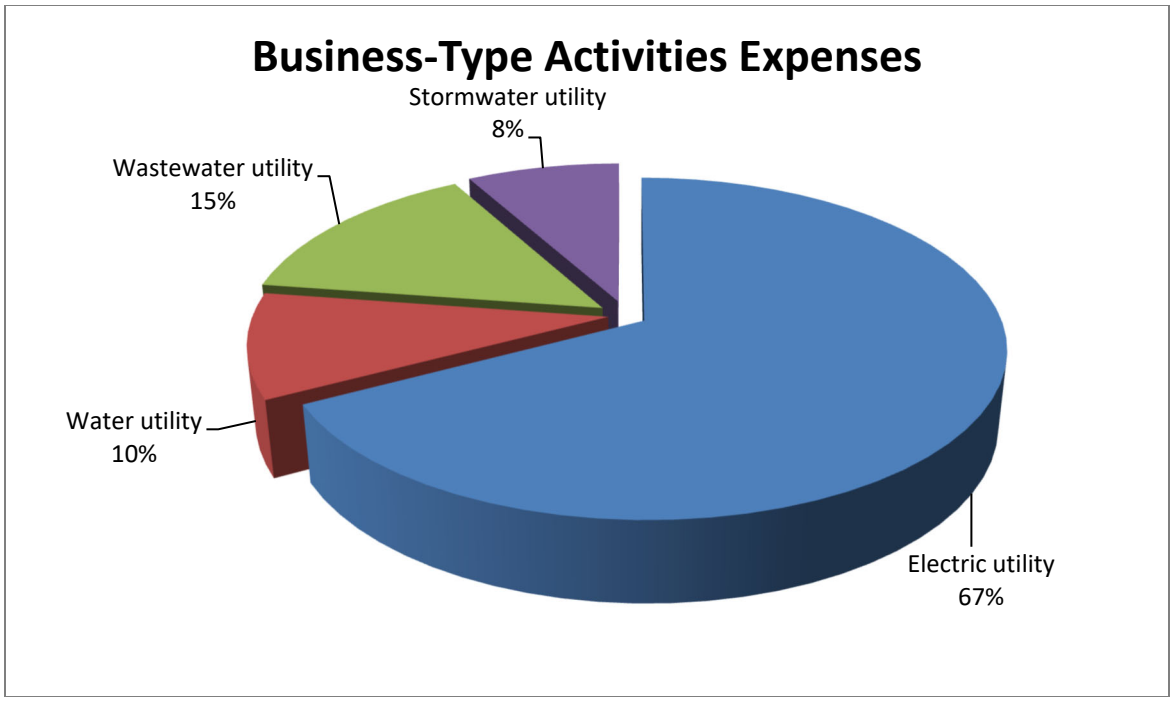
Total governmental activities expenses were $62.4 million in 2025. Public safety (including police, emergency medical services, building inspection, and fire services) accounts for the largest share of City expenses at 36.4%. This is followed by public works with 20.0%, general government with 13.2%, conservation and development with 12.5%, culture, recreation, and education with 12.0% and health and human services with 1.3%. Interest expense make up the remaining 4.6%.



Business-type Activities

Business-type activities include the City's water and electric, wastewater, and storm water utilities. In 2025, revenue for business-type activities totaled $58.6 million. Charges for services were the largest revenue source for these operations, representing 85.5% of business-type activity revenues. Capital grants and contributions accounted for 6.3% of revenues with other general revenues representing 8.2%.





The net position of Sun Prairie Utilities increased by $4.7 million, which represents a 4.6% increase over 2024. Combined operating revenues for the utility increased by 5.9%, or $2.2 million. Operating expenses for the utility increased by $3.3 million or 10.2% from 2024.

The net position of the wastewater utility increased by $1.8 million, which represents a 2.8% increase from 2024. Wastewater utility operating revenues increased by $554,500 or 8.6% from 2024. Operating expenses of the utility increased by $376,000 or 6.2%, from 2024.

The net position of the storm water utility increased by $1.9 million during 2025, an increase of 3.2%. Storm water utility operating revenues increased by $426,000 or 13.5%. Operating expenses increased by $505,000, or 16.6%.

The increase in net position for the enterprise funds is primarily due to development in the City during 2025 and the resulting contributed assets as an outcome of that development.

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

- Electric rates were effective as of December 2, 2023
- Water rates were effective as of November 12, 2025
- Wastewater rates were effective as of April 1, 2025
- Storm water rates were effective as of January 1, 2025

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 2025, the combined fund balances for the City's governmental funds were $46.2 million, as detailed below:

CITY OF SUN PRAIRIE GOVERNMENTAL FUND BALANCE

	2025	2024
Nonspendable, reported in:		
General Fund	$ 488,655	$ 1,159,577
Special revenue funds	41,051	21,552
Permanent Funds	1,000	1,000
Restricted, reported in:		
General Fund	967,530	956,799
Special revenue funds	7,842,319	7,349,237
Debt service funds	1,234,127	2,184,354
Capital project funds	18,673,136	24,415,352
Committed to:		
Special revenue funds	1,109,247	798,504
Assigned, reported in:		
General Fund	4,604,871	4,278,600
Capital project funds	4,030,458	2,082,878
Unassigned, reported in:		
General Fund	7,480,912	6,358,452
Capital project funds	(246,261)	(702,781)
Total Fund Balance	$ 46,227,045	$ 48,903,524

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.

General Fund: The general fund is the primary operating fund of the City. Total fund balance as of December 31, 2025, was $13.5 million, of which $489,000 was non-spendable. Included in this amount is $151,261 representing an advance to TIF District No. 14. The general fund had a decrease in total TIF advances of $552,374 from 2024. The decrease is primarily due to TID 12 repaying the full advance from the general fund. Assigned fund balance comprised another $4.6 million of the total fund balance. The 2025 payment in lieu of taxes due to the general fund from the electric and water utility represents $2.2 million of the assigned fund balance. The increase in the general fund assigned fund balance is primarily due to an increase in subsequent year benefit accruals. Unassigned fund balance in the general fund at the end of 2025 was $7.5 million, which represents 18.6% of the total prior year general fund revenue budget including PILOT. The City modified the fund balance policy in 2018 moving the target range of general fund balance from 12% to 18% in prior years to 16% to 20% in 2018. This was done to provide sufficient cash flow, stabilization, and emergency reserves for the City. The fund balance in the general fund remained relatively constant from 2024 to 2025.

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 In 2025, the net decrease in fund balance of $950,227 was largely due to the utilization of bond premium associated with prior year general obligation debt issues to be used for principal and interest payments.

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 restricted fund balance at the end of 2025 was $10.8 million, which will be used to pay for current and future capital projects.

Proprietary Funds

Sun Prairie Utilities (SPU) (Electric and Water): The SPU's operating income was $4.0 million in 2025, with net income before transfers and contributions of $5.7 million. This is a decrease of $750,000 (11.7%) from 2024.

Water Pollution Control Facility (WPCF): The WPCF's operating income was $515,500 in 2025, with net income before transfers and contributions of $1.2 million. This is an increase of $419,000 or 52.0% over 2024.

Storm Water Utility: The Storm Water Utility had operating income of $19,000 in 2025, with net income before transfers and contributions of $96,000. This is a decrease of $188,000 (66.2%) from 2024. The Storm Water Utility continues to require significant infrastructure improvements. Future rate increases will be implemented as needed to fund the infrastructure improvements.

GENERAL FUND BUDGETARY ANALYSIS

The general fund budget is adopted at the function level of expenditure. In 2025, the general fund experienced a net increase in fund balance of $788,540. The general fund had an unassigned fund balance increase from 2024 of $1,122,460. Statements highlighting budget versus actual variances can be found on pages 62 through 65.

The City's 2025 General Fund original adopted expenditure budget including other financing uses totaled $43,586,875. The Common Council approved departmental 2025 carryover requests of 2025 unspent operating funds of $801,095.

Total general fund revenues were less than budget by $61,798. Significant revenue variances for 2025 are noted below:

- **Intergovernmental: Surplus $371,449**
  General fund intergovernmental revenues include shared taxes, grants and other allocations made to support specific projects, programs, or activities. The surplus is largely due to federal grants received.

- **Licenses and Permits: Deficit $224,852**
  General fund licenses and permits include fees for licenses and permits from our City Clerk and Building Inspection division. These licenses and permits allow others to sell, operate, and build within city limits. This significant variance is a result of several large development projects being delayed in 2025, resulting in lower than anticipated applications being submitted.

- **Public Charges for Services: Deficit $200,451**
  Public charges for services represent fees charged for various city services including ambulance calls, miscellaneous park fees, inspections, and fees from the Family Aquatic Center. Much of the deficit is due to actual ambulance fees and plan review and engineering fees being less than budgeted.

- **Fines, Forfeitures, and Penalties: Deficit $16,116**
  Revenue from parking violations and court penalties were less than budgeted due to lower than average citations in 2025.

- **Investment Income: Deficit $86,620**
  Investment income was less than budgeted due to decreasing interest rates during the year and average cash balances.

- **Miscellaneous Revenues: Surplus $130,028**
  The surplus of miscellaneous revenues is due to higher-than-expected miscellaneous revenues and chargebacks to other departments.

Total general fund expenditures and other financing uses were $2,277,036 under budget in 2025. Areas that experienced significant variances from the budget are noted below:

- **General Government Operations: Surplus $874,349**
  The 2025 budget included allocations for large professional service projects that span multiple years. The balance of the savings was $367,611 for the vacancies in the finance department, $268,562 in savings in the administrator department, as well as other minor savings across departments.

- **Police Department: Surplus $650,214**
  The Police Department experienced savings due to significant vacancies throughout the year. These vacancies were due to retirements and change of career.

- **Public Works: Surplus $89,177**
  Multiple departments within the public works functional area experienced minor surpluses due to operating expenses coming in below budget.

- **Culture, Recreation, and Education: Surplus $337,971**
  The Library experienced savings of $237,765 primarily due to lower-than-expected professional services and replacement of machinery and equipment. Parks and Recreation experienced a savings of $59,845 due to staff vacancies and lower than expected programming. The remaining savings are due to minor operating savings in the Historical Museum and Family Aquatic Center.

- **Conservation and Development: Surplus $194,702**
  The Planning division experienced savings due to a delayed start to their zoning code update. The remaining savings are due to minor operational savings in the other divisions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the City of Sun Prairie had investments in capital assets of $487.3 million, net of accumulated depreciation, for all governmental and business-type activities of the City. This represents an increase of 15.0% from the end of 2024.

Major capital asset improvements within the City's governmental activities included the addition to the library and the renovation of the Family Aquatic Center. $6.1 million was spent for street additions and reconstruction. This includes new streets dedicated to the City from developers and the reconstruction of existing streets. $1.7 million for the addition and reconstruction of bike paths, sidewalks and signals. The City purchased $2.4 million in machinery and equipment assets including three ambulances.

In the City's business-type activities, major capital additions (prior to depreciation) include $23.3 million for electric distribution plant, $1.6 million for water infrastructure, $1.2 million for wastewater infrastructure, and $2.4 million for the storm water infrastructure. These additions include dedications in new developments as well as finalization of the wastewater plant expansion project. 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	
	2025	2024	2025	2024	2025	2024
Land/right-of-ways	$ 54,583,590	$ 51,160,696	$ 19,809,836	$ 19,840,029	$ 74,393,426	$ 71,000,725
Land improvements	9,130,352	8,667,872	-	-	9,130,352	8,667,872
Buildings	39,812,149	38,465,141	-	-	39,812,149	38,465,141
Equipment	26,810,575	24,648,361	-	-	26,810,575	24,648,361
Infrastructure	151,279,805	146,509,295	-	-	151,279,805	146,509,295
Electric system	-	-	86,542,998	63,265,919	86,542,998	63,265,919
Water system	-	-	73,112,073	71,467,264	73,112,073	71,467,264
Wastewater system	-	-	99,139,089	97,889,713	99,139,089	97,889,713
Stormwater system	-	-	65,990,903	63,609,218	65,990,903	63,609,218
Construction in progress	25,498,028	9,705,740	22,588,120	6,706,451	48,086,148	16,412,191
Total capital assets	307,114,499	279,157,105	367,183,019	322,778,594	674,297,518	601,935,699
Less: Accumulated depreciation	(90,345,671)	(86,486,496)	(96,669,508)	(91,657,107)	(187,015,179)	(178,143,603)
Capital assets net of depreciation	$ 216,768,828	$ 192,670,609	$ 270,513,511	$ 231,121,487	$ 487,282,339	$ 423,792,096

Additional details about the changes in capital assets can be found in Note 3 on pages 34 through 35 of the financial statements.

Long Term Debt

The City's outstanding general obligation debt as of December 31, 2025, totaled $107.6 million. In addition, the City had revenue debt outstanding of $46.7 million that is guaranteed by revenues generated from the City's electric, water, and wastewater utilities.

The City also issued $16.7 million of long-term debt in 2025 in the form of general obligation notes to finance 2025 capital project expenditures.

City Capital Projects	$13,290,000
Fleet Purchases	715,000
Wastewater and Stormwater projects	2,695,000
Total	$16,700,000

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 July 30, 2025 rating analysis, Moody's stated that factors contributing to the City's high rating include "growing tax base favorably located within proximity to the City of Madison (Aaa stable), above median resident income, strong available fund balance and liquidity, and consistently strong debt service coverage (utility revenue bonds)". 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 2025 equalized valuation of $6.5 billion, the City's statutory debt limit is $323,687,150. The City was at 33.2% of its legal debt limit as of December 31, 2025.

The following table provides a summary of all outstanding debt and other long-term obligations:

CITY OF SUN PRAIRIE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds and notes	$ 81,237,710	$ 79,079,551	$ 26,390,000	$ 25,345,000	$ 107,627,710	$ 104,424,551
Revenue bonds	-	-	46,686,269	49,057,217	46,686,269	49,057,217
Other long-term debt	-	-	254,166	304,167	254,166	304,167
Financed purchases	-	-	-	-	-	-
Total	$ 81,237,710	$ 79,079,551	$ 73,330,435	$ 74,706,384	$ 154,568,145	$ 153,785,935

More detail regarding the City's outstanding debt can be found in Note 3 on Pages 39 through 43 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, 2025, the population is estimated at 40,079. This is an increase of 7,466 since 2016. During this period, the City's population has grown by 22.3% making it one of the fastest growing municipalities in the State of Wisconsin.

The City saw development in all areas of the City including all types of commercial and residential properties. The west side continued to see development with two new banks, completion of a large medical facility, phase two of a large apartment complex, two daycare projects, and a two-building multi-tenant development in the Pumpkin Patch neighborhood. The downtown corridor of the City saw completion of an affordable housing complex and construction began on a full-service hotel. The north side had a mixed-use retail/office/industrial building added. The Windsor corridor had a conversion of an industrial building to a pickle ball facility. Residential development of one and two-family construction projects continued in Smith's Crossing, Serenity Estates/Reserve and the Town Hall Crossing neighborhoods.

Since 2016, the City has experienced a 133% increase in equalized property valuation ($3.7 billion). 2025 saw an increase of 6.5% or $396.5 million.

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 2025, below the state and federal rates of 3.1% and 4.4% respectively.

The Sun Prairie City Council approved the 2026 budget, which authorized general fund expenditures of $45,369,322. The combined property tax levy was $48,405,913, which is an increase of 8.6%. The City's portion of the mill rate increased by .5%. The current mill rate is $7.1384 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 2.25% in 2025 due to market increases. Commercial property increased by 3.8% and residential property increased by 1.5%. New construction increased from $182.7 million in 2024 to $165.1 million in 2025.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, of China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the City. The City's evaluation of the effects of these events is ongoing. The City does not have a health department and the public safety response to the pandemic is minimal. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions. In March 2021, the Federal Government passed the American Rescue Plan Act in response to the COVID-19 pandemic. This act will provide funds to units of local government to mitigate the fiscal effects stemming from the public health emergency. The City of Sun Prairie's award was $3,627,917, and received 50% of the funds in 2021, and the remaining 50% in 2022. The City has contracted with a grant administrator to assist with the use and disbursement of these funds to enable the City and community to respond to the COVID-19 public health emergency and its negative impacts. As of December 31, 2024, all funds received under the American Rescue Plan Act have been obligated to eligible expenses. Funds continue to be expended as allowed under the law until December 31, 2026.

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 Finance Director 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.

BASIC FINANCIAL STATEMENTS

City of Sun Prairie

Statement of Net Position
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	$ 53,681,712	$ 31,345,717	$ 85,027,429
Receivables (net):			
Taxes	50,512,277	-	50,512,277
Delinquent personal property taxes	13,010	-	13,010
Accounts	2,397,846	4,010,526	6,408,372
Delinquent special assessments	9,733	-	9,733
Accrued interest	-	50,736	50,736
Other	-	1,477,712	1,477,712
Leases	841,636	2,054,609	2,896,245
Internal balances	(2,122,989)	2,122,989	-
Inventories and prepaid items	301,450	1,508,830	1,810,280
Land held for resale	1,299,825	-	1,299,825
Restricted cash and investments:			
Cash and investments	323,604	13,484,059	13,807,663
Other assets	-	16,140,219	16,140,219
Capital assets:			
Land	52,917,410	19,809,836	72,727,246
Construction in progress	25,498,028	22,588,120	48,086,148
Easements	1,666,180	-	1,666,180
Other capital assets, net of depreciation	136,687,210	228,115,555	364,802,765
Total assets	324,026,932	342,708,908	666,735,840
Deferred Outflows of Resources			
Pension related amounts	12,583,646	2,649,687	15,233,333
Liabilities, Deferred inflows of Resources and Net Position			
Liabilities			
Accounts payable and accrued expenses	5,559,360	7,960,808	13,520,168
Deposits	87,415	2,148	89,563
Due to other governments	426,418	-	426,418
Unearned revenue	225,857	-	225,857
Noncurrent liabilities:			
Due within one year	12,184,394	4,250,654	16,435,048
Due in more than one year	75,314,357	93,109,258	168,423,615
Net pension liability, due in more than one year	2,032,808	620,935	2,653,743
Total liabilities	95,830,609	105,943,803	201,774,412
Deferred Inflows of Resources			
Property taxes levied for next period and other deferred revenues	50,383,072	-	50,383,072
Pension related amounts	6,238,766	1,179,160	7,417,926
Lease related amounts	841,636	2,054,609	2,896,245
Total deferred inflows of resources	57,463,474	3,233,769	60,697,243

See notes to financial statements

City of Sun Prairie

Statement of Net Position
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Net Position			
Net investment in capital assets	$ 145,337,562	$ 175,247,549	$320,585,111
Restricted for:			
Park improvement	1,976,276	-	1,976,276
Economic development	7,265,742	-	7,265,742
Transportation improvement	5,211,287	-	5,211,287
Grants	441,177	-	441,177
Library	353,301	-	353,301
Tourism	304,110	-	304,110
Housing	56,165	-	56,165
Trusts, nonexpendable	1,000	-	1,000
Equipment replacement	-	5,668,974	5,668,974
Debt service	840,902	1,677,428	2,518,330
Unrestricted	21,528,973	53,587,072	75,116,045
Total net position	$ 183,316,495	$ 236,181,023	$419,497,518

See notes to financial statements

City of Sun Prairie

Statement of Activities
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary Government							
Governmental activities:							
General government	$ 8,264,025	$ 187,290	$ 106,931	$ -	$ (7,969,804)	$ -	$ (7,969,804)
Public safety	22,697,082	3,769,673	853,313	-	(18,074,096)	-	(18,074,096)
Public works	12,500,838	2,966,250	3,970,773	4,320,485	(1,243,330)	-	(1,243,330)
Health and human services	803,559	-	-	-	(803,559)	-	(803,559)
Culture, recreation and education	7,474,580	1,210,158	1,050,892	1,515	(5,212,015)	-	(5,212,015)
Conservation and development	7,828,882	74,185	-	-	(7,754,697)	-	(7,754,697)
Interest expense	2,849,195	-	-	-	(2,849,195)	-	(2,849,195)
Total governmental activities	62,418,161	8,207,556	5,981,909	4,322,000	(43,906,696)	-	(43,906,696)
Business-type activities:							
Electric	32,204,596	33,664,409	-	311,128	-	1,770,941	1,770,941
Water	4,803,378	5,824,799	-	981,227	-	2,002,648	2,002,648
Wastewater	6,962,896	6,986,078	-	614,516	-	637,698	637,698
Stormwater	3,879,540	3,572,972	-	1,811,158	-	1,504,590	1,504,590
Total business-type activities	47,850,410	50,048,258	-	3,718,029	-	5,915,877	5,915,877
Total primary government	$ 110,268,571	$ 58,255,814	$ 5,981,909	$ 8,040,029	(43,906,696)	5,915,877	(37,990,819)
General Revenues							
Taxes:							
Property taxes, levied for general purposes					26,894,617	-	26,894,617
Property taxes, levied for debt service					7,823,245	-	7,823,245
Property taxes, levied for TIF districts					9,860,212	-	9,860,212
Other taxes					531,096	-	531,096
Intergovernmental revenues not restricted to specific programs					5,839,269	561,900	6,401,169
Investment income					2,685,368	3,649,307	6,334,675
Miscellaneous					950,277	589,977	1,540,254
Total general revenues					54,584,084	4,801,184	59,385,268
Transfers					2,245,722	(2,245,722)	-
Total general revenues and transfers					56,829,806	2,555,462	59,385,268
Change in net position					12,923,110	8,471,339	21,394,449
Net Position, Beginning					170,393,385	227,709,684	398,103,069
Net Position, Ending					$ 183,316,495	$ 236,181,023	$ 419,497,518

See notes to financial statements

City of Sun Prairie

Balance Sheet -
Governmental Funds
December 31, 2025

	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	$ 34,153,056	$ 1,465,637	$ 13,638,524	$ 4,324,863	$ 53,582,080
Receivables (net):					
Taxes	27,566,893	9,446,027	-	13,499,357	50,512,277
Delinquent personal property taxes	13,010	-	-	-	13,010
Accounts	1,556,185	-	278,054	538,246	2,372,485
Delinquent special assessments	758	-	-	8,975	9,733
Leases	-	841,636	-	-	841,636
Due from other funds	2,635,621	-	3,116,916	12,739,001	18,491,538
Prepaid items and inventories	323,626	-	-	32,076	355,702
Advances to other funds	151,261	-	-	-	151,261
Restricted cash and investments	87,113	-	-	-	87,113
Total assets	$ 66,487,523	$ 11,753,300	$ 17,033,494	$ 31,142,518	$ 126,416,835

See notes to financial statements

City of Sun Prairie

Balance Sheet -
Governmental Funds
December 31, 2025

	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Total
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 1,068,127	$ -	$ 1,987,260	$ 163,937	$ 3,219,324
Accrued liabilities	1,244,593	-	-	21,911	1,266,504
Deposits	14,751	-	1,833	70,831	87,415
Unearned revenues	-	-	-	225,857	225,857
Due to other governments	426,418	-	-	-	426,418
Due to other funds	21,938,023	231,510	-	-	22,169,533
Advances from other funds	-	-	-	246,261	246,261
Total liabilities	24,691,912	231,510	1,989,093	728,797	27,641,312
Deferred Inflows of Resources					
Property taxes levied for next period and other deferred revenues	27,440,597	9,446,027	-	13,496,448	50,383,072
Unavailable revenues	813,046	-	286,504	224,220	1,323,770
Lease related amounts	-	841,636	-	-	841,636
Total deferred inflows of resources	28,253,643	10,287,663	286,504	13,720,668	52,548,478
Fund Balances					
Nonspendable	488,655	-	-	42,051	530,706
Restricted	967,530	1,234,127	10,751,737	15,763,718	28,717,112
Committed	-	-	-	1,109,247	1,109,247
Assigned	4,604,871	-	4,006,160	24,298	8,635,329
Unassigned (deficit)	7,480,912	-	-	(246,261)	7,234,651
Total fund balances	13,541,968	1,234,127	14,757,897	16,693,053	46,227,045
Total liabilities, deferred inflows of resources and fund balances	$ 66,487,523	$ 11,753,300	$ 17,033,494	$ 31,142,518	$ 126,416,835

See notes to financial statements

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2025

Total Fund Balances, Governmental Funds	$ 46,227,045
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 3.	207,340,722
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 3.	1,323,770
The net pension asset (liability) does not relate to current financial resources and is not reported in the governmental funds.	(2,017,579)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	12,488,132
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(6,185,073)
Land held for resale used in governmental funds are not financial resources and, therefore, are not reported in the funds.	1,299,825
Internal service funds are reported in the Statement of Net Position as governmental activities.	7,167,750
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	(77,222,710)
Compensated absences	(2,868,450)
Accrued interest	(1,050,488)
Unamortized debt premium	(3,186,449)
Net Position of Governmental Activities	$ 183,316,495

See notes to financial statements

City of Sun Prairie

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2025

	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues					
Taxes	$ 27,099,286	$ 7,823,245	$ -	$ 11,150,874	$ 46,073,405
Intergovernmental	5,950,512	-	709,542	3,718,153	10,378,207
Licenses and permits	828,304	-	10,673	262,716	1,101,693
Fines, forfeitures and penalties	193,384	-	-	-	193,384
Public charges for services	4,127,614	-	-	3,614,926	7,742,540
Special assessments	368	-	15,759	5,313	21,440
Investment income	1,044,625	166,313	881,622	535,468	2,628,028
Miscellaneous	827,556	28,938	301,536	1,386,977	2,545,007
Total revenues	40,071,649	8,018,496	1,919,132	20,674,427	70,683,704
Expenditures					
Current:					
General government	7,918,857	-	-	82,994	8,001,851
Public safety	21,242,466	-	-	285,482	21,527,948
Public works	4,507,391	-	-	5,710,272	10,217,663
Health and human services	467,212	-	-	336,347	803,559
Culture, recreation and education	5,636,026	-	-	1,767,303	7,403,329
Conservation and development	1,662,294	-	-	2,504,308	4,166,602
Capital outlay	-	-	22,460,459	365,805	22,826,264
Debt service:					
Principal	-	7,070,000	-	4,121,841	11,191,841
Interest and fiscal charges	-	2,541,570	208,960	430,519	3,181,049
Total expenditures	41,434,246	9,611,570	22,669,419	15,604,871	89,320,106
Excess (deficiency) of revenues over expenditures	(1,362,597)	(1,593,074)	(20,750,287)	5,069,556	(18,636,402)
Other Financing Sources (Uses)					
Debt issued	-	-	13,290,000	-	13,290,000
Premium on debt issued	-	-	588,752	-	588,752
Transfers in	3,205,265	642,847	644,621	826,793	5,319,526
Transfers out	(1,054,128)	-	(1,091,644)	(1,092,583)	(3,238,355)
Total other financing sources (uses)	2,151,137	642,847	13,431,729	(265,790)	15,959,923
Net change in fund balances	788,540	(950,227)	(7,318,558)	4,803,766	(2,676,479)
Fund Balances, Beginning	12,753,428	2,184,354	22,076,455	11,889,287	48,903,524
Fund Balances, Ending	$ 13,541,968	$ 1,234,127	$ 14,757,897	$ 16,693,053	$ 46,227,045

See 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
Year Ended December 31, 2025

Net Change in Fund Balances, Total Governmental Funds	$	(2,676,479)
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.		22,826,264
Some items reported as operating expenses in the fund financial statements, are capitalized in the government-wide statements.		2,753,809
Depreciation is reported in the government-wide financial statements		(6,541,193)
Net book value of assets retired.		(14,097)
Contributed capital assets are reported as revenues in the government-wide financial statements.		4,228,426
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.		(1,076,112)
Land held for resale is reported as an expenditure in the governmental funds when purchased and revenue when sold. 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.		(3,899,225)
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		(13,290,000)
Principal repaid		11,191,841
Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. 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		542,877
Current year premium		(588,752)
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		(442,111)
Accrued interest on debt		(100,063)
Net pension liability		(438,443)
Deferred outflows of resources related to pensions		(2,515,922)
Deferred inflows of resources related to pensions		2,615,982
Internal service funds are used by management to charge fleet and health insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities.		346,308
Change in Net Position of Governmental Activities	$	12,923,110

See notes to financial statements

City of Sun Prairie

Statement of Net Position -
Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise Funds				
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Total	Governmental Activities - Internal Service Funds
Assets and Deferred Outflows of Resources					
Current Assets					
Cash and investments	$ 17,413,167	$ -	$ 6,778,497	$ 24,191,664	$ 99,632
Receivables:					
Accounts	3,106,900	638,234	265,392	4,010,526	25,361
Accrued interest	50,736	-	-	50,736	-
Other	940,661	521,349	15,702	1,477,712	-
Lease	138,824	-	-	138,824	-
Due from other funds	154,651	3,496,120	879,523	4,530,294	1,650,006
Prepaid items	95,139	1,375	2,387	98,901	7,651
Inventories	1,409,929	-	-	1,409,929	-
Restricted assets:					
Cash and investments	1,472,675	706,435	2,234,923	4,414,033	236,491
Total current assets	24,782,682	5,363,513	10,176,424	40,322,619	2,019,141
Noncurrent Assets					
Restricted assets:					
Cash and investments	2,933,186	6,136,840	-	9,070,026	-
Capital assets:					
Land	1,752,661	1,415,016	16,642,159	19,809,836	-
Construction in progress	1,488,694	21,099,426	-	22,588,120	-
Other capital assets	159,655,070	99,139,088	65,990,903	324,785,061	16,432,495
Less accumulated depreciation	(48,171,418)	(29,936,099)	(18,561,989)	(96,669,506)	(7,004,389)
Other assets:					
Cash and investments	-	7,154,053	-	7,154,053	-
Lease receivable	1,915,785	-	-	1,915,785	-
Preliminary survey and investigation	3,938	-	-	3,938	-
Property held for future use	16,854	-	-	16,854	-
Lift station fees receivable	-	72,302	-	72,302	-
Advances to other funds	-	95,000	-	95,000	-
Nonutility property	446,221	-	-	446,221	-
Investment in ATC	15,600,904	-	-	15,600,904	-
Total noncurrent assets	135,641,895	105,175,626	64,071,073	304,888,594	9,428,106
Total assets	160,424,577	110,539,139	74,247,497	345,211,213	11,447,247
Deferred Outflows of Resources					
Pension related amounts	1,849,746	473,954	325,987	2,649,687	95,514

See notes to financial statements

City of Sun Prairie

Statement of Net Position -
Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise Funds				
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Total	Governmental Activities - Internal Service Funds
Liabilities, Deferred Inflows of Resources and Net Position					
Current Liabilities					
Accounts payable	$ 3,879,865	$ 2,770,960	$ 154,909	$ 6,805,734	$ 30,250
Other accrued liabilities	375,713	131,359	146,320	653,392	54,697
Deposits	2,148	-	-	2,148	-
Due to other funds	2,502,305	-	-	2,502,305	-
General obligation debt	470,000	470,000	785,000	1,725,000	725,000
Other long-term debt	50,000	-	-	50,000	-
Compensated absences	-	49,610	10,015	59,625	-
Unamortized debt premium	-	29,776	49,633	79,409	-
Liabilities payable from restricted assets:					
Revenue bonds payable	1,450,000	886,620	-	2,336,620	-
Accrued interest	353,134	148,548	-	501,682	-
Total current liabilities	9,083,165	4,486,873	1,145,877	14,715,915	809,947
Noncurrent Liabilities					
Revenue bonds payable	32,405,000	32,243,122	-	64,648,122	-
General obligation debt (including unamortized premium)	8,860,311	6,506,277	11,987,296	27,353,884	3,476,896
Other long-term debt	204,166	-	-	204,166	-
Compensated absences	798,291	92,133	12,662	903,086	19,246
Net pension liability	471,891	90,532	58,512	620,935	15,229
Total noncurrent liabilities	42,739,659	38,932,064	12,058,470	93,730,193	3,511,371
Total liabilities	51,822,824	43,418,937	13,204,347	108,446,108	4,321,318
Deferred Inflows of Resources					
Pension related amounts	826,077	179,651	173,432	1,179,160	53,693
Lease related amounts	2,054,609	-	-	2,054,609	-
Total deferred inflows of resources	2,880,686	179,651	173,432	3,233,769	53,693
Net Position					
Net investment in capital assets	72,596,947	49,308,620	53,341,982	175,247,549	5,462,701
Restricted for:					
Debt service	1,119,541	557,887	-	1,677,428	-
Equipment replacement	-	5,668,974	-	5,668,974	-
Unrestricted	33,854,325	11,879,024	7,853,723	53,587,072	1,705,049
Total net position	$107,570,813	$ 67,414,505	$ 61,195,705	$236,181,023	$ 7,167,750

See notes to financial statements

City of Sun Prairie

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds				
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Total	Governmental Activities - Internal Service Funds
Operating Revenues	$ 39,489,208	$ 6,986,078	$ 3,572,972	$ 50,048,258	$ 7,126,227
Operating Expenses					
Operation and maintenance	31,904,049	3,892,150	2,174,439	37,970,638	5,999,003
Depreciation	3,576,618	2,578,428	1,379,821	7,534,867	1,015,651
Total operating expenses	35,480,667	6,470,578	3,554,260	45,505,505	7,014,654
Operating income	4,008,541	515,500	18,712	4,542,753	111,573
Nonoperating Revenues (Expenses)					
Investment income	2,687,938	586,094	375,275	3,649,307	57,313
Intergovernmental grants	-	561,900	-	561,900	45,373
Gain on sale of capital assets	-	21,120	-	21,120	22,461
Interest, amortization expense and debt issuance costs	(1,527,307)	(492,318)	(325,280)	(2,344,905)	(110,960)
Miscellaneous revenues	507,989	33,372	27,496	568,857	55,997
Total nonoperating revenues (expenses)	1,668,620	710,168	77,491	2,456,279	70,184
Income before contributions and transfers	5,677,161	1,225,668	96,203	6,999,032	181,757
Contributions and Transfers					
Capital contributions	1,292,355	614,516	1,811,158	3,718,029	-
Transfers in (out)	(2,239,189)	(1,533)	(5,000)	(2,245,722)	164,551
Total contributions and transfers	(946,834)	612,983	1,806,158	1,472,307	164,551
Change in net position	4,730,327	1,838,651	1,902,361	8,471,339	346,308
Net Position, Beginning	102,840,486	65,575,854	59,293,344	227,709,684	6,821,442
Net Position, Ending	$107,570,813	$ 67,414,505	$ 61,195,705	$236,181,023	$ 7,167,750

See notes to financial statements

City of Sun Prairie

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds				
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Total	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities					
Received from customers	$ 39,622,725	$ 7,067,198	$ 3,289,940	$ 49,979,863	$ 7,385,597
Received from municipality for services	457,127	-	-	457,127	-
Paid to suppliers for goods and services	(29,354,459)	(2,404,970)	(1,227,269)	(32,986,698)	(5,696,108)
Paid to employees for services	(2,710,722)	(1,562,295)	(946,866)	(5,219,883)	(367,903)
Net cash flows from operating activities	8,014,671	3,099,933	1,115,805	12,230,409	1,321,586
Cash Flows From Investing Activities					
Investment income	2,327,102	586,094	375,275	3,288,471	57,313
Investments sold and matured	15,487,079	-	-	15,487,079	-
Investment in ATC	(1,251,544)	-	-	(1,251,544)	-
Net cash flows from investing activities	16,562,637	586,094	375,275	17,524,006	57,313
Cash Flows From Noncapital Financing Activities					
Paid to municipality for tax equivalent	(2,049,166)	-	-	(2,049,166)	-
Interfund activity	-	(3,913,445)	-	(3,913,445)	-
Repayment of advances to other funds	-	19,000	-	19,000	-
Transfers	-	(1,533)	(5,000)	(6,533)	164,551
Net cash flows from noncapital financing activities	(2,049,166)	(3,895,978)	(5,000)	(5,950,144)	164,551
Cash Flows From Capital and Related Financing Activities					
Debt issued	-	21,898,473	1,095,000	22,993,473	715,000
Debt retired	(1,090,000)	(2,205,948)	(775,000)	(4,070,948)	(655,000)
Interest paid and debt issuance costs, net of premium	(1,852,175)	(357,109)	(343,399)	(2,552,683)	(102,436)
Special assessments received	-	-	3,856	3,856	-
Acquisition and construction of capital assets	(21,392,595)	(19,394,979)	(729,278)	(41,516,852)	(1,838,200)
Capital contribution received	311,128	-	-	311,128	-
Contributions received for construction	-	359,925	-	359,925	-
Federal grant received	-	42,918	-	42,918	-
Net cash flows from capital and related financing activities	(24,023,642)	343,280	(748,821)	(24,429,183)	(1,880,636)
Net change in cash and cash equivalents	(1,495,500)	133,329	737,259	(624,912)	(337,186)
Cash and Cash Equivalents, Beginning	23,314,528	13,863,999	8,276,161	45,454,688	673,309
Cash and Cash Equivalents, Ending	$ 21,819,028	$ 13,997,328	$ 9,013,420	$ 44,829,776	$ 336,123

See notes to financial statements

City of Sun Prairie

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds				
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Total	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income to Net Cash Flows From Operating Activities					
Operating income	$ 4,008,541	$ 515,500	$ 18,712	$ 4,542,753	$ 111,573
Nonoperating revenue (expense)	507,989	50,840	1,083	559,912	101,370
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	3,576,618	2,578,428	1,379,821	7,534,867	1,015,651
Depreciation charged to clearing and other funds	360,101	-	-	360,101	-
Changes in assets. liabilities and deferred outflows/inflows of resources:					
Accounts receivable	(192,621)	(25,916)	21,997	(196,540)	-
Other accounts receivable	259,953	20,411	4,959	285,323	234,471
Due to (from) other funds	75,000	35,785	(311,071)	(200,286)	(76,471)
Accounts payable	(158,627)	(70,729)	98	(229,258)	10,286
Other accrued liabilities	7,929	1,852	(5,138)	4,643	(7,066)
Compensated absences	-	(7,300)	-	(7,300)	(57,754)
Prepaid items	(30,599)	(1,375)	(18)	(31,992)	(7,651)
Inventories	(312,602)	-	-	(312,602)	-
Pension related amounts	97,214	2,437	5,362	105,013	(2,823)
Lease deferrals	(184,225)	-	-	(184,225)	-
Net cash flows from operating activities	$ 8,014,671	$ 3,099,933	$ 1,115,805	$ 12,230,409	$ 1,321,586
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds					
Cash and investments	$ 17,413,167	$ -	$ 6,778,497	$ 24,191,664	$ 99,632
Redemption account	1,472,675	706,435	-	2,179,110	-
Replacement account	-	5,668,974	-	5,668,974	-
Reserve account	2,933,186	-	-	2,933,186	-
Construction account	-	467,866	2,234,923	2,702,789	236,491
Other assets, cash and investments	-	7,154,053	-	7,154,053	-
Cash and cash equivalents	$ 21,819,028	$ 13,997,328	$ 9,013,420	$ 44,829,776	$ 336,123
Noncash Capital and Related Financing Activities					
Amortization	$ 135,140	$ 33,620	$ 53,705		$ 43,422
Capital contributions	$ 981,227	$ 262,273	$ 1,807,302		$ -
Dividends reinvested in ATC	$ 357,082	$ -	$ -		$ -

See notes to financial statements

City of Sun Prairie

Statement of Fiduciary Net Position -
Fiduciary Funds
December 31, 2025

	Utilities Pension Trust Fund	Custodial Funds
Assets		
Cash and investments	$ -	$ 41,191,856
Taxes receivable	-	37,477,201
Due from other governments	-	426,437
Prepaid items	-	19,110
Restricted assets:		
Cash	104,250	-
Corporate stock	666,158	-
Exchange trade funds	2,104,806	-
Mutual funds	460,624	-
Total assets	3,335,838	79,114,604
Liabilities		
Due to other governments	-	78,604,650
Other accounts payable	-	141,306
Total liabilities	-	78,745,956
Net Position		
Restricted for:		
Held in trust for pension benefits	3,335,838	-
Individuals, organizations and other governments	-	368,648
Total net position	$ 3,335,838	$ 368,648

See notes to financial statements

City of Sun Prairie

Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
Year Ended December 31, 2025

	Utilities Pension Trust Fund	Custodial Funds
Additions		
Contributions:		
Employer	$ 125,000	$ -
Member	-	793,504
Investment income	404,732	15,425
Investment management fees and other taxes	(27,720)	-
Property taxes collected for other governments	-	53,847,569
Total additions	502,012	54,656,498
Deductions		
Benefits and refunds	521,617	-
Public safety expense	-	810,733
Property taxes distributed to other governments	-	53,847,569
Total deductions	521,617	54,658,302
Change in net position	(19,605)	(1,804)
Net Position, Beginning	3,355,443	370,452
Net Position, Ending	$ 3,335,838	$ 368,648

See notes to financial statements

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1. Summary of Significant Accounting Policies

The accounting policies of the City of Sun Prairie, Wisconsin (the City) 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).

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 three methods, discrete presentation, blended or fiduciary. 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.

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. The Community Development Authority is part of the reporting entity of the City of Sun Prairie. However, the CDA had no financial transactions during 2025 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

Business Improvement District (BID)

The government-wide financial statements include the Business Improvement District (BID) (BID) as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the mayor and confirmed by city council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BID, and also create a potential financial benefit to or burden on the City. The Business Improvement District (BID) is part of the reporting entity of the City of Sun Prairie. However, the BID had no financial transactions during 2025 which are material to these financial statements. Also, the BID does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The BID issues separate financial statements that are available through the City of Sun Prairie.

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.

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

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.

Debt Service Fund

General Debt Service Fund is 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.

Capital Projects Fund

General Capital Projects Fund is 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.

Enterprise Funds

The City reports the following major enterprise funds:

Sun Prairie Utilities accounts for operations of the electric and water 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

Special Revenue Funds are 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
Sun Prairie Media Center
Street Trees
Transportation
Wheel Tax
CDBG
Transportation Impact Fee Fund
Library
Refuse and Recycling
Tourism
Housing Fund
Recreation

Capital Projects Funds

Capital Projects Funds are 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. 8
- Tax Incremental District (TID) No. 9
- Tax Incremental District (TID) No. 11
- Tax Incremental District (TID) No. 12
- Development Projects
- Tax Incremental District (TID) No. 13
- Tax Incremental District (TID) No. 14
- Tax Incremental District (TID) No. 15
- Tax Incremental District (TID) No. 16

Permanent Fund

Permanent Fund is 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

In addition, the City reports the following fund types:

Internal Service Funds

Internal Service Funds are 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
- Health Insurance

Pension Trust Fund

Pension Trust Fund is 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

Custodial Funds

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

- Tax Collection Fund
- Multijurisdictional Public Safety Information System Commission (MPSISC)

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.

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 Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

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

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

Custodial Credit Risk

The City's investment policy states that all deposits and investments of the City shall be secured by pledged collateral in an amount equal to at least 100%, but not more than 105%, of the total investment less the amount covered by FDIC or the State Deposit Guarantee Fund. The City is in compliance with this policy per Note 3. 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 66.0603, 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.

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 3. 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, 2025, 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 3 for further information.

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 county government 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 fiduciary net position.

Property tax calendar - 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
Payment in full, or	January 31, 2026
First installment due	January 31, 2026
Second installment due	July 31, 2026
Tax sale - 2025 delinquent real estate taxes	October 2028

Accounts receivable have been shown net of an allowance for uncollectible accounts in the amount of $867,218. 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.

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. The cost is recorded as expenditures/expenses when consumed rather than when purchased.

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.

Capital Assets

Government-Wide Financial 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 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 and overhead. 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

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.

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 less than half of 1% 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 building, office furniture and equipment, a house and the land with a balance (net of depreciation) of $446,221 at December 31, 2025.

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.

Preliminary survey and investigation includes initial project engineering costs related to utility plant construction. The balance of $3,938 will be capitalized upon commencement of the project.

The plant expansion account of the wastewater utility are 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, 2025 was $5,794,537.

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, 2025, was $1,359,516.

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.

Deferred Outflows of Resources

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

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

Vacation and sick leave pay is accrued 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.

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, 2025, are determined on the basis of current salary rates and include salary related payments.

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 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.

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

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately $6,678,223, made up of two issues.

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government. The lease activity is not considered to be a principal ongoing operation of the City.

Deferred Inflows of Resources

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

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.

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.

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 nonproperty 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 16-20% of the prior year's budgeted general fund revenues. The balance at year-end was $7,480,912 or 18.6% of prior year budgeted general fund revenues, including the recurring tax equivalent transfer in, and is reported as unassigned general fund balance.

See Note 3 for further information.

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

Basis for Existing Rates

Sun Prairie Utilities

Current electric rates were approved by the PSCW on November 30, 2023, effective as of December 2, 2023.

Current water rates were approved by the PSCW on November 12, 2025 and effective as of November 12, 2025.

Wastewater Utility

Current wastewater rates were approved by the city council effective April 1, 2025.

Stormwater Utility

Current stormwater rates were approved by the city council effective January 1, 2025.

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Budget

The following funds had significant expenditures and other financing uses over budget:

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
General debt service	$ 9,597,410	$ 9,611,570	$ 14,160
Transportation impact fee, special revenue	3,011,970	3,329,716	317,746
Tourism, special revenue	425,317	428,419	3,102
Library, special revenue	71,106	86,015	14,909
TID No. 8, capital project	1,663,234	1,684,993	21,759
TID No. 9, capital project	2,253,707	2,255,696	1,989
TID No. 12, capital project	595,214	648,897	53,683

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.

Deficit Balances

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

As of December 31, 2025, the following individual funds held a deficit balance:

Fund	Amount	Reason
TID No. 14, capital project	$ 246,261	Excess expenditures over revenues

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.

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 net 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.

3. Detailed Notes on All Funds

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the city's funds. The deposits and investments of trust funds are held separately from those of other funds.

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

	Carrying Value	Statement Balances	Associated Risks
Demand deposits	$106,076,486	$110,645,576	Custodial credit
U.S. treasuries	31,053	31,053	Custodial credit and interest rate
Certificates of deposit, negotiable	1,220,571	1,215,616	Credit, custodial credit, interest rate
Mutual funds, other than bond funds	18,537,210	18,442,609	N/A
LGIP	17,494,996	17,494,994	Credit risk
Petty cash	2,470	-	N/A
Total deposits and investments	$143,362,786	$147,829,848	

Reconciliation to financial statements	
Per statement of net position:	
Unrestricted cash and investments	$ 85,027,429
Restricted cash and investments	13,807,663
Per statement of fiduciary net position, fiduciary funds:	
Custodial Funds	41,191,856
Utilities Pension Trust Fund	3,335,838
Total deposits and investments	$143,362,786

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 non-interest 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 $1,000,000. 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 City maintains collateral agreements with its banks. At December 31, 2025, the banks had pledged various government securities in the amount of $4,485,000 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.

	December 31, 2025			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Certificates of deposit, negotiable	$ -	$ 1,220,571	$ -	$ 1,220,571
Mutual funds, other than bond funds	18,537,210	-	-	18,537,210
U.S. treasuries	31,053	-	-	31,053
Total	$ 18,568,263	$ 1,220,571	$ -	$ 19,788,834

Investment Type	**Valuation Method**
Mutual funds, other than bond funds	Quoted market pricing for identical assets or yield scales and bond evaluation models for similar assets that have recently traded.
Certificates of deposit, negotiable	Quoted market pricing for similar assets, valuation model or matrix formula.
U.S. treasuries	Quoted market pricing for identical assets.

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.

The City does not have any deposits exposed to custodial credit risk.

Investments

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

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

Credit Risk

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

As of December 31, 2025, the City's investments were rated as follows:

Investment Type	Not Rated
Certificates of deposit, negotiable	X
Local Government Investment Pool	X

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, 2025, the City's investments were as follows:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years
Certificates of deposit, negotiable	$ 1,215,616	$ 1,215,616	$ -
U.S. treasuries	31,053	-	31,053
Total	$ 1,246,669	$ 1,215,616	$ 31,053

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

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 $13,768 and leases receivable of $811,151 in the general debt service fund.

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	$ 50,383,072	$ -
Ambulance receivables	-	812,995
Other accounts receivable	-	510,775
Leases not yet due	841,636	-
Other amounts received in advance	140,653	-
Unspent American rescue plan funds	85,204	-
Total unearned/unavailable revenue for governmental funds	$ 51,450,565	$ 1,323,770
Unearned revenue included in liabilities	$ 225,857	
Unearned revenue included in deferred inflows	51,224,708	
Total unearned revenue for governmental funds	$ 51,450,565	

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.

Following is a list of restricted assets at December 31, 2025:

	Governmental Activities	Business-Type Activities
Reserve account	$ 87,113	$ 2,933,186
Replacement account	-	5,668,974
Construction account	236,491	2,702,789
Redemption account	-	2,179,110
Total	$ 323,604	$ 13,484,059

Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land and nondepreciable improvements	$ 49,494,516	$ 3,422,894	$ -	$ 52,917,410
Construction in progress	9,302,707	16,195,321	-	25,498,028
Construction in progress, internal service	403,033	-	403,033	-
Easements	1,666,180	-	-	1,666,180
Total capital assets not being depreciated	60,866,436	19,618,215	403,033	80,081,618
Capital assets being depreciated:				
Land improvements	8,502,641	485,991	23,511	8,965,121
Land improvements, internal service	165,231	-	-	165,231
Buildings	36,113,792	1,347,008	-	37,460,800
Buildings, internal service	2,351,349	-	-	2,351,349
Machinery and equipment	12,370,577	580,752	56,669	12,894,660
Machinery and equipment, internal service	12,277,784	2,384,814	746,683	13,915,915
Streets	115,072,239	6,102,703	2,617,740	118,557,202
Sidewalks	20,600,988	775,725	302,717	21,073,996
Signals	2,806,856	181,289	40,043	2,948,102
Bike paths	8,029,212	716,815	45,522	8,700,505
Total capital assets being depreciated	218,290,669	12,575,097	3,832,885	227,032,881
Total capital assets	279,157,105	32,193,312	4,235,918	307,114,499
Less accumulated depreciation for:				
Land improvements	(3,687,180)	(290,159)	23,511	(3,953,828)
Land improvements, internal service	(41,308)	(6,609)	-	(47,917)
Buildings	(16,846,650)	(1,037,929)	-	(17,884,579)
Buildings, internal service	(1,217,151)	(51,058)	-	(1,268,209)
Machinery and equipment	(8,065,606)	(647,259)	42,583	(8,670,282)
Machinery and equipment, internal service	(5,355,842)	(957,985)	625,564	(5,688,263)
Streets	(42,227,470)	(3,561,935)	2,617,729	(43,171,676)
Sidewalks	(4,276,081)	(421,480)	302,717	(4,394,844)
Signals	(801,372)	(147,405)	40,043	(908,734)
Bike paths	(3,967,836)	(435,025)	45,522	(4,357,339)
Total accumulated depreciation	(86,486,496)	(7,556,844)	3,697,669	(90,345,671)
Net capital assets being depreciated	131,804,173	5,018,253	135,216	136,687,210
Total governmental activities capital assets, net as reported in the statement of net position	$ 192,670,609	$ 24,636,468	$ 538,249	$ 216,768,828

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 521,282
Public safety	960,994
Public works	4,962,687
Culture, recreation and education	897,337
Conservation and development	214,544
Total governmental activities depreciation expense	$ 7,556,844

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Construction in progress, electric	$ 6,132,684	$ 19,857,120	$ 25,668,852	$ 320,952
Construction in progress, water	503,205	2,546,700	1,882,163	1,167,742
Construction in progress, wastewater	61,432	21,037,994	-	21,099,426
Construction in progress, stormwater	9,130	-	9,130	-
Land, electric	1,717,767	-	30,193	1,687,574
Land, water	65,087	-	-	65,087
Land, wastewater	1,415,016	-	-	1,415,016
Land, stormwater	16,642,159	-	-	16,642,159
Total capital assets not being depreciated	26,546,480	43,441,814	27,590,338	42,397,956
Capital assets being depreciated:				
Electric system	63,265,919	25,668,852	2,391,773	86,542,998
Water system	71,467,264	1,976,757	331,948	73,112,073
Wastewater system	97,889,713	1,354,644	105,268	99,139,089
Stormwater	63,609,218	2,727,284	345,599	65,990,903
Total capital assets being depreciated	296,232,114	31,727,537	3,174,588	324,785,063
Total capital assets	322,778,594	75,169,351	30,764,926	367,183,019
Less accumulated depreciation for:				
Electric system	(28,998,449)	(2,519,908)	2,068,986	(29,449,371)
Water system	(17,681,028)	(1,416,724)	375,703	(18,722,049)
Wastewater system	(27,462,939)	(2,578,428)	105,268	(29,936,099)
Stormwater	(17,514,691)	(1,379,822)	332,524	(18,561,989)
Total accumulated depreciation	(91,657,107)	(7,894,882)	2,882,481	(96,669,508)
Net capital assets being depreciated	204,575,007	23,832,655	292,107	228,115,555
Business-type activities capital assets, net as reported in the statement of net position	$231,121,487	$ 67,274,469	$ 27,882,445	$270,513,511

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Electric	$ 2,277,065
Water	1,299,553
Wastewater	2,578,428
Stormwater	1,379,821
Total business-type activities depreciation expense	$ 7,534,867

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.

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	$ 154,651
General	Sun Prairie Utilities	2,404,111
General capital projects	Sun Prairie Utilities	98,194
Grant fund	General	32,088
Traffic impact fee	General	1,156,012
Sun Prairie media center	General	30,302
Refuse and recycling	General	593,185
Street trees	General	339,936
Tourism	General	214,759
Transportation Fund	General	1,242,901
Housing	General	90,080
General capital projects	General	3,018,722
TID No. 8	General	1,429,482
TID No. 9	General	3,097,678
TID No. 11	General	2,614,198
TID No. 12	General	316,591
TID No. 13	General	247,809
TID No. 15	General	180,597
TID No. 16	General	19,560
Wheel tax	General	852,015
Stormwater utility	General	879,523
Fleet	General	729,239
Health insurance	General	920,767
Park improvement	General	138,644
General	Debt service	231,510
Development projects	General	58,023
Wastewater utility	General	3,496,120
Recreation	General	85,141
Total, fund financial statements		24,671,838
Less fund eliminations		(15,989,233)
Less government-wide eliminations		(10,710,594)
Less interfund advances		(95,000)
Total internal balances, government-wide statement of net position		$ (2,122,989)

Receivable Fund	Payable Fund	Amount
Governmental activities	Business-type activities	$ 2,502,305
Business-type activities	Governmental activities	(4,625,294)
Total government-wide financial statements		$ (2,122,989)

All amounts are due within one year.

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

Advances

The general fund is advancing funds to TID No. 14. The amount advanced is the deficiency of revenues over expenditures and other financing uses since the district's inception. No repayment schedule has been established. The wastewater utility advanced funds to TID No. 14, with a flat rate of 2.13% interest charged on the outstanding balance. The balance is to be repaid by TID No. 14 by the year 2030.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Wastewater utility	TID No. 14, capital project	$ 95,000	$ 95,000
General	TID No. 14, capital project	151,261	151,261
Total, fund financial statements		246,261	
Less fund eliminations		(151,261)	
Total, interfund advances		$ 95,000	

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Nonmajor governmental funds	$ 115,000	Housing Planner
General	Nonmajor governmental funds	8,812	Excess interest earned on borrowing
General	Nonmajor governmental funds	383,855	ARPA grant administration
General	General capital projects	311,900	Budget initiatives
General	General capital projects	118,661	Excess interest earned on borrowing
General	Wastewater utility	1,533	Excess interest earned on borrowing
General	Internal service fund	26,315	Excess interest earned on borrowing
Nonmajor governmental funds	Nonmajor governmental funds	39,460	Downtown maintenance and Farmers Market
Nonmajor governmental funds	General	19,300	CVMIC Grant, Neighborhood Navigators
Nonmajor governmental funds	Stormwater utility	5,000	Downtown maintenance
Nonmajor governmental funds	General	53,500	Media center
Nonmajor governmental	General capital projects	10,495	Media center
Nonmajor governmental funds	General	566,334	Transit center
Nonmajor governmental funds	General	122,704	Recreation funds manager
Nonmajor governmental funds	General	10,000	Housing fund
General debt service	General capital projects	495,722	2025A Debt Premium
General debt service	General	147,125	IT financed purchases
General capital projects	General	99,165	IT financed purchases, police officer costs
General capital projects	Nonmajor governmental funds	545,456	ARPA grant administration, capital projects
Internal service fund	General capital projects	154,866	Fleet contribution
Internal service fund	General	36,000	Fleet contribution
General	Sun Prairie Utilities	2,239,189	Payment in lieu of taxes
Total, fund financial statements		5,510,392	
Less fund eliminations		(3,047,489)	
Less government-wide eliminations		(217,181)	
Total transfers, government-wide statement of activities		$ 2,245,722	

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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	$ 68,315,000	$ 13,290,000	$ 9,890,000	$ 71,715,000	$ 7,980,000
General obligation notes from direct borrowings and direct placements	6,809,551	-	1,301,841	5,507,710	984,819
General obligation debt, internal service	3,955,000	715,000	655,000	4,015,000	725,000
Premiums	3,140,574	588,752	542,877	3,186,449	526,718
Premiums, internal service	178,372	51,946	43,422	186,896	-
Subtotal	82,398,497	14,645,698	12,433,140	84,611,055	10,216,537
Other liabilities:					
Compensated absences*	2,426,339	442,111	-	2,868,450	1,967,857
Compensated absences, internal service*	77,000	-	57,754	19,246	-
Total other liabilities	2,503,339	442,111	57,754	2,887,696	1,967,857
Total governmental activities long-term liabilities	$ 84,901,836	$ 15,087,809	$ 12,490,894	$ 87,498,751	$ 12,184,394
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	$ 25,345,000	$ 2,695,000	$ 1,650,000	$ 26,390,000	$ 1,725,000
Revenue bonds	34,445,000	-	590,000	33,855,000	1,450,000
Revenue debt from direct borrowings/placements	14,612,217	20,298,473	1,780,948	33,129,742	886,620
Other long-term debt	304,167	-	50,001	254,166	50,000
(Discounts)/Premiums	2,928,815	61,945	222,467	2,768,293	79,409
Total bonds and notes payable	77,635,199	23,055,418	4,293,416	96,397,201	4,191,029
Other liabilities:					
Compensated absences*	995,544	-	32,833	962,711	59,625
Total other liabilities	995,544	-	32,833	962,711	59,625
Total business-type activities long-term liabilities	$ 78,630,743	$ 23,055,418	$ 4,326,249	$ 97,359,912	$ 4,250,654

* The change in compensated absences liability is presented as a net change.

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, 2025, was $323,687,150. Total general obligation debt outstanding at year end was $107,627,710.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt 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, 2025
Notes	10/26/16	04/01/26	2.0-3.0%	$ 10,690,000	$ 620,000
Notes	06/28/17	04/01/27	2.0-3.0	4,920,000	1,060,000
Notes	10/11/18	04/01/28	3.0-4.0	7,825,000	2,475,000
Bonds	02/07/19	04/01/37	2.7-4.0	9,255,000	4,635,000
Refunding bonds	02/07/19	04/01/32	3.0-4.0	2,555,000	2,025,000
Bonds	07/17/19	04/01/39	3.0-5.0	3,895,000	2,880,000
Notes	07/17/19	04/01/29	2.0-4.0	9,605,000	4,260,000
Notes	08/13/20	04/01/30	1.0-3.0	6,050,000	2,780,000
Notes	08/12/21	04/01/31	1.5-2.0	7,810,000	3,900,000
Notes	08/09/22	04/01/32	3.0-4.0	6,755,000	4,505,000
State trust fund loan, Direct placement	12/27/22	03/15/36	4.75	1,804,000	1,607,710
Notes	08/10/23	04/01/33	4.0-5.0	10,625,000	8,265,000
Notes	08/08/24	04/01/44	4.0-5.0	26,080,000	24,320,000
State trust fund loan, Direct placement	12/16/24	03/15/29	5.00	500,000	500,000
State trust fund loan, Direct placement	12/16/24	03/15/29	5.00	3,400,000	3,400,000
Notes	08/27/25	04/01/45	4.0-5.0	14,005,000	14,005,000
Total governmental activities, general obligation debt					$ 81,237,710

Business-Type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2025
Notes	10/26/16	04/01/26	2.0-3.0%	$ 475,000	$ 45,000
Bonds	10/26/16	04/01/36	2.0-3.0	5,820,000	3,485,000
Bonds	10/26/16	04/01/36	2.0-3.0	3,435,000	2,060,000
Bonds	11/30/17	04/01/37	2.0-3.0	4,900,000	3,165,000
Bonds	10/11/18	04/01/38	3.0-5.0	7,125,000	5,100,000
Bonds	07/17/19	04/01/39	3.0-5.0	7,080,000	5,240,000
Notes	08/13/20	04/01/30	1.0-3.0	715,000	370,000
Bonds	08/12/21	04/01/41	2.0-3.0	4,860,000	3,910,000
Notes	08/10/23	04/01/33	4.0-5.0	405,000	320,000
Notes	08/27/25	04/01/45	4.0-5.0	2,695,000	2,695,000
Total business-type activities, general obligation debt					$ 26,390,000

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
2026	$ 8,705,000	$ 2,960,422	$ 1,725,000	$ 1,163,165
2027	8,050,000	2,583,012	1,710,000	1,140,738
2028	7,340,000	2,288,080	1,770,000	1,144,306
2029	6,945,000	2,018,557	1,835,000	1,146,150
2030	5,990,000	1,774,091	1,895,000	1,147,950
2031-2035	20,895,000	5,797,688	9,890,000	5,730,975
2036-2040	9,850,000	2,780,590	6,390,000	3,243,734
2041-2045	7,955,000	729,760	1,175,000	524,353
Total	$ 75,730,000	$ 20,932,200	$ 26,390,000	$ 15,241,371

Years	Governmental Activities Notes From Direct Borrowings and Direct Placements Principal	Governmental Activities Notes From Direct Borrowings and Direct Placements Interest
2026	$ 984,819	$ 318,914
2027	1,081,321	222,412
2028	1,134,624	169,108
2029	1,191,503	112,229
2030	138,063	52,984
2031-2035	795,019	160,216
2036	182,361	8,686
Total	$ 5,507,710	$ 1,044,549

Revenue Debt

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

The Sun Prairie Utilities has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued in between 2012-2024. Proceeds from the bonds provided financing for the electric and water systems. The bonds are payable solely from sales revenues and are payable through 2044. Annual principal and interest payments on the bonds are expected to require 25% of net revenues. The total principal and interest remaining to be paid on the bonds is $47,689,809. Principal and interest paid for the current year and total customer net revenues were $2,185,914 and $10,314,680, respectively.

The wastewater utility has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued in 2021 and 2025. Proceeds from the bonds provided financing for the wastewater system. The bonds are payable solely from sales revenues and are payable through 2045. Annual principal and interest payments on the bonds are expected to require 25% of gross revenues. The total principal and interest remaining to be paid on the bonds is $40,293,456. Principal and interest paid for the current year and total customer gross revenues were $1,989,214 and $7,917,318, respectively.

Revenue debt payable at December 31, 2025, consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2025
Sun Prairie Utilities					
Revenue bonds	11/15/12	04/01/32	1.50-3.20%	$ 2,800,000	$ 1,190,000
Revenue bonds	06/16/14	04/01/34	3.25-4.30	3,200,000	1,600,000
Revenue bonds	02/10/21	04/01/41	1.0-4.0	6,300,000	5,310,000
Revenue bonds	08/08/24	04/01/44	4.0-5.0	25,755,000	25,755,000
				Total Sun Prairie Utilities	33,855,000
Wastewater Utilities					
Revenue bonds, direct placement	03/24/21	05/01/40	1.49	15,772,657	12,831,269
Revenue bonds, direct placement	02/26/25	05/01/44	2.20	2,714,584	2,714,584
Revenue bonds, direct placement	09/10/25	05/01/45	2.48	17,583,889	17,583,889
				Total Wastewater Utilities	33,129,742
Total business-type activities, revenue debt					$ 66,984,742

Debt service requirements to maturity are as follows:

	Business-Type Activities Revenue Debt		Business-Type Activities Revenue Debt From Direct Borrowings and Direct Placements	
Years	Principal	Interest	Principal	Interest
2026	$ 1,450,000	$ 1,378,210	$ 886,620	$ 681,797
2027	1,500,000	1,313,695	900,620	664,353
2028	1,565,000	1,246,207	1,702,077	640,270
2029	1,630,000	1,175,338	1,736,018	605,971
2030	1,695,000	1,105,903	1,770,674	570,949
2031-2035	8,715,000	4,459,706	9,399,410	2,302,924
2036-2040	9,460,000	2,540,800	10,382,774	1,309,115
2041-2045	7,840,000	614,950	6,351,549	388,333
Total	$ 33,855,000	$ 13,834,809	$ 33,129,742	$ 7,163,712

Other Long-Term Debt

Other long-term debt at December 31, 2025 consists of the following:

Business-Type Activities Other Long-Term Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2025
2021 WPPI Loan, direct placement	01/11/21	01/28/31	N/A	$ 500,000	$ 254,166
Total business-type activities other long-term debt					$ 254,166

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Other Long-Term Debt Principal	Interest
2026	$ 50,000	$ -
2027	50,000	-
2028	50,000	-
2029	50,000	-
2030	50,000	-
2031	4,166	-
Total	$ 254,166	$ -

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules.

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 2025 for 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.

The City's outstanding State Trust Fund Loans from direct borrowings related to governmental activities contain clauses that any delinquent payments are subject to a penalty of 1% per month and shall be deducted from any state payments that are due to the City.

Lease Disclosures

Lessor - Lease Receivables

Governmental Activities Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance December 31, 2025
Heartland Affordable Housing	01/01/22	12/31/41	2.00%	$ 841,636
Total governmental activities				$ 841,636

Business-Type Activities Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance December 31, 2025
Tower Space (Verizon, Bird St.)	01/01/22	12/31/46	2.00%	$ 705,480
Tower Space (Sprint, Business Park)	01/01/22	12/31/30	2.00	229,938
Tower Space (AT&T, Business Park)	01/01/22	12/31/26	2.00	55,906
Tower Space (T-Mobile, Linnerud Dr.)	01/01/23	12/31/47	2.00	1,063,285
Total business-type activities				$ 2,054,609

The City recognized $212,231 of lease revenue during the fiscal year.

The City recognized $67,105 of interest revenue during the fiscal year.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2025, includes the following:

Governmental Activities

Net investment in capital assets:	
Land and nondepreciable improvements	$ 52,917,410
Construction in progress	25,498,028
Easements	1,666,180
Other capital assets, net of accumulated depreciation	136,687,210
Less long-term debt outstanding	(81,237,710)
Plus unspent debt proceeds	10,988,228
Less capital related accounts payable	(1,358,634)
Less premium on debt	(3,373,345)
Plus noncapital debt outstanding	3,550,195
Total net investment in capital assets	$ 145,337,562

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2025, include the following:

	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Funds	Total
Fund Balances					
Nonspendable:					
Advances	$ 151,261	$ -	$ -	$ -	$ 151,261
Delinquent items	13,768	-	-	8,975	22,743
Prepaid items and inventories	323,626	-	-	32,076	355,702
Permanent fund principal	-	-	-	1,000	1,000
Subtotal	488,655	-	-	42,051	530,706
Restricted for:					
Debt service	-	1,234,127	-	-	1,234,127
Future capital projects (unspent debt)	-	-	10,751,737	-	10,751,737
Park improvements	-	-	-	1,786,546	1,786,546
Transportation improvements	-	-	-	3,968,386	3,968,386
Grants	-	-	-	441,177	441,177
Library	310,267	-	-	43,034	353,301
Transit	-	-	-	1,242,901	1,242,901
Tourism	-	-	-	304,110	304,110
Housing	-	-	-	56,165	56,165
TIF related projects	-	-	-	7,921,399	7,921,399
Sun Prairie Ice, Inc	657,263	-	-	-	657,263
Subtotal	967,530	1,234,127	10,751,737	15,763,718	28,717,112
Committed to:					
Sun Prairie media center	-	-	-	82,725	82,725
Street trees	-	-	-	339,936	339,936
Refuse and recycling	-	-	-	588,976	588,976
Recreation	-	-	-	97,610	97,610
Subtotal	-	-	-	1,109,247	1,109,247
Assigned to:					
Subsequent years' budget	96,699	-	-	-	96,699
Replacement funds	101,701	-	-	-	101,701
Tax equivalent	2,239,189	-	-	-	2,239,189
Self insurance	200,000	-	-	-	200,000
Carryovers	801,095	-	-	-	801,095
Youth and family	19,469	-	-	-	19,469
Sick benefits	675,444	-	-	-	675,444
Subsequent year benefit accruals	471,274	-	-	-	471,274
Future capital projects	-	-	4,006,160	24,298	4,030,458
Subtotal	4,604,871	-	4,006,160	24,298	8,635,329
Unassigned (Deficit)	7,480,912	-	-	(246,261)	7,234,651
Total fund balances	$ 13,541,968	$ 1,234,127	$ 14,757,897	$ 16,693,053	$ 46,227,045

Business-Type Activities

Net investment in capital assets:	
Land	$ 19,809,836
Construction in progress	22,588,120
Other capital assets, net of accumulated depreciation	228,115,555
Less long-term debt outstanding	(93,628,908)
Plus unspent capital related debt proceeds	5,635,975
Less unamortized debt premium	(2,768,293)
Less capital related accounts payable	(4,504,736)
Total net investment in capital assets	$ 175,247,549

4. Other Information

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 $275,000 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 $345,000.

Annual Money-Weighted Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on the Plan's investments was 12.46%. 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, 2025, the date of the latest actuarial valuation, consisted of:

Retirees and beneficiaries receiving benefits:	
Terminated plan members entitled to, but not yet receiving benefits	3
Active plan members	8
Actives, suspended accruals due to change to defined contribution plan	3
Total	14

Net Pension Liability (Asset)

Components of the Plan's net pension liability (asset), the total pension liability less the fiduciary net position, were as follows at December 31, 2025:

Total pension liability	$ 3,719,620
Fiduciary net position	3,335,838
Net pension liability (asset)	$ 383,782
Fiduciary net position as percentage of total pension liability	89.68 %

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, 2025 using the aggregate cost method. The actuarial assumptions included (a) 5.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.0% per year. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the fair 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 Pub-2010 General Retirees Amount-Weighted Mortality Table with Scale MP-2021

Change in Assumptions

The Board approved the following assumption changes effective with the December 31, 2025 actuarial valuation:

- The mortality table was updated from the 2025 Applicable Mortality Table for 417(e) to the Pub-2010 General Retirees Amount-Weighted Mortality Table with Scale MP-2021.
- The discount rate was increased from 5.00% to 5.50%.
- The salary scale was increased from 2.5% to 4.0% for all active employees.

- The anticipated form of payment was updated from a 10-Year Continuous and Certain option to a Lump Sum distribution.

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 5.50% for the December 31, 2025 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.

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 5.50% 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 (4.50%) or 1-percentage-point higher (6.50%) than the current rate:

	1% Decrease (4.5%)	Current Discount Rate	1% Increase (6.5%)
Net pension liability	$ 673,973	$ 383,782	$ 115,434

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 6.32%. The actuarial expected rate of return is 5.50% 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	40-65%	7.5%
Bonds	30-45	5.0
Alternatives	5-15	4.0
Preferreds	0-5	4.0
Cash and Cash Equivalents	0-3	0.5

The total contributions during 2025 were $125,000, equal to the annual required contribution.

Employees' Retirement System

The City and utility are currently offering two retirement plans during 2025. The one plan currently available to both City and utility personnel is the Wisconsin Retirement System (WRS), a cost sharing multiple-employer defined benefit pension plan. The other plan currently available to utility personnel, is the Sun Prairie Utilities Employees' Pension Plan, a single employer public employee defined benefit retirement plan. The table below shows both pensions as reported in the basic financial statements for the year ended December 31, 2025.

	WRS	SPU Employees' Pension Plan	Total
Deferred outflows of resources	$ 13,821,622	$ 1,411,711	$ 15,233,323
Deferred inflows of resources	6,783,455	634,471	7,417,926
Net pension liability	2,269,961	383,782	2,653,743
Pension expense	2,646,303	223,576	2,869,879

1. Wisconsin Retirement System (WRS)

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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) 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 Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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 executive service retirement participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Postretirement 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 %
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

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, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was 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 $2,302,403 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2025 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.90 %	6.90 %
Protective with Social Security	6.90	14.30
Protective without Social Security	6.90	19.10

Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the City reported a liability of $2,269,961 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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, 2025, the City's proportion was 0.13814565%, which was an increase of 0.01700373% from its proportion reported as of December 31, 2024.

For the year ended December 31, 2025, the City recognized pension expense (revenue) of $2,646,303.

At December 31, 2025, 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 projected and actual experience	$ 7,049,473	$ 6,624,293
Changes in assumptions	673,541	-
Net differences between projected and actual earnings on pension plan investments	3,449,327	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	159,162
Employer contributions subsequent to the measurement date	2,649,281	-
Total	$ 13,821,622	$ 6,783,455

$2,649,281 reported as deferred outflows of resources 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	$ 1,300,096
2027	4,658,155
2028	(1,194,290)
2029	(375,075)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns* as of December 31, 2024

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Private Equity/Debt	20	9.5	6.7
Leverage***	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

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

** *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.6%*

*** *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.*

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 investment 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 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
City's proportionate share of the net pension liability (asset)	$ 21,295,204	$ 2,269,961	$ (11,246,927)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

At December 31, 2025, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

2. Sun Prairie Utilities Employees' Pension Plan

The Sun Prairie Utilities contributes to the Sun Prairie Utility Pension plan as described in Note 4. The utilities' total contribution during 2025 was $125,000, which is equal to the annual required contribution. The annual required contribution for the current year was determined as part of the December 31, 2025 actuarial valuation using the aggregate cost method. The 2025 contribution as calculated by the actuary was made as of December 31, 2025. 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 fair value of investments. The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities.

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

At December 31, 2025, the utilities reported a pension liability (asset) of $383,782. The net pension liability (asset) was measured as of December 31, 2025 and the total pension liability (asset) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2025. The entry age actuarial cost method is used to calculate the total pension liability.

For the year ended December 31, 2025, the utilities recognized pension expense of $223,576.

Total pension liability:	
Service cost	$ 100,159
Interest	200,155
Differences between expected and actual experience	13,819
Changes of assumptions	(236,654)
Benefit payments, including refunds of member contributions	(521,617)
Net change in total pension liability	(444,138)
Total Pension Liability, Beginning	4,163,758
Total Pension Liability, Ending (a)	$ 3,719,620
Plan fiduciary net position:	
Employer contributions	$ 125,000
Net investment income (loss)	404,732
Benefit payments, including refunds of member contributions	(521,617)
Administration	(27,720)
Net change in plan fiduciary net position	(19,605)
Plan Fiduciary Net Position, Beginning	3,355,443
Plan Fiduciary Net Position, Ending (b)	$ 3,335,838
Net Pension Liability (Asset), Ending (a) - (b)	$ 383,782
Plan fiduciary net position as a percentage of the total pension liability	89.68%
Covered payroll	$ 866,990
Net pension liability (asset) as a percentage of covered payroll	44.27%

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	5.50%
Projected salary increases	4.0%
Mortality	Pub-2010 General Reitrees Amount-Weighted Mortality with Scale MP-2021

At December 31, 2025, the utility reported deferred outflows of resources and deferred inflows of resources related to the Employees' Pension Plan from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 507,210	$ 166,859
Change in assumptions	904,501	218,450
Net difference between projected and actual earnings on pension plan	-	249,162
Total	$ 1,411,711	$ 634,471

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

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	$ 93,094
2027	(33,280)
2028	5,532
2029	40,010
2030	91,637
2031	95,564
Thereafter	484,683

3. Defined Contribution Plan

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 join the Sun Prairie Utilities Employees Retirement Plan (Defined Contribution Plan) which is administered by Coe Administrators, LLC after they have met the eligibility requirements. 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 $62,219 and $62,733 for 2025 and 2024 compensation, respectively, were made in the subsequent year.

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.

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 approximately 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 City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to $5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to $50,000 per occurrence and an annual aggregate limit of $200,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2025, has been recorded in the general fund. Changes in the fund's claims loss liability follow:

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2024	$ -	$ 541,965	$ 464,138	$ 77,827
2025	77,827	555,210	486,416	146,621

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.

The City has active construction projects as of December 31, 2025. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The City has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General Capital Projects Fund	$ 13,160,028

Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. 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.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract 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 $221 million as of December 31, 2025.

TIF Districts

In 2025, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was $2,700,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 14.

Payments are scheduled through the year 2047, and carry an interest rate of 0%. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was $2,579,721.

In 2024, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was $2,100,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 11.

Payments are scheduled through the year 2035, and carry an interest rate of 0%. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was $1,735,633.

In 2023, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was $2,828,033, and is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 15.

Payments are scheduled through the year 2039, and carry an interest rate of 0%. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was $2,344,973.

In 2020, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was $94,500, and is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 14.

Payments are scheduled through the year 2041, and carry an interest rate of 0%. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was $80,538.

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 a custodial 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.

Subsequent Events

New wastewater rates were approved by the City Council effective January 1, 2026. This is the second increase of a five-phase increase plan through 2029.

Sun Prairie Utilities has filed an application with the PSCW to adjust electric rates in 2026.

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 a 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 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	2025 Payments
11/009 Downtown Phase III - New Perspective Senior Living	Excess property taxes over assessed value from 2014-2025	$ 292,571
16/041 - Jennings and Woldt Remodeling, Inc.	90% of tax increment up to $181,500 over 12 years assessed value	13,239
16/247 - TMA Lands, Inc.	$225,000 for 12 years not to exceed $2.5 million based on assessed value	200,310
17/215 - SP Main Street Apartments LLC	$83,333 for 15 years not to exceed $1,250,000	82,882
17/253 - Patio Pleasures, LLC	80% of tax increment up to $92,556	4,404
18/070 - Catalyst Development LLC	85.5% of tax increment up to $5 million based on assessed value from 2020-2037	414,641
19/2017 - Imperial Blades	100% of tax increment up to $536,338 from 2021-2027	85,447
23/070 - J&A Commercial Properties, LLC	90% of tax increment up to $289,027	13,428
23/179 - Sky Ridge LLC	90% of tax increment not to exceed $2,697,739 from 2026-2042	-
24/120 - Kebb CS-SP LLC	60% of tax increment not to exceed $2,195,613 from 2027-2047	-

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Sun Prairie

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Taxes				
General property taxes	$ 26,894,618	$ 26,894,618	$ 26,894,617	$ (1)
Room taxes	160,000	160,000	165,245	5,245
Payments in lieu of taxes	16,500	16,500	10,541	(5,959)
Interest and penalties on taxes	1,100	1,100	33	(1,067)
Other taxes	15,000	15,000	28,850	13,850
Total taxes	27,087,218	27,087,218	27,099,286	12,068
Intergovernmental				
Federal grants	-	-	249,514	249,514
Police school liaison	208,861	208,861	318,802	109,941
State shared revenues	1,937,670	1,937,670	1,945,917	8,247
Fire insurance tax (2% fire dues)	225,000	225,000	254,246	29,246
State aid, general transportation aids	1,905,251	1,905,251	1,903,590	(1,661)
State aid, connecting streets	89,301	89,301	89,301	-
Other state shared taxes	291,690	291,690	291,690	-
State grants	-	25,000	-	(25,000)
State aid, police	24,240	24,240	26,729	2,489
County aid, libraries	872,050	872,050	870,723	(1,327)
Total intergovernmental	5,554,063	5,579,063	5,950,512	371,449
Licenses and Permits				
Liquor and malt beverage licenses	75,000	75,000	52,750	(22,250)
Operators' license	25,000	25,000	14,875	(10,125)
Cigarette licenses	4,000	4,000	3,225	(775)
Dog and cat licenses	9,000	9,000	11,792	2,792
Building permits	264,448	264,448	185,941	(78,507)
Occupancy permits	23,201	23,201	9,750	(13,451)
Plumbing permits	219,090	219,090	150,533	(68,557)
Electrical permits	133,986	133,986	87,256	(46,730)
Heating and air conditioning permits	181,269	181,269	137,406	(43,863)
Street opening permits	21,000	21,000	30,435	9,435
Zoning permits and fees	32,000	32,000	31,940	(60)
Other business and occupational licenses	12,000	12,000	12,338	338
Other permits	53,092	53,092	99,828	46,736
Other nonbusiness licenses	70	70	235	165
Total licenses and permits	1,053,156	1,053,156	828,304	(224,852)
Fines, Forfeitures and Penalties				
Court penalties and costs	140,000	140,000	150,803	10,803
Parking violations	65,000	65,000	37,504	(27,496)
Library fines	4,500	4,500	5,077	577
Total fines, forfeitures and penalties	209,500	209,500	193,384	(16,116)

See notes to required supplementary information

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Public Charges for Services				
Clerk's fees	$ 25,000	$ 25,000	$ 26,650	$ 1,650
Police department fees	18,000	18,000	71,400	53,400
Township EMS fees	1,175,052	1,175,052	1,084,074	(90,978)
Miscellaneous park fees	105,705	105,705	93,846	(11,859)
Miscellaneous building inspection	12,000	12,000	3,200	(8,800)
Miscellaneous public works	55,000	55,000	58,614	3,614
Ambulance fees	2,593,648	2,593,648	2,534,159	(59,489)
Sewage inspection	3,600	3,600	3,240	(360)
Library	9,000	12,500	9,534	(2,966)
Plan review fees	73,244	73,244	38,229	(35,015)
Engineer review fees	35,200	35,200	14,310	(20,890)
Family aquatic center	216,116	216,116	189,699	(26,417)
Museum	3,000	3,000	659	(2,341)
Total public charges for services	4,324,565	4,328,065	4,127,614	(200,451)
Special Assessments				
Interest on special assessments	50	50	27	(23)
Other	-	-	341	341
Total special assessments	50	50	368	318
Investment Income				
Investment income	1,131,245	1,131,245	1,044,625	(86,620)
Miscellaneous				
Sale of materials and equipment	37,000	37,000	39,264	2,264
Insurance dividends	48,803	48,803	62,192	13,389
Finance department chargebacks	8,200	8,200	11,084	2,884
Human resources chargebacks	37,563	37,563	37,563	-
Engineering chargebacks	258,000	258,000	270,000	12,000
Donations	-	4,217	31,718	27,501
Other miscellaneous	303,745	303,745	375,735	71,990
Total miscellaneous	693,311	697,528	827,556	130,028
Total revenues	40,053,108	40,085,825	40,071,649	(14,176)

See notes to required supplementary information

City of Sun Prairie

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Expenditures				
General Government				
Mayor	$ 46,710	$ 46,710	$ 46,877	$ (167)
Council	84,014	84,014	82,882	1,132
Municipal court	160,698	211,973	213,223	(1,250)
City attorney	425,535	425,535	403,825	21,710
Clerk	517,482	579,539	579,498	41
Elections	174,139	174,139	140,487	33,652
Administrator	1,087,888	1,362,581	1,094,019	268,562
Human resources	651,633	773,213	680,517	92,696
Finance	1,496,714	1,405,620	1,038,009	367,611
Building maintenance	885,574	980,175	971,065	9,110
Information technology	1,805,760	1,837,964	1,767,612	70,352
Risk management	223,304	285,304	284,006	1,298
Assessment of property	576,808	578,817	569,215	9,602
Illegal taxes and refunds	-	-	47,622	(47,622)
Total general government	8,136,259	8,745,584	7,918,857	826,727
Public Safety				
Building inspection	1,100,790	1,112,624	992,251	120,373
Police	12,126,333	12,192,601	11,542,387	650,214
Crossing guards	197,061	200,061	199,219	842
Emergency medical services	4,870,523	4,874,488	4,854,590	19,898
Fire protection	3,701,364	3,721,424	3,648,261	73,163
Emergency government	17,500	17,500	5,758	11,742
Total public safety	22,013,571	22,118,698	21,242,466	876,232
Public Works				
Public works	3,540,464	3,568,464	3,542,925	25,539
Engineering	632,603	641,192	616,077	25,115
Transportation cost pools	174,426	202,085	172,244	29,841
Graphic information systems	180,088	184,827	176,145	8,682
Total public works	4,527,581	4,596,568	4,507,391	89,177
Health and Human Services				
Social services	130,000	130,000	130,000	-
Cemetery	10,000	10,000	10,000	-
Senior services	260,000	260,000	260,000	-
Youth and family commission	15,505	15,505	1,581	13,924
Other health and human services	65,631	65,631	65,631	-
Total health and human services	481,136	481,136	467,212	13,924
Culture, Recreation and Education				
Library	3,062,622	3,104,873	2,867,108	237,765
Museum administration	216,623	223,616	203,144	20,472
Parks and recreation	2,203,265	2,251,884	2,192,039	59,845
Family aquatic center	393,624	393,624	373,735	19,889
Total culture, recreation and education	5,876,134	5,973,997	5,636,026	337,971

See notes to required supplementary information

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Conservation and Development				
Planning	$ 639,034	$ 793,350	$ 663,713	$ 129,637
Forestry	343,525	379,825	353,178	26,647
Economic development	420,473	438,468	431,157	7,311
Other conservation and development	240,353	245,353	214,246	31,107
Total conservation and development	1,643,385	1,856,996	1,662,294	194,702
Total expenditures	42,678,066	43,772,979	41,434,246	2,338,733
Excess (deficiency) of revenues over (under) expenditures	(2,624,958)	(3,687,154)	(1,362,597)	2,324,557
Other Financing Sources (Uses)				
Transfer in, tax equivalent	2,446,109	2,446,109	2,239,189	(206,920)
Transfers in	393,650	393,650	966,076	572,426
Transfers out	(908,809)	(944,809)	(1,054,128)	(109,319)
Total other financing sources (uses)	1,930,950	1,894,950	2,151,137	256,187
Net change in fund balance	(694,008)	(1,792,204)	788,540	2,580,744
Fund Balance, Beginning	12,753,428	12,753,428	12,753,428	-
Fund Balance, Ending	$ 12,059,420	$ 10,961,224	$ 13,541,968	$ 2,580,744

See notes to required supplementary information

City of Sun Prairie

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
Wisconsin Retirement System
Year Ended December 31, 2025

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
12/31/25	0.13814565%	$ 2,269,961	$ 23,189,581	9.79 %	98.79 %
12/31/24	0.12114192%	1,801,145	19,574,469	9.20 %	98.85 %
12/31/23	0.11132396%	5,897,613	16,155,213	36.51 %	95.72 %
12/31/22	0.10544371%	(8,498,957)	14,414,979	58.96 %	106.02 %
12/31/21	0.10094520%	(6,302,148)	13,818,277	45.61 %	105.26 %
12/31/20	0.09434080%	(3,041,978)	12,787,029	23.79 %	102.96 %
12/31/19	0.07419457%	2,639,610	11,584,830	22.79 %	96.45 %
12/31/18	0.05473764%	(1,625,225)	10,367,655	15.68 %	102.93 %
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 %

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2025

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
12/31/25	$ 2,649,281	$ 2,649,281	$ -	$ 24,850,164	10.66 %
12/31/24	2,304,301	2,304,301	-	23,189,581	9.94 %
12/31/23	1,786,155	1,786,155	-	19,574,469	9.12 %
12/31/22	1,394,133	1,394,133	-	15,247,319	9.14 %
12/31/21	1,269,639	1,269,639	-	14,414,979	8.81 %
12/31/20	1,256,880	1,256,880	-	13,818,277	9.10 %
12/31/19	1,057,886	1,057,886	-	12,787,015	8.27 %
12/31/18	990,744	990,744	-	11,586,230	8.55 %
12/31/17	898,256	898,256	-	10,367,652	8.66 %
12/31/16	361,666	361,666	-	3,811,012	9.49 %

See notes to required supplementary information

Sun Prairie Utilities

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Pension Trust Fund
Year Ended December 31, 2025 and Prior Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 100,159	$100,731	$127,938	$113,859	$128,740	$117,033	$117,882	$82,103	$90,483	$99,255
Interest	200,155	135,139	146,282	129,827	165,468	172,733	154,581	122,802	139,143	150,912
Differences between expected and actual experience	13,819	256,877	31,621	141,787	195,427	(325,270)	(244,628)	31,946	(82,473)	21,145
Benefit payments, including refunds of member contributions	(521,617)	-	(93,897)	(366,623)	(624,377)	(26,874)	-	(129,686)	(749,802)	(284,856)
Change in assumptions	(236,654)	1,068,959	-	-	-	-	-	-	-	-
Net change in total pension liability	(444,138)	1,561,706	211,944	18,850	(134,742)	(62,378)	27,835	107,165	(602,649)	(13,544)
Total Pension Liability, Beginning	4,163,758	2,602,052	2,390,108	2,371,258	2,506,000	2,568,378	2,540,543	2,433,378	3,036,027	3,049,571
Total Pension Liability, Ending (a)	$ 3,719,620	$ 4,163,758	$ 2,602,052	$ 2,390,108	$ 2,371,258	$ 2,506,000	$ 2,568,378	$ 2,540,543	$ 2,433,378	$ 3,036,027
Plan Fiduciary Net Position										
Employer contributions	$ 125,000	$ 125,000	$ 110,000	$ 140,000	$ 108,000	$ 108,000	$ 169,679	$ 121,818	$ 144,493	$ 201,596
Net investment income (loss)	404,732	328,645	343,112	(451,496)	406,743	308,008	499,616	(206,350)	370,447	223,358
Benefit payments, including refunds of member contributions	(521,617)	-	(93,897)	(366,623)	(624,377)	(26,874)	-	(129,686)	(749,802)	(284,856)
Administration	(27,720)	(23,844)	(30,121)	(34,687)	(35,677)	(26,086)	(23,042)	(20,204)	(20,452)	(22,084)
Net change in plan fiduciary net position	(19,605)	429,801	329,094	(712,806)	(145,311)	363,048	646,253	(234,422)	(255,314)	118,014
Plan Fiduciary Net Position, Beginning	3,355,443	2,925,642	2,596,548	3,309,354	3,454,665	3,091,617	2,445,364	2,679,786	2,935,100	2,817,086
Plan Fiduciary Net Position, Ending (b)	$ 3,335,838	$ 3,355,443	$ 2,925,642	$ 2,596,548	$ 3,309,354	$ 3,454,665	$ 3,091,617	$ 2,445,364	$ 2,679,786	$ 2,935,100
Net Pension Liability (Asset) - Ending (a) - (b)	$ 383,782	$ 808,315	$ (323,590)	$ (206,440)	$ (938,096)	$ (948,665)	$ (523,239)	$ 95,179	$ (246,408)	$ 100,927
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.68%	80.59%	112.44%	108.64%	139.56%	137.86%	120.37%	96.25%	110.13%	96.68%
Covered Payroll	$ 866,990	$ 1,227,199	$ 1,316,496	$ 1,432,614	$ 1,424,774	$ 1,495,199	$ 1,434,573	$ 1,306,010	$ 1,325,082	$ 1,398,380
Net Pension Liability (Asset) as a Percentage of Covered Payroll	44.27%	65.87%	-24.58%	-14.41%	-65.84%	-63.45%	-36.47%	7.29%	-18.60%	7.22%

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

Changes in assumption: There were no changes in the assumptions however the change in cost method was recognized as an assumption change.

See notes to required supplementary information

Sun Prairie Utilities

Schedule of Employer Contributions
Pension Trust Fund
Year Ended December 31, 2025 and Prior Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 125,000	$ 125,000	$ 110,000	$ 140,000	$ 108,000	$ 108,000	$ 169,679	$ 121,818	$ 144,493	$ 201,596
Contributions in relation to the actuarially determined contribution	125,000	125,000	110,000	140,000	108,000	108,000	169,679	121,818	144,493	201,596
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 866,990	$ 1,227,199	$ 1,316,496	$ 1,432,614	$ 1,424,774	$ 1,495,199	$ 1,434,573	$ 1,306,010	$ 1,325,082	$ 1,398,380
Contributions as a percentage of covered payrol	14.42%	10.19%	8.36%	9.77%	7.58%	7.22%	11.83%	9.33%	10.90%	14.42%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of December 31, 2025

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	4.00%
Investment rate of return	5.50%
Retirement age	See Note 8 in the Notes to Financial Statements
Mortality	Pub-2010 General Retirees Amount-Weighted Mortality with Scale MP-2021

Valuation date: Actuarially determined contributions are calculated as of December 31, 2024

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 8 in the Notes to Financial Statements
Mortality	417(e) Applicable Mortality Table

Sun Prairie Utilities

Schedule of Investment Returns
Pension Trust Fund
Year Ended December 31, 2025 and Prior Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	12.46%	10.11%	12.10%	-14.57%	11.32%	9.78%	18.53%	-8.33%	15.10%	7.42%

See notes to required supplementary information

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 1.

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 $801,095. 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.

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

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Debt Service Fund (Major Fund)
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 7,823,245	$ 7,823,245	$ 7,823,245	$ -
Investment income	67,000	67,000	166,313	99,313
Miscellaneous	53,107	53,107	28,938	(24,169)
Total revenues	7,943,352	7,943,352	8,018,496	75,144
Expenditures				
Debt service:				
Principal	7,070,000	7,070,000	7,070,000	-
Interest and fiscal charges	2,527,410	2,527,410	2,541,570	(14,160)
Total expenditures	9,597,410	9,597,410	9,611,570	(14,160)
Excess (deficiency) of revenues over (under) expenditures	(1,654,058)	(1,654,058)	(1,593,074)	60,984
Other Financing Sources				
Transfers in	147,125	147,125	642,847	495,722
Net change in fund balance	(1,506,933)	(1,506,933)	(950,227)	556,706
Fund Balance, Beginning	2,184,354	2,184,354	2,184,354	-
Fund Balance, Ending	$ 677,421	$ 677,421	$ 1,234,127	$ 556,706

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Capital Projects Fund (Major Fund)
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 4,024,223	$ 4,176,169	$ 709,542	$ (3,466,627)
Licenses and permits	-	-	10,673	10,673
Special assessments	-	-	15,759	15,759
Investment income	250,000	365,930	881,622	515,692
Miscellaneous	1,147,500	1,147,500	301,536	(845,964)
Total revenues	5,421,723	5,689,599	1,919,132	(3,770,467)
Expenditures				
Capital outlay	20,644,765	44,534,159	22,460,459	22,073,700
Debt service:				
Interest and fiscal charges	-	208,960	208,960	-
Total expenditures	20,644,765	44,743,119	22,669,419	22,073,700
Excess (deficiency) of revenues over (under) expenditures	(15,223,042)	(39,053,520)	(20,750,287)	18,303,233
Other Financing Sources (Uses)				
Debt issued	15,830,638	15,868,624	13,290,000	(2,578,624)
Premium on debt issued	-	588,752	588,752	-
Transfers in	109,165	125,477	644,621	519,144
Transfers out	(477,261)	(972,983)	(1,091,644)	(118,661)
Total other financing sources (uses)	15,462,542	15,609,870	13,431,729	(2,178,141)
Net change in fund balance	239,500	(23,443,650)	(7,318,558)	16,125,092
Fund Balance, Beginning	22,076,455	22,076,455	22,076,455	-
Fund Balance (Deficit), Ending	$ 22,315,955	$ (1,367,195)	$ 14,757,897	$ 16,125,092

City of Sun Prairie

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Funds				
	Park Improvement Fund	CDBG Fund	Transportation Impact Fee Fund	Grant Funds	Sun Prairie Media Center
Assets					
Cash and investments	$ 1,652,902	$ -	$ 1,897,928	$ 629,068	$ -
Receivables:					
Taxes	-	-	-	-	-
Accounts	189,730	-	-	9,014	62,172
Delinquent special assessments	-	-	-	-	-
Due from other funds	138,644	-	1,156,012	32,088	30,302
Prepaid items	-	-	-	8,772	22,579
Total assets	$ 1,981,276	$ -	$ 3,053,940	$ 678,942	$ 115,053
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ 1,299
Accrued liabilities	-	-	-	2,887	8,450
Deposits	5,000	-	-	249	-
Unearned revenues	-	-	-	225,857	-
Advances from other funds	-	-	-	-	-
Total liabilities	5,000	-	-	228,993	9,749
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	-
Unavailable revenues	189,730	-	-	-	-
Total deferred inflows of resources	189,730	-	-	-	-
Fund Balances (Deficit)					
Nonspendable	-	-	-	8,772	22,579
Restricted	1,786,546	-	3,053,940	441,177	-
Committed	-	-	-	-	82,725
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	1,786,546	-	3,053,940	449,949	105,304
Total liabilities, deferred inflows of resources and fund balances	$ 1,981,276	$ -	$ 3,053,940	$ 678,942	$ 115,053

Special Revenue Funds							
Refuse and Recycling	Library	Street Trees	Tourism	Transportation	Housing Fund	Wheel Tax Fund
$ -	$ 43,034	$ -	$ -	$ -	$ -	$ -
1,980,069	-	-	-	250,000	-	-
7,165	-	-	89,351	-	-	62,431
8,975	-	-	-	-	-	-
593,185	-	339,936	214,759	1,242,901	90,080	852,015
-	-	-	-	-	-	-
$ 2,589,394	$ 43,034	$ 339,936	$ 304,110	$ 1,492,901	$ 90,080	$ 914,446
$ 2,700	$ -	$ -	$ -	$ -	$ 33,915	$ -
2,608	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,308	-	-	-	-	33,915	-
1,977,160	-	-	-	250,000	-	-
8,975	-	-	-	-	-	-
1,986,135	-	-	-	250,000	-	-
8,975	-	-	-	-	-	-
-	43,034	-	304,110	1,242,901	56,165	914,446
588,976	-	339,936	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
597,951	43,034	339,936	304,110	1,242,901	56,165	914,446
$ 2,589,394	$ 43,034	$ 339,936	$ 304,110	$ 1,492,901	$ 90,080	$ 914,446

City of Sun Prairie

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Fund	Capital Projects Funds			
	Recreation	TID No. 8	TID No. 9	TID No. 11	TID No. 12
Assets					
Cash and investments	$ -	$ -	$ -	$ -	$ 100,931
Receivables:					
Taxes	-	2,580,900	3,766,096	1,763,312	615,380
Accounts	22,762	-	-	-	-
Delinquent special assessments	-	-	-	-	-
Due from other funds	85,141	1,429,482	3,097,678	2,614,198	316,591
Prepaid items	725	-	-	-	-
Total assets	$ 108,628	$ 4,010,382	$ 6,863,774	$ 4,377,510	$ 1,032,902
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 2,212	$ -	$ -	$ -	$ 85,447
Accrued liabilities	7,966	-	-	-	-
Deposits	41	-	-	-	-
Unearned revenues	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	10,219	-	-	-	85,447
Deferred Inflows of Resources					
Unearned revenues	-	2,580,900	3,766,096	1,763,312	615,380
Unavailable revenues	74	-	-	-	-
Total deferred inflows of resources	74	2,580,900	3,766,096	1,763,312	615,380
Fund Balances (Deficit)					
Nonspendable	725	-	-	-	-
Restricted	-	1,429,482	3,097,678	2,614,198	332,075
Committed	97,610	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	98,335	1,429,482	3,097,678	2,614,198	332,075
Total liabilities, deferred inflows of resources and fund balances	$ 108,628	$ 4,010,382	$ 6,863,774	$ 4,377,510	$ 1,032,902

Capital Projects Funds					Permanent Fund	
TID No. 13	TID No. 14	TID No. 15	TID No. 16	Development Projects	Ashley Trust Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 1,000	$ 4,324,863
1,378,780	487,401	489,325	188,094	-	-	13,499,357
-	-	-	-	95,621	-	538,246
-	-	-	-	-	-	8,975
247,809	-	180,597	19,560	58,023	-	12,739,001
-	-	-	-	-	-	32,076
$ 1,626,589	$ 487,401	$ 669,922	$ 207,654	$ 153,644	$ 1,000	$ 31,142,518
$ -	$ -	$ -	$ -	$ 38,364	$ -	$ 163,937
-	-	-	-	-	-	21,911
-	-	-	-	65,541	-	70,831
-	-	-	-	-	-	225,857
-	246,261	-	-	-	-	246,261
-	246,261	-	-	103,905	-	728,797
1,378,780	487,401	489,325	188,094	-	-	13,496,448
-	-	-	-	25,441	-	224,220
1,378,780	487,401	489,325	188,094	25,441	-	13,720,668
-	-	-	-	-	1,000	42,051
247,809	-	180,597	19,560	-	-	15,763,718
-	-	-	-	-	-	1,109,247
-	-	-	-	24,298	-	24,298
-	(246,261)	-	-	-	-	(246,261)
247,809	(246,261)	180,597	19,560	24,298	1,000	16,693,053
$ 1,626,589	$ 487,401	$ 669,922	$ 207,654	$ 153,644	$ 1,000	$ 31,142,518

City of Sun Prairie

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2025

	Special Revenue Funds				
	Park Improvement Fund	CDBG Fund	Transportation Impact Fee Fund	Grant Funds	Sun Prairie Media Center
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	304,695	-	1,414,110	76,429
Licenses and permits	-	-	-	-	262,716
Public charges for services	117,643	-	113,928	40,372	27,891
Special assessments	-	-	-	-	-
Investment income	88,760	-	115,644	8,568	1,271
Miscellaneous	8,319	-	-	183,704	33,183
Total revenues	214,722	304,695	229,572	1,646,754	401,490
Expenditures					
Current:					
General government	-	-	-	82,994	-
Public safety	-	-	-	285,482	-
Public works	-	-	-	-	-
Health and human services	-	304,695	-	31,652	-
Culture, recreation and education	204,449	-	-	124,519	486,844
Conservation and development	-	-	-	67,396	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	204,449	304,695	-	592,043	486,844
Excess (deficiency) of revenues over expenditures	10,273	-	229,572	1,054,711	(85,354)
Other Financing Sources (Uses)					
Transfers in	-	-	-	63,760	63,995
Transfers out	(5,000)	-	-	(924,311)	-
Total other financing sources (uses)	(5,000)	-	-	(860,551)	63,995
Net change in fund balances	5,273	-	229,572	194,160	(21,359)
Fund Balances (Deficit), Beginning	1,781,273	-	2,824,368	255,789	126,663
Fund Balances (Deficit), Ending	$ 1,786,546	$ -	$ 3,053,940	$ 449,949	$ 105,304

Special Revenue Fund							
Refuse and Recycling	Library	Street Trees	Tourism	Transportation	Housing Fund	Wheel Tax Fund
$ -	$ -	$ -	$ 385,572	$ -	$ -	$ 905,090
58,784	-	-	-	1,379,417	-	-
-	-	-	-	-	-	-
2,003,322	-	42,200	-	407,811	-	-
5,313	-	-	-	-	-	-
34,589	-	8,541	-	37,936	2,781	9,356
46,790	51,716	300	-	243,840	-	-
2,148,798	51,716	51,041	385,572	2,069,004	2,781	914,446
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,928,327	-	-	-	3,329,716	-	-
-	-	-	-	-	-	-
-	86,015	-	428,419	-	-	-
-	-	15,997	-	-	58,875	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,928,327	86,015	15,997	428,419	3,329,716	58,875	-
220,471	(34,299)	35,044	(42,847)	(1,260,712)	(56,094)	914,446
-	-	-	-	566,334	10,000	-
-	-	-	-	-	(35,000)	-
-	-	-	-	566,334	(25,000)	-
220,471	(34,299)	35,044	(42,847)	(694,378)	(81,094)	914,446
377,480	77,333	304,892	346,957	1,937,279	137,259	-
$ 597,951	$ 43,034	$ 339,936	$ 304,110	$ 1,242,901	$ 56,165	$ 914,446

City of Sun Prairie

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2025

	Special Revenue Fund	Capital Projects Funds			
	Recreation	TID No. 8	TID No. 9	TID No. 11	TID No. 12
Revenues					
Taxes	$ -	$ 2,263,405	$ 3,187,162	$ 1,743,183	$ 556,423
Intergovernmental	-	81,043	229,248	37,889	38,288
Licenses and permits	-	-	-	-	-
Public charges for services	415,269	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	45,761	80,967	67,385	6,288
Miscellaneous	11,879	-	-	-	806,157
Total revenues	427,148	2,390,209	3,497,377	1,848,457	1,407,156
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	1,269	-	-	-
Health and human services	-	-	-	-	-
Culture, recreation and education	437,057	-	-	-	-
Conservation and development	-	-	-	905,919	115,652
Capital outlay	-	314,410	12,953	33,709	-
Debt service:					
Principal	-	1,312,361	2,150,000	55,000	336,712
Interest and fiscal charges	-	48,881	92,743	8,649	196,533
Total expenditures	437,057	1,676,921	2,255,696	1,003,277	648,897
Excess (deficiency) of revenues over expenditures	(9,909)	713,288	1,241,681	845,180	758,259
Other Financing Sources (Uses)					
Transfers in	122,704	-	-	-	-
Transfers out	(14,460)	(8,072)	-	(40,000)	-
Total other financing sources (uses)	108,244	(8,072)	-	(40,000)	-
Net change in fund balances	98,335	705,216	1,241,681	805,180	758,259
Fund Balances (Deficit), Beginning	-	724,266	1,855,997	1,809,018	(426,184)
Fund Balances (Deficit), Ending	$ 98,335	$ 1,429,482	$ 3,097,678	$ 2,614,198	$ 332,075

Capital Projects Funds					Permanent Fund	
TID No. 13	TID No. 14	TID No. 15	TID No. 16	Development Projects	Ashley Trust Fund	Total Nonmajor Governmental Funds
$ 1,322,133	$ 235,563	$ 524,430	$ 27,913	$ -	$ -	$ 11,150,874
43,067	6,264	48,919	-	-	-	3,718,153
-	-	-	-	-	-	262,716
-	-	-	-	446,490	-	3,614,926
-	-	-	-	-	-	5,313
16,714	1,296	7,822	430	1,359	-	535,468
-	40	-	-	1,049	-	1,386,977
1,381,914	243,163	581,171	28,343	448,898	-	20,674,427
-	-	-	-	-	-	82,994
-	-	-	-	-	-	285,482
-	-	-	-	450,960	-	5,710,272
-	-	-	-	-	-	336,347
-	-	-	-	-	-	1,767,303
801,234	213,293	325,942	-	-	-	2,504,308
-	-	-	4,733	-	-	365,805
257,768	10,000	-	-	-	-	4,121,841
81,237	2,476	-	-	-	-	430,519
1,140,239	225,769	325,942	4,733	450,960	-	15,604,871
241,675	17,394	255,229	23,610	(2,062)	-	5,069,556
-	-	-	-	-	-	826,793
-	(45,740)	(20,000)	-	-	-	(1,092,583)
-	(45,740)	(20,000)	-	-	-	(265,790)
241,675	(28,346)	235,229	23,610	(2,062)	-	4,803,766
6,134	(217,915)	(54,632)	(4,050)	26,360	1,000	11,889,287
$ 247,809	$ (246,261)	$ 180,597	$ 19,560	$ 24,298	$ 1,000	$ 16,693,053

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Park Improvement Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Public charges for services	$ 250,000	$ 250,000	$ 117,643	$ (132,357)
Investment income	65,000	65,000	88,760	23,760
Miscellaneous	8,000	8,000	8,319	319
Total revenues	323,000	323,000	214,722	(108,278)
Expenditures				
Current:				
Culture, recreation and education	805,000	1,018,843	204,449	814,394
Total expenditures	805,000	1,018,843	204,449	814,394
Excess (deficiency) of revenues over expenditures	(482,000)	(695,843)	10,273	706,116
Other Financing Uses				
Transfers out	(5,000)	(5,000)	(5,000)	-
Total other financing uses	(5,000)	(5,000)	(5,000)	-
Net change in fund balance	(487,000)	(700,843)	5,273	706,116
Fund Balance, Beginning	1,781,273	1,781,273	1,781,273	-
Fund Balance, Ending	$ 1,294,273	$ 1,080,430	$ 1,786,546	$ 706,116

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - CDBG Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	304,695	$ 304,695	$ 304,695	-
Total revenues	304,695	304,695	304,695	-
Expenditures				
Current:				
Health and human services	304,695	304,695	304,695	-
Total expenditures	304,695	304,695	304,695	-
Net change in fund balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ -	$ -	$ -

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Transportation Impact Fee Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Public charges for services	$ 180,000	$ 180,000	$ 113,928	$ (66,072)
Investment income	-	-	115,644	115,644
Total revenues	180,000	180,000	229,572	49,572
Expenditures	-	-	-	-
Net change in fund balance	180,000	180,000	229,572	49,572
Fund Balance, Beginning	2,824,368	2,824,368	2,824,368	-
Fund Balance, Ending	$ 3,004,368	$ 3,004,368	$ 3,053,940	$ 49,572

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Grant Funds
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 112,000	$ 1,313,585	$ 1,414,110	$ 100,525
Public charges for services	37,675	37,675	40,372	2,697
Investment income	-	-	8,568	8,568
Miscellaneous	56,150	96,998	183,704	86,706
Total revenues	205,825	1,448,258	1,646,754	198,496
Expenditures				
Current:				
General government	38,500	148,095	82,994	65,101
Public safety	19,000	226,838	285,482	(58,644)
Health and human services	-	31,653	31,652	1
Culture, recreation and education	140,450	144,209	124,519	19,690
Conservation and development	57,175	57,175	67,396	(10,221)
Total expenditures	255,125	607,970	592,043	15,927
Excess (deficiency) of revenues over (under) expenditures	(49,300)	840,288	1,054,711	214,423
Other Financing Sources (Uses)				
Transfers in	49,300	49,300	63,760	14,460
Transfers out	(6,750)	(931,750)	(924,311)	7,439
Total other financing sources (uses)	42,550	(882,450)	(860,551)	21,899
Net change in fund balance	(6,750)	(42,162)	194,160	236,322
Fund Balance, Beginning	255,789	255,789	255,789	-
Fund Balance, Ending	$ 249,039	$ 213,627	$ 449,949	$ 236,322

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Sun Prairie Media Center
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 76,429	$ 76,429	$ 76,429	$ -
Licenses and permits	307,734	307,734	262,716	(45,018)
Public charges for services	29,200	29,200	27,891	(1,309)
Investment income	1,000	1,000	1,271	271
Miscellaneous	33,200	33,200	33,183	(17)
Total revenues	447,563	447,563	401,490	(46,073)
Expenditures				
Current:				
Culture, recreation and education	484,493	511,493	486,844	24,649
Total expenditures	484,493	511,493	486,844	24,649
Excess (deficiency) of revenues over (under) expenditures	(36,930)	(63,930)	(85,354)	(21,424)
Other Financing Sources				
Transfers in	63,995	63,995	63,995	-
Net change in fund balance	27,065	65	(21,359)	(21,424)
Fund Balance, Beginning	126,663	126,663	126,663	-
Fund Balance, Ending	$ 153,728	$ 126,728	$ 105,304	$ (21,424)

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Refuse and Recycling
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 48,000	$ 48,000	$ 58,784	$ 10,784
Public charges for services	1,959,900	1,959,900	2,003,322	43,422
Special assessments	3,000	3,000	5,313	2,313
Investment income	25,800	25,800	34,589	8,789
Miscellaneous	27,000	27,000	46,790	19,790
Total revenues	2,063,700	2,063,700	2,148,798	85,098
Expenditures				
Current:				
Public works	1,983,711	1,988,711	1,928,327	60,384
Total expenditures	1,983,711	1,988,711	1,928,327	60,384
Net change in fund balance	79,989	74,989	220,471	145,482
Fund Balance, Beginning	377,480	377,480	377,480	-
Fund Balance, Ending	$ 457,469	$ 452,469	$ 597,951	$ 145,482

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Library Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Miscellaneous	$ 47,850	$ 47,850	$ 51,716	$ 3,866
Total revenues	47,850	47,850	51,716	3,866
Expenditures				
Current:				
Culture, recreation and education	71,106	71,106	86,015	(14,909)
Total expenditures	71,106	71,106	86,015	(14,909)
Net change in fund balance	(23,256)	(23,256)	(34,299)	(11,043)
Fund Balance, Beginning	77,333	77,333	77,333	-
Fund Balance, Ending	$ 54,077	$ 54,077	$ 43,034	$ (11,043)

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Street Trees
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Public charges for services	$ 81,600	$ 81,600	$ 42,200	$ (39,400)
Investment income	8,000	8,000	8,541	541
Miscellaneous	-	-	300	300
Total revenues	89,600	89,600	51,041	(38,559)
Expenditures				
Current:				
Conservation and development	74,300	74,300	15,997	58,303
Total expenditures	74,300	74,300	15,997	58,303
Net change in fund balance	15,300	15,300	35,044	19,744
Fund Balance, Beginning	304,892	304,892	304,892	-
Fund Balance, Ending	$ 320,192	$ 320,192	$ 339,936	$ 19,744

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Tourism Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 339,199	$ 339,199	$ 385,572	$ 46,373
Total revenues	339,199	339,199	385,572	46,373
Expenditures				
Current:				
Culture, recreation and education	425,317	425,317	428,419	(3,102)
Total expenditures	425,317	425,317	428,419	(3,102)
Net change in fund balance	(86,118)	(86,118)	(42,847)	43,271
Fund Balance, Beginning	346,957	346,957	346,957	-
Fund Balance, Ending	$ 260,839	$ 260,839	$ 304,110	$ 43,271

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Transportation Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 1,304,973	$ 1,304,973	$ 1,379,417	$ 74,444
Public charges for services	289,789	289,789	407,811	118,022
Investment income	60,000	60,000	37,936	(22,064)
Miscellaneous	11,483	11,483	243,840	232,357
Total revenues	1,666,245	1,666,245	2,069,004	402,759
Expenditures				
Current:				
Public works	2,232,579	3,011,970	3,329,716	(317,746)
Total expenditures	2,232,579	3,011,970	3,329,716	(317,746)
Excess (deficiency) of revenues over (under) expenditures	(566,334)	(1,345,725)	(1,260,712)	85,013
Other Financing Sources				
Transfers in	566,334	566,334	566,334	-
Net change in fund balance	-	(779,391)	(694,378)	85,013
Fund Balance, Beginning	1,937,279	1,937,279	1,937,279	-
Fund Balance, Ending	$ 1,937,279	$ 1,157,888	$ 1,242,901	$ 85,013

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Housing Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Investment income	$ 5,500	$ 5,500	$ 2,781	$ (2,719)
Total revenues	5,500	5,500	2,781	(2,719)
Expenditures				
Current:				
Conservation and development	55,125	73,875	58,875	15,000
Total expenditures	55,125	73,875	58,875	15,000
Excess (deficiency) of revenues over (under) expenditures	(49,625)	(68,375)	(56,094)	12,281
Other Financing Sources (Uses)				
Transfers in	10,000	10,000	10,000	-
Transfers out	(35,000)	(35,000)	(35,000)	-
Total other financing sources (uses)	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(74,625)	(93,375)	(81,094)	12,281
Fund Balance, Beginning	137,259	137,259	137,259	-
Fund Balance, Ending	$ 62,634	$ 43,884	$ 56,165	$ 12,281

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Wheel Tax Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 955,000	$ 955,000	$ 905,090	$ (49,910)
Investment income	-	-	9,356	9,356
Total revenues	955,000	955,000	914,446	(40,554)
Expenditures	-	-	-	-
Net change in fund balance	955,000	955,000	914,446	(40,554)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ 955,000	$ 955,000	$ 914,446	$ (40,554)

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Recreation Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Public charges for services	$ 441,580	$ 441,580	$ 415,269	$ (26,311)
Miscellaneous	33,881	33,881	11,879	(22,002)
Total revenues	475,461	475,461	427,148	(48,313)
Expenditures				
Current:				
Health and human services	500,383	500,383	437,057	63,326
Total expenditures	500,383	500,383	437,057	63,326
Excess (deficiency) of revenues over (under) expenditures	(24,922)	(24,922)	(9,909)	15,013
Other Financing Sources (Uses)				
Transfers in	24,922	24,922	122,704	97,782
Transfers out	-	(16,312)	(14,460)	1,852
Total other financing sources (uses)	24,922	8,610	108,244	99,634
Net change in fund balance	-	(16,312)	98,335	114,647
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ (16,312)	$ 98,335	$ 114,647

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual - TID No. 8
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 2,263,748	$ 2,263,748	$ 2,263,405	$ (343)
Intergovernmental	81,043	81,043	81,043	-
Investment income	-	-	45,761	45,761
Total revenues	2,344,791	2,344,791	2,390,209	45,418
Expenditures				
Current:				
Public works	-	1,270	1,269	1
Capital outlay	300,721	300,721	314,410	(13,689)
Debt service:				
Principal	257,042	1,312,361	1,312,361	-
Interest and fiscal charges	38,839	48,882	48,881	1
Total expenditures	596,602	1,663,234	1,676,921	(13,687)
Excess of revenues over expenditures	1,748,189	681,557	713,288	31,731
Other Financing Uses				
Transfers out	-	-	(8,072)	(8,072)
Net change in fund balance	1,748,189	681,557	705,216	23,659
Fund Balance, Beginning	724,266	724,266	724,266	-
Fund Balance, Ending	$ 2,472,455	$ 1,405,823	$ 1,429,482	$ 23,659

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - TID No. 9
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 3,187,644	$ 3,187,644	$ 3,187,162	$ (482)
Intergovernmental	229,248	229,248	229,248	-
Investment income	-	-	80,967	80,967
Total revenues	3,416,892	3,416,892	3,497,377	80,485
Expenditures				
Capital outlay	10,964	10,964	12,953	(1,989)
Debt service:				
Principal	1,055,000	2,150,000	2,150,000	-
Interest and fiscal charges	92,743	92,743	92,743	-
Total expenditures	1,158,707	2,253,707	2,255,696	(1,989)
Net change in fund balance	2,258,185	1,163,185	1,241,681	78,496
Fund Balance, Beginning	1,855,997	1,855,997	1,855,997	-
Fund Balance, Ending	$ 4,114,182	$ 3,019,182	$ 3,097,678	$ 78,496

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - TID No. 11
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 1,743,447	$ 1,743,447	$ 1,743,183	$ (264)
Intergovernmental	37,889	37,889	37,889	-
Investment income	20,000	20,000	67,385	47,385
Total revenues	1,801,336	1,801,336	1,848,457	47,121
Expenditures				
Current:				
Conservation and development	912,242	912,242	905,919	6,323
Capital outlay	42,626	52,626	33,709	18,917
Debt service:				
Principal	55,000	55,000	55,000	-
Interest and fiscal charges	8,649	8,649	8,649	-
Total expenditures	1,018,517	1,028,517	1,003,277	25,240
Excess of revenues over expenditures	782,819	772,819	845,180	72,361
Other Financing Uses				
Transfers out	(20,000)	(40,000)	(40,000)	-
Net change in fund balance	762,819	732,819	805,180	72,361
Fund Balance, Beginning	1,809,018	1,809,018	1,809,018	-
Fund Balance, Ending	$ 2,571,837	$ 2,541,837	$ 2,614,198	$ 72,361

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual - TID No. 12
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 556,508	$ 556,508	$ 556,423	$ (85)
Intergovernmental	38,288	38,288	38,288	-
Investment income	2,000	2,000	6,288	4,288
Miscellaneous	-	-	806,157	806,157
Total revenues	596,796	596,796	1,407,156	810,360
Expenditures				
Current:				
Conservation and development	61,969	61,969	115,652	(53,683)
Debt service:				
Principal	336,712	336,712	336,712	-
Interest and fiscal charges	196,533	196,533	196,533	-
Total expenditures	595,214	595,214	648,897	(53,683)
Net change in fund balance	1,582	1,582	758,259	756,677
Fund Balance (Deficit), Beginning	(426,184)	(426,184)	(426,184)	-
Fund Balance (Deficit), Ending	$ (424,602)	$ (424,602)	$ 332,075	$ 756,677

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - TID No. 13
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 1,322,333	$ 1,322,333	$ 1,322,133	$ (200)
Intergovernmental	43,067	43,067	43,067	-
Investment income	5,000	5,000	16,714	11,714
Total revenues	1,370,400	1,370,400	1,381,914	11,514
Expenditures				
Current:				
Conservation and development	115,729	822,636	801,234	21,402
Debt service:				
Principal	257,768	257,768	257,768	-
Interest and fiscal charges	81,237	81,237	81,237	-
Total expenditures	454,734	1,161,641	1,140,239	21,402
Net change in fund balance	915,666	208,759	241,675	32,916
Fund Balance, Beginning	6,134	6,134	6,134	-
Fund Balance, Ending	$ 921,800	$ 214,893	$ 247,809	$ 32,916

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual - TID No. 14
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 235,599	$ 235,599	$ 235,563	$ (36)
Intergovernmental	6,264	6,264	6,264	-
Investment income	-	-	1,296	1,296
Miscellaneous	-	-	40	40
Total revenues	241,863	241,863	243,163	1,300
Expenditures				
Current:				
Conservation and development	176,135	242,637	213,293	29,344
Debt service:				
Principal	10,000	10,000	10,000	-
Interest and fiscal charges	2,476	2,476	2,476	-
Total expenditures	188,611	255,113	225,769	29,344
Excess (deficiency) of revenues over expenditures	53,252	(13,250)	17,394	30,644
Other Financing Uses				
Transfers out	(35,000)	(45,740)	(45,740)	-
Total other financing uses	(35,000)	(45,740)	(45,740)	-
Net change in fund balance	18,252	(58,990)	(28,346)	30,644
Fund Balance (Deficit), Beginning	(217,915)	(217,915)	(217,915)	-
Fund Balance (Deficit), Ending	$ (199,663)	$ (276,905)	$ (246,261)	$ 30,644

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual - TID No. 15
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 524,509	$ 524,509	$ 524,430	$ (79)
Intergovernmental	48,919	48,919	48,919	-
Investment income	1,000	1,000	7,822	6,822
Total revenues	574,428	574,428	581,171	6,743
Expenditures				
Current:				
Conservation and development	295,704	329,994	325,942	(4,052)
Total expenditures	295,704	329,994	325,942	(4,052)
Excess of revenues over expenditures	278,724	244,434	255,229	2,691
Other Financing Uses				
Transfers out	(10,000)	(20,000)	(20,000)	-
Net change in fund balance	268,724	224,434	235,229	2,691
Fund Balance (Deficit), Beginning	(54,632)	(54,632)	(54,632)	-
Fund Balance, Ending	$ 214,092	$ 169,802	$ 180,597	$ 2,691

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual - TID No. 16
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 27,917	$ 27,917	$ 27,913	$ (4)
Investment income	-	-	430	430
Total revenues	27,917	27,917	28,343	426
Expenditures				
Capital outlay	$ 8,000	$ 8,000	$ 4,733	$ 3,267
Total expenditures	8,000	8,000	4,733	3,267
Net change in fund balance	19,917	19,917	23,610	3,693
Fund Balance (Deficit), Beginning	(4,050)	(4,050)	(4,050)	-
Fund Balance, Ending	$ 15,867	$ 15,867	$ 19,560	$ 3,693

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Development Projects
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Public charges for services	$ 600,000	$ 600,000	$ 446,490	$ (153,510)
Investment income	-	-	1,359	1,359
Miscellaneous	-	-	1,049	1,049
Total revenues	600,000	600,000	448,898	(151,102)
Expenditures				
Current:				
Public works	600,000	602,325	450,960	151,365
Total expenditures	600,000	602,325	450,960	151,365
Net change in fund balance	-	(2,325)	(2,062)	263
Fund Balance, Beginning	26,360	26,360	26,360	-
Fund Balance, Ending	$ 26,360	$ 24,035	$ 24,298	$ 263

City of Sun Prairie

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Ashley Trust Fund
Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues	$ -	$ -	$ -	$ -
Expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund Balance, Beginning	1,000	1,000	1,000	-
Fund Balance, Ending	$ 1,000	$ 1,000	$ 1,000	$ -

City of Sun Prairie

Combining Statement of Net Position -
Internal Service Funds
December 31, 2025

	Fleet	Health Insurance	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and investments	$ 99,632	$ -	$ 99,632
Restricted cash and investments	236,491	-	236,491
Accounts receivable	25,361	-	25,361
Due from other funds	729,239	920,767	1,650,006
Prepaid items	-	7,651	7,651
Total current assets	1,090,723	928,418	2,019,141
Noncurrent Assets			
Capital assets:			
Other capital assets	16,432,495	-	16,432,495
Less accumulated depreciation	(7,004,389)	-	(7,004,389)
Total noncurrent assets	9,428,106	-	9,428,106
Total assets	10,518,829	928,418	11,447,247
Deferred Outflows of Resources			
Pension related amounts	95,514	-	95,514
Total deferred outflows of resources	95,514	-	95,514
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current liabilities:			
Accounts payable	19,754	10,496	30,250
Accrued liabilities	54,697	-	54,697
General obligation debt	725,000	-	725,000
Total current liabilities	799,451	10,496	809,947
Noncurrent liabilities:			
General obligation debt (including unamortized premium)	3,476,896	-	3,476,896
Compensated absences	19,246	-	19,246
Net pension liability	15,229	-	15,229
Total noncurrent liabilities	3,511,371	-	3,511,371
Total liabilities	4,310,822	10,496	4,321,318
Deferred Inflows of Resources			
Pension related amounts	53,693	-	53,693
Net Position			
Net investment in capital assets	5,462,701	-	5,462,701
Unrestricted	787,127	917,922	1,705,049
Total net position	$ 6,249,828	$ 917,922	$ 7,167,750

City of Sun Prairie

Combining Statement of Revenues, Expenses and Changes in Net Position -
Internal Service Funds
Year Ended December 31, 2025

	Fleet	Health Insurance	Total
Operating Revenues			
Public charges for services	$ 2,265,008	$ 4,861,219	$ 7,126,227
Total operating revenues	2,265,008	4,861,219	7,126,227
Operating Expenses			
Operation and maintenance	1,225,514	4,773,489	5,999,003
Depreciation	1,015,651	-	1,015,651
Total operating expenses	2,241,165	4,773,489	7,014,654
Operating income	23,843	87,730	111,573
Nonoperating Revenues (Expenses)			
Investment income	41,214	16,099	57,313
Gain on sale of capital assets	22,461	-	22,461
Interest and fiscal charges	(110,960)	-	(110,960)
Intergovernmental	45,373	-	45,373
Miscellaneous revenues	55,997	-	55,997
Total nonoperating revenues (expenses)	54,085	16,099	70,184
Income before transfers	77,928	103,829	181,757
Transfers			
Transfers in	190,866	-	190,866
Transfers out	(26,315)	-	(26,315)
Total transfers	164,551	-	164,551
Change in net position	242,479	103,829	346,308
Net Position, Beginning	6,007,349	814,093	6,821,442
Net Position, Ending	$ 6,249,828	$ 917,922	$ 7,167,750

City of Sun Prairie

Combining Statement of Cash Flows -
Internal Service Funds
Year Ended December 31, 2025

	Fleet	Health Insurance	Total
Cash Flows From Operating Activities			
Received from customers	$ 2,613,855	$ 4,771,742	$ 7,385,597
Paid to suppliers for goods and services	(908,267)	(4,787,841)	(5,696,108)
Paid to employees for services	(367,903)	-	(367,903)
Net cash flows from operating activities	1,337,685	(16,099)	1,321,586
Cash Flows From Investing Activities			
Investment income	41,214	16,099	57,313
Net cash flows from investing activities	41,214	16,099	57,313
Cash Flows From Noncapital Financing Activities			
Transfers	164,551	-	164,551
Net cash flows from noncapital financing activities	164,551	-	164,551
Cash Flows From Capital and Related Financing Activities			
Debt retired	(655,000)	-	(655,000)
Interest paid and debt issuance costs, net of premium	(102,436)	-	(102,436)
Acquisition and construction of capital assets	(1,838,200)	-	(1,838,200)
Proceeds from debt issued	715,000	-	715,000
Net cash flows from capital and related financing activities	(1,880,636)	-	(1,880,636)
Net change in cash and cash equivalents	(337,186)	-	(337,186)
Cash and Cash Equivalents, Beginning	673,309	-	673,309
Cash and Cash Equivalents, Ending	$ 336,123	$ -	$ 336,123
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	$ 23,843	$ 87,730	$ 111,573
Nonoperating revenue	101,370	-	101,370
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	1,015,651	-	1,015,651
Changes in assets, liabilities and deferred outflows/inflows of resources:			
Other accounts receivable	234,471	-	234,471
Due to/from other funds	13,006	(89,477)	(76,471)
Compensated absences	(57,754)	-	(57,754)
Accounts payable	9,190	1,096	10,286
Other current liabilities	731	(7,797)	(7,066)
Pension related amounts	(2,823)	-	(2,823)
Prepayments	-	(7,651)	(7,651)
Net cash flows from operating activities	$ 1,337,685	$ (16,099)	$ 1,321,586
Noncash Capital and Related Financing Activities			
Amortization of bond premium	$ 43,422	$ -	

Combining Statement of Fiduciary Net Position -
Custodial Funds
December 31, 2025

	Tax Collection Fund	MPSISC	Total Custodial Funds
Current Assets			
Cash and investments	$ 41,191,856	$ -	$ 41,191,856
Taxes receivable	37,477,201	-	37,477,201
Due from other governments	-	426,437	426,437
Prepaid items	-	19,110	19,110
Total assets	78,669,057	445,547	79,114,604
Liabilities			
Due to other governments	78,527,751	76,899	78,604,650
Other accounts payable	141,306	-	141,306
Total liabilities	78,669,057	76,899	78,745,956
Net Position			
Restricted for individuals, organization and other governments	$ -	$ 368,648	$ 368,648

City of Sun Prairie

Combining Statement of Changes in Fiduciary Net Position -
Custodial Funds
Year Ended December 31, 2025

	Tax Collection Fund	MPSISC	Total Custodial Funds
Additions			
Contributions:			
Member	$ -	$ 793,504	$ 793,504
Investment income	-	15,425	15,425
Property taxes collected for other governments	53,847,569	-	53,847,569
Total additions	53,847,569	808,929	54,656,498
Deductions			
Public safety expense	-	810,733	810,733
Property taxes distributed to other governments	53,847,569	-	53,847,569
Total deductions	53,847,569	810,733	54,658,302
Change in net position	-	(1,804)	(1,804)
Net Position, Beginning	-	370,452	370,452
Net Position, Ending	$ -	$ 368,648	$ 368,648

STATISTICAL SECTION

CITY OF SUN PRAIRIE, WISCONSIN

Introduction to the Statistical Section

December 31, 2025

STATISTICAL SECTION

This part of the City's Annual Comprehensive 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(s)
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.	110 - 114
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.	115 - 119
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.	120- 125
Demographic and Economic Information – Schedules 15 - 16 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.	126 - 127
Operating Information – Schedules 17 - 19 These schedules contain 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.	128 - 130

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
Net investment in capital assets	$ 145,337,562	$ 133,565,355	$ 127,505,574	$ 125,420,724	$ 114,346,855	$ 100,980,766	$ 96,950,125	$ 91,668,381	$ 92,056,269	$ 81,638,011
Restricted	16,449,960	14,021,345	10,876,366	15,625,765	11,427,142	13,497,756	5,926,657	7,463,027	5,836,997	7,346,609
Unrestricted (deficit)	21,528,973	22,806,685	19,527,653	11,143,775	11,248,148	8,828,029	10,934,889	10,552,537	5,049,968	1,815,833
Total governmental activities net position	183,316,495	170,393,385	157,909,593	152,190,264	137,022,145	123,306,551	113,811,671	109,683,945	102,943,234	90,800,453
Business-Type Activities										
Net investment in capital assets	175,247,549	175,385,857	171,120,446	165,464,842	160,136,666	156,727,731	145,728,006	139,352,187	131,184,254	125,335,883
Restricted	7,346,402	6,488,877	6,190,020	6,203,051	6,328,892	5,797,376	4,849,510	4,365,726	4,490,512	3,983,396
Unrestricted (deficit)	53,587,072	45,834,950	41,434,546	39,635,329	36,185,742	30,790,724	31,471,824	28,890,534	26,682,513	22,949,218
Total business-type activities net position	236,181,023	227,709,684	218,745,012	211,303,222	202,651,300	193,315,831	182,049,340	172,608,447	162,357,279	152,268,497
Primary Government										
Net investment in capital assets	320,585,111	308,951,212	298,626,020	290,885,566	274,483,521	257,708,497	242,678,131	231,020,568	223,240,523	206,973,894
Restricted	23,796,362	20,510,222	17,066,386	21,828,816	17,756,034	19,295,132	10,776,167	11,828,753	10,327,509	11,330,005
Unrestricted (deficit)	75,116,045	68,641,635	60,962,199	50,779,104	47,433,890	39,618,753	42,406,713	39,443,071	31,732,481	24,765,051
Total primary government activities net position	$ 419,497,518	$ 398,103,069	$ 376,654,605	$ 363,493,486	$ 339,673,445	$ 316,622,382	$ 295,861,011	$ 282,292,392	$ 265,300,513	$ 243,068,950

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

PRIMARY GOVERNMENT	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental activities										
General government	$ 8,264,025	$ 6,752,568	$ 6,821,238	$ 6,297,943	$ 4,709,432	$ 4,297,214	$ 4,754,741	$ 4,882,014	$ 4,550,418	$ 4,403,914
Public safety	22,697,082	19,665,320	18,739,288	14,149,050	13,518,198	15,168,394	13,613,011	12,397,125	11,509,960	11,119,610
Public works	12,500,838	13,469,355	13,594,637	10,336,380	10,283,472	9,696,626	6,665,610	6,666,674	7,780,380	8,290,581
Health and human services	803,559	581,720	772,592	973,729	787,822	413,468	115,550	54,500	84,500	54,500
Culture, recreation, and education	7,474,580	7,103,877	8,161,419	6,010,443	4,634,883	3,925,075	5,357,998	4,439,250	4,805,082	4,121,380
Conservation and development	7,828,882	5,405,930	4,145,963	3,023,458	3,975,473	3,779,871	7,462,982	2,825,225	2,624,698	1,120,518
Interest expense	2,849,195	1,951,469	1,562,932	1,358,653	1,432,641	1,764,227	1,725,371	1,369,108	1,014,225	1,553,363
Total governmental activities expenses	62,418,161	54,930,239	53,798,069	42,149,656	39,341,921	39,044,875	39,695,263	32,633,896	32,369,263	30,663,866
Business-type activities										
Electric	32,204,596	29,098,855	29,247,919	30,769,633	28,068,928	25,565,275	25,572,370	26,379,948	26,230,091	25,644,447
Water	4,803,378	4,442,089	3,868,645	3,849,585	3,505,085	3,210,503	3,094,137	3,137,098	2,448,396	2,295,240
Telecommunications	-	-	-	-	-	-	-	-	178,809	451,698
Wastewater	6,962,896	6,453,676	6,290,362	5,524,158	4,783,388	4,016,976	3,929,728	3,784,864	3,614,247	3,657,592
Stormwater	3,879,540	3,361,438	3,176,353	2,841,097	3,032,515	2,581,547	2,594,629	2,259,576	2,061,123	2,086,266
Total business-type activities expenses	47,850,410	43,356,058	42,583,279	42,984,473	39,389,916	35,374,301	35,190,864	35,561,486	34,532,666	34,135,243
Total primary government expenses	$ 110,268,571	$ 98,286,297	$ 96,381,348	$ 85,134,129	$ 78,731,837	$ 74,419,176	$ 74,886,127	$ 68,195,382	$ 66,901,929	$ 64,799,109
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	$ 187,290	$ 226,345	$ 288,773	$ 380,613	$ 307,643	$ 239,996	$ 311,826	$ 310,051	$ 183,983	$ 157,680
Public safety	3,769,673	5,297,517	3,760,086	2,927,225	2,630,277	2,652,123	2,499,997	2,189,314	2,031,787	1,549,065
Public works	2,966,250	2,460,837	2,538,649	2,386,247	2,057,746	2,394,853	2,215,142	1,979,335	2,079,582	1,907,877
Culture, recreation, and education	1,210,158	1,278,505	1,257,488	1,658,111	1,360,582	609,037	1,199,525	1,195,259	1,638,801	933,945
Conservation and development	74,185	66,790	121,142	106,050	125,200	125,545	142,050	154,845	163,235	109,763
Operating grants and contributions	5,981,909	5,047,346	6,039,989	4,427,753	4,888,991	4,509,898	3,757,657	3,259,208	3,029,758	3,093,256
Capital grants and contributions	4,322,000	3,306,260	3,421,009	6,015,390	5,589,036	2,794,146	2,504,207	787,142	5,973,701	1,847,780
Total governmental activities program revenues	18,511,465	17,683,600	17,427,136	17,901,389	16,959,475	13,325,598	12,630,404	9,875,154	15,100,847	9,599,366
Business-type activities										
Charges for services										
Electric	33,664,409	31,716,377	31,026,387	32,675,767	30,048,101	27,781,165	27,186,116	27,934,255	27,856,646	27,390,414
Water	5,824,799	5,568,463	5,185,206	4,890,034	4,042,804	3,968,482	3,712,882	3,687,699	3,600,488	3,495,738
Telecommunications	-	-	-	-	-	-	-	-	202,653	609,350
Wastewater	6,986,078	6,431,545	6,167,888	5,755,412	5,453,196	5,353,221	4,621,775	4,296,400	3,972,177	3,891,120
Stormwater	3,572,972	3,147,043	2,963,858	3,000,859	2,983,473	3,024,005	2,450,728	2,533,236	2,398,670	1,808,596
Capital grants and contributions	3,718,029	3,492,964	3,527,955	5,448,568	6,945,779	6,957,172	5,421,986	7,483,835	6,942,761	2,088,199
Total business-type activities program revenues	53,766,287	50,356,392	48,871,294	51,770,640	49,473,353	47,084,045	43,393,487	45,935,425	44,973,395	39,283,417
Total primary government program revenues	$ 72,277,752	$ 68,039,992	$ 66,298,430	$ 69,672,029	$ 66,432,828	$ 60,409,643	$ 56,023,891	$ 55,810,579	$ 60,074,242	$ 48,882,783

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

PRIMARY GOVERNMENT	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NET (EXPENSE)/REVENUE										
Governmental activities	$ (43,906,696)	$ (37,246,639)	$ (36,370,933)	$ (24,248,267)	$ (22,382,446)	(25,719,277)	(27,064,859)	(22,758,742)	(17,268,416)	(21,064,500)
Business-type activities	5,915,877	7,000,334	6,288,015	8,786,167	10,083,437	11,709,744	8,202,623	10,373,939	10,440,729	5,148,174
Total primary government net (expense)/revenue	$ (37,990,819)	$ (30,246,305)	$ (30,082,918)	$ (15,462,100)	$ (12,299,009)	$ (14,009,533)	$ (18,862,236)	$ (12,384,803)	$ (6,827,687)	$ (15,916,326)
GENERAL REVENUES										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	$ 26,894,617	$ 24,958,013	$ 21,405,139	$ 20,106,530	$ 18,638,111	$ 17,979,980	$ 16,911,464	$ 15,715,346	$ 14,299,795	$ 13,546,267
Property taxes, levied for debt service	7,823,245	7,275,474	6,796,436	6,469,805	6,618,831	6,567,043	6,449,889	6,460,924	6,619,638	6,648,847
Property taxes, levied for TIF districts	9,860,212	7,798,336	6,144,429	6,197,934	5,950,023	5,522,096	4,148,322	3,240,567	3,902,118	3,196,475
Other taxes	531,096	392,823	463,021	480,647	282,197	247,239	344,454	257,499	215,972	172,708
Intergovernmental revenues not restricted	5,839,269	3,315,770	2,245,948	3,111,961	1,910,193	1,743,866	1,222,907	1,599,388	1,622,912	1,694,011
Public gifts and grants	-	-	-	-	-	-	-	-	-	9,966
Investment income	2,685,368	2,778,937	1,959,626	315,307	24,825	254,942	693,438	405,872	216,797	123,106
Miscellaneous	950,277	1,161,912	1,136,257	813,099	825,232	994,039	868,839	355,844	782,270	604,457
Transfers, internal	2,245,722	2,049,166	1,939,406	1,921,103	1,848,628	1,904,952	553,272	1,464,013	1,751,695	1,788,072
Total governmental activities general revenues	56,829,806	49,730,431	42,090,262	39,416,386	36,098,040	35,214,157	31,192,585	29,499,453	29,411,197	27,783,909
Business-type activities										
Intergovernmental revenues not restricted	561,900	61,815	-	229,164	24,902	-	-	-	-	50,000
Investment income	3,649,307	3,906,225	3,066,340	1,480,245	1,061,498	1,297,815	1,731,341	1,321,631	1,026,191	859,735
Miscellaneous	589,977	45,464	26,841	77,449	14,260	163,884	60,201	19,611	89,644	21,497
Gain on disposal of telecommunications operations	-	-	-	-	-	-	-	-	283,913	-
Transfers, internal	(2,245,722)	(2,049,166)	(1,939,406)	(1,921,103)	(1,848,628)	(1,904,952)	(553,272)	(1,464,013)	(1,751,695)	(1,788,072)
Total business-type activities general revenues	2,555,462	1,964,338	1,153,775	(134,245)	(747,968)	(443,253)	1,238,270	(122,771)	(351,947)	(856,840)
Total primary government general revenue	$ 59,385,268	$ 51,694,769	$ 43,244,037	$ 39,282,141	$ 35,350,072	$ 34,770,904	$ 32,430,855	$ 29,376,682	$ 29,059,250	$ 26,927,069
CHANGE IN NET POSITION										
Governmental activities	$ 12,923,110	$ 12,483,792	$ 5,719,329	$ 15,168,119	$ 13,715,594	$ 9,494,880	$ 4,127,726	$ 6,740,711	$ 12,142,781	$ 6,719,409
Business-type activities	8,471,339	8,964,672	7,441,790	8,651,922	9,335,469	11,266,491	9,440,893	10,251,168	10,088,782	4,291,334
Total primary government change in net position	$ 21,394,449	$ 21,448,464	$ 13,161,119	$ 23,820,041	$ 23,051,063	$ 20,761,371	$ 13,568,619	$ 16,991,879	$ 22,231,563	$ 11,010,743

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund										
Nonspendable	$ 488,655	$ 1,159,577	$ 1,843,923	$ 3,209,903	$ 3,371,428	$ 4,597,811	$ 3,776,543	$ 3,743,664	$ 2,763,109	$ 2,936,357
Restricted	967,530	956,799	1,015,142	1,313,028	707,536	791,130	663,665	587,226	510,786	434,645
Assigned	4,604,871	4,278,600	3,890,737	5,209,279	3,728,286	3,882,327	3,775,937	4,167,316	3,602,423	3,513,829
Unassigned (deficit)	7,480,912	6,358,452	5,821,158	4,548,323	5,847,384	4,232,570	3,933,818	3,078,057	4,599,141	4,292,708
Total general fund	$ 13,541,968	$ 12,753,428	$ 12,570,960	$ 14,280,533	$ 13,654,634	$ 13,503,838	$ 12,149,963	$ 11,576,263	$ 11,475,459	$ 11,177,539
All other governmental funds										
Nonspendable	42,051	22,552	12,753	11,240	22,969	27,418	411,354	365,318	2,502	1,250
Restricted	27,749,582	33,948,943	13,754,867	10,433,509	8,537,927	14,846,235	10,583,573	6,808,782	6,775,091	8,215,808
Committed	1,109,247	798,504	531,378	623,493	676,377	758,844	934,190	1,082,428	909,372	738,189
Assigned	4,030,458	2,082,878	2,803,767	2,199,267	2,945,987	803,651	2,988,584	5,036,191	679,096	-
Unassigned (deficit)	(246,261)	(702,781)	(1,448,072)	(1,587,001)	(2,193,895)	(2,407,178)	(2,664,915)	(3,145,753)	(2,526,725)	(2,384,328)
Total all other governmental funds	$ 32,685,077	$ 36,150,096	$ 15,654,693	$ 11,680,508	$ 9,989,365	$ 14,028,970	$ 12,252,786	$ 10,146,966	$ 5,839,336	$ 6,570,919

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

	2025	2024	2023	2022
Revenues				
Taxes	$ 46,073,405	$ 40,439,432	$ 34,806,837	$ 33,282,991
Intergovernmental	10,378,207	7,980,868	8,221,929	8,495,391
Licenses and permits	1,101,693	1,200,472	1,372,812	1,383,107
Fines, forfeitures, and penalties	193,384	172,750	158,030	162,194
Public charges for services	7,742,540	7,368,855	6,534,136	6,277,152
Special assessments	21,440	48,875	3,546	4,920
Investment income	2,628,028	2,667,067	1,847,419	269,717
Miscellaneous	2,545,007	1,059,235	1,493,483	1,053,671
Total Revenues	70,683,704	60,937,554	54,438,192	50,929,143
Expenditures				
Current				
General government	8,001,851	7,405,343	6,374,341	6,053,168
Public safety	21,527,948	20,313,569	17,801,140	15,270,796
Public works	10,217,663	7,645,267	7,930,607	6,639,621
Health and human services	803,559	581,720	772,592	973,729
Culture, recreation, and education	7,403,329	7,837,686	7,106,841	6,124,773
Conservation and development	4,166,602	4,443,663	3,508,681	2,662,044
Capital outlay	22,826,264	15,638,865	9,143,993	9,508,268
Debt service				
Principal	11,191,841	8,850,315	9,520,472	9,251,643
Interest and fiscal charges	3,181,049	2,072,815	1,684,081	1,744,669
Total expenditures	89,320,106	74,789,243	63,842,748	58,228,711
Excess(deficiency) of revenues over expenditures	(18,636,402)	(13,851,689)	(9,404,556)	(7,299,568)
Other financing sources				
Sale of property	-	-	-	-
Long-term debt issued	13,290,000	29,485,000	9,285,000	7,544,000
Refunding Debt Issued	-	-	-	-
Capital leases issued	-	-	-	-
Payments to escrow agent	-	-	-	-
Premium on debt issued	588,752	2,073,632	644,391	239,342
Debt issuance costs	-	-	-	-
Transfers in	5,319,526	6,417,358	3,713,156	4,339,421
Transfers out	(3,238,355)	(3,446,430)	(1,973,379)	(2,506,153)
Total other financing sources (uses)	15,959,923	34,529,560	11,669,168	9,616,610
Net change in fund balances	(2,676,479)	20,677,871	2,264,612	2,317,042
Ratio of total debt service expenditures to total noncapital expenditures*	22.55%	18.53%	19.96%	22.91%

* Total noncapital expenditures includes reconciling items found on page 8 of Annual Comprehensive Financial Report.

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

2021	2020	2019	2018	2017	2016
$ 31,513,831	$ 30,344,698	$ 27,887,072	$ 25,682,992	$ 25,053,436	$ 23,582,959
6,336,438	5,775,867	4,287,227	4,465,539	4,356,485	4,462,003
1,639,115	1,393,169	1,358,048	1,484,314	1,425,461	982,893
203,934	194,162	232,799	174,635	171,172	191,014
5,381,474	4,778,449	5,159,295	4,474,267	5,559,842	3,483,334
4,267	7,445	81,557	381,443	167,470	48,518
24,346	248,407	679,647	396,457	211,613	121,991
1,387,079	1,161,696	1,531,753	978,424	779,169	1,002,421
46,490,484	43,903,893	41,217,398	38,038,071	37,724,648	33,875,133
4,943,082	5,371,831	4,679,576	5,070,753	4,218,868	4,299,408
14,142,858	13,590,511	12,962,327	11,895,893	10,876,119	10,300,366
6,702,131	6,537,819	6,229,636	5,532,837	5,594,354	4,870,425
787,822	413,468	115,550	54,500	84,500	54,500
6,627,098	5,334,169	5,426,767	4,604,107	4,437,151	3,817,338
2,618,776	2,983,282	6,166,957	1,471,993	6,440,647	962,655
7,045,018	6,394,952	14,298,527	12,592,102	5,870,406	4,882,661
15,119,535	8,796,272	14,838,927	8,183,060	10,421,524	8,041,540
1,941,198	2,086,346	2,060,956	1,214,770	1,136,798	1,334,654
59,927,518	51,508,650	66,779,223	50,620,015	49,080,367	38,563,547
(13,437,034)	(7,604,757)	(25,561,825)	(12,581,944)	(11,355,719)	(4,688,414)
-	1,366,383	-	3,250	300,000	201,325
5,860,000	7,005,000	18,055,000	14,979,000	8,871,000	4,395,000
1,535,000	-	7,100,000	-	-	5,110,000
-	83,455	168,172	-	-	-
-	-	-	-	-	(5,059,923)
325,097	366,718	980,390	413,748	141,354	567,977
-	-	-	-	-	-
4,991,344	10,002,541	5,740,346	5,727,145	5,151,766	2,606,731
(3,163,216)	(8,089,281)	(3,802,563)	(4,132,765)	(3,542,064)	(818,659)
9,548,225	10,734,816	28,241,345	16,990,378	10,922,056	7,002,451
(3,888,809)	3,130,059	2,679,520	4,408,434	(433,663)	2,314,037
37.24%	24.12%	32.20%	21.00%	26.15%	26.70%

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[4]	Total Assessed Value [1]	Total Equalized Value[2]	Total Direct Tax Rate	Ratio of Assessed to Equalized[3]
		Residential	Commercial	Manufacturing	Agricultural	Other					
2025	2026	$ 3,807,300	$ 1,818,334	$ 82,893	$ 154	$ 507	$ -	$ 5,709,188	$ 6,473,743	7.1384	88.19%
2024	2025	3,749,190	1,751,853	82,021	149	507	-	5,583,720	6,077,194	6.7807	91.87%
2023	2024	3,694,901	1,633,062	92,457	138	506	59,057	5,480,121	5,481,682	6.3418	99.99%
2022	2023	2,786,552	1,108,576	69,275	118	501	44,799	4,009,822	4,767,507	7.5101	84.08%
2021	2022	2,708,137	1,064,894	71,791	126	442	44,657	3,890,047	4,176,131	7.3229	93.82%
2020	2021	2,643,213	1,028,578	74,067	132	442	46,467	3,792,898	3,864,129	7.1270	98.06%
2019	2020	2,237,894	903,959	57,170	99	163	41,148	3,240,432	3,634,094	8.0860	89.06%
2018	2019	2,168,954	839,489	55,892	130	381	41,727	3,106,573	3,310,112	7.9455	94.28%
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%

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

4 - The State of Wisconsin passed legislation exempting class 2 personal property (machinery, tools and patterns) beginning January 1, 2018. Beginning January 1, 2024, exempt personal property will not have an assessed value.

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
2025	2026	$ 4.8502	$ 1.6545	$ -	$ 0.6337	$ -	7.1384	$ 11.5765	$ 2.8397	$ -	$ 0.6797	$ (1.9744)	20.2599
2024	2025	4.8184	1.4016	-	0.5608	-	6.7808	11.0575	2.8300	-	0.6901	(1.9491)	19.4093
2023	2024	4.5542	1.3277	-	0.4515	-	6.3334	9.8620	2.7565	-	0.6620	(1.8508)	17.7631
2022	2023	5.3377	1.6949	-	0.4775	-	7.5101	12.5043	3.2300	-	0.8579	(1.9867)	22.1156
2021	2022	5.2330	1.6135	-	0.4764	-	7.3229	12.4661	3.1058	-	0.8661	(1.9865)	21.7744
2020	2021	4.9145	1.7451	-	0.4675	-	7.1270	12.9863	2.9208	-	0.8803	(1.9084)	22.0060
2019	2020	5.5486	2.0266	-	0.5108	-	8.0860	14.6512	3.2504	-	0.9906	(2.0525)	24.9258
2018	2019	5.4438	2.0762	-	0.4255	-	7.9455	12.8591	3.1608	-	0.9692	(2.0217)	22.9129
2017	2018	5.2213	2.1466	-	0.3492	-	7.7170	12.0274	3.1166	-	0.9339	(2.0057)	21.7892
2016	2017	5.4641	2.5275	-	0.4863	-	8.4779	13.1711	3.3054	0.1796	1.0222	(2.0531)	24.1031

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
2025 and Nine Years Ago

	2025			2016		
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 Apartments	$ 165,073,600	1	2.89%	$ 46,553,600	1	1.78%
Weidner Apartments	65,404,800	2	1.15%			
Prairie Lakes Retail/Land	53,963,100	3	0.95%			
Park 151	53,685,300	4	0.94%			
Gebhardt Properties	43,496,500	5	0.76%			
Continental 345 Fund LLC	42,998,700	6	0.75%			
SSM Health	37,988,900	7	0.67%			
Cr Creekside LLC (Hey Day)	37,871,900	8	0.66%			
Ryan Great Lakes Sun Prairie LLC	33,761,100	9	0.59%			
General Casualty Co of WI				30,779,000	2	1.18%
Menards	28,550,300	10	0.50%			
Woodman's Food Market Inc				19,337,000	3	0.74%
Marcus Theatres Corp.				15,048,200	4	0.57%
SP Real Estate LLC				14,188,600	5	0.54%
Costco Wholesale Corp				14,095,800	6	0.54%
WalMart Realty Co.				13,853,000	7	0.53%
Sodarock Properties LLC				13,354,000	8	0.51%
Revere Apartments				12,594,800	9	0.48%
Veridian Homes Umbrella				11,393,600	10	0.44%
Total	$ 562,794,200		9.86%	$ 191,197,600		7.30%

Source: City of Sun Prairie Assessor's Office

1 - Assessed values include real and personal property.

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

Levy Year	Budget Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections of the Levy in Subsequent Years	Total Collections to Date[1]	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2024	2025	$ 44,578,076	44,578,076	100.00%	-	44,578,076	100.00%
2023	2024	40,031,826	40,016,037	99.96%	-	40,016,037	99.96%
2022	2023	34,344,073	34,332,409	99.97%	325	34,332,409	99.97%
2021	2022	32,774,269	32,758,085	99.95%	10,293	32,770,221	99.99%
2020	2021	31,208,899	31,188,695	99.94%	13,693	31,207,400	100.00%
2019	2020	30,069,119	30,050,513	99.94%	10,519	30,064,798	99.99%
2018	2019	27,509,672	27,494,597	99.95%	3,875	27,503,811	99.98%
2017	2018	25,416,838	25,414,354	99.99%	312	25,415,585	100.00%
2016	2017	24,832,640	24,817,778	99.94%	12,550	24,820,089	99.95%
2015	2016	23,391,590	23,382,328	99.96%	7,753	23,383,837	99.97%

Source: City of Sun Prairie Finance Department

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

2 - 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]	Financed Purchases[1]	General Obligation Bonds/Notes[1]	Sun Prairie Utility Revenue Bonds/Notes[1]	Wastewater Revenue Bonds	Other Long-Term Debt	Total Primary Government	Percentage of Personal Income	Per Capita
2025	$ 84,611,055	$ -	$ 29,158,293	$ 33,855,000	$ 33,129,742	$ 254,166	$ 181,008,256	9.98%	$ 4,516
2024	82,398,497	-	28,273,815	34,445,000	14,612,217	304,167	160,033,696	8.90%	4,169
2023	60,348,844	17,485	28,507,157	9,270,000	16,179,814	354,167	114,677,467	6.38%	2,987
2022	57,935,582	1,507,553	30,059,524	9,830,000	17,882,854	404,167	117,619,680	7.48%	3,153
2021	57,654,929	2,996,969	31,595,057	10,806,891	19,552,709	454,167	123,060,722	8.30%	3,381
2020	63,902,954	4,454,075	28,205,059	5,335,000	4,880,350	-	106,777,438	7.75%	2,975
2019	64,329,518	5,809,506	29,141,139	5,925,000	5,789,822	-	110,994,985	8.40%	3,178
2018	51,461,176	7,048,229	23,122,980	6,594,213	6,678,282	-	94,904,880	7.70%	2,794
2017	43,144,827	8,398,229	16,992,478	7,554,646	7,546,215	-	83,636,395	7.18%	2,540
2016	40,019,095	12,361,797	14,565,024	8,390,000	8,394,096	-	83,730,012	7.44%	2,567

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
2025	$ 113,769,348	$ 840,902	$ 112,928,446	$ 6,473,743,000	1.74%	40,079	$ 2,839
2024	110,672,312	1,906,247	108,766,065	6,077,193,700	1.79%	39,419	2,808
2023	88,856,001	654,590	88,201,411	5,481,682,200	1.61%	38,387	2,315
2022	87,995,106	310,425	87,684,681	4,767,506,600	1.84%	37,304	2,359
2021	89,249,986	296,713	88,953,273	4,176,130,900	2.13%	36,394	2,452
2020	92,108,013	4,989,077	87,118,936	3,864,128,900	2.25%	35,895	2,566
2019	93,470,657	849,582	92,621,075	3,634,094,300	2.55%	34,926	2,676
2018	74,584,156	43,412	74,540,744	3,310,111,700	2.25%	33,966	2,196
2017	60,137,305	133,729	60,003,576	2,984,707,700	2.01%	32,933	1,826
2016	54,584,119	10,723	54,573,396	2,772,245,800	1.97%	32,613	1,674

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, 2025

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	$ 84,611,055	100%	$ 84,611,055
Overlapping Debt			
Sun Prairie School District	272,395,000	65.90%	179,508,305
DeForest School District	113,787,000	0.11%	125,166
Madison College	199,525,000	4.05%	8,077,012
Dane County	591,917,472	5.52%	32,655,571
Total Overlapping Debt			220,366,054
Total Direct and Overlapping Debt			$ 304,977,109

[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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Equalized Value[1]	$ 6,473,743,000	$ 6,077,193,700	$ 5,481,682,200	$ 4,767,506,600	$ 4,176,130,900	$ 3,864,128,900	$ 3,634,094,300	$ 3,310,111,700	$ 2,984,707,700	$ 2,772,245,800
Debt Limit[2]	323,687,150	303,859,685	274,084,110	238,375,330	208,806,545	193,206,445	181,704,715	165,505,585	149,235,385	138,612,290
Total General Obligation Debt	107,627,710	104,424,551	85,677,381	85,022,785	86,396,012	89,293,441	90,620,827	72,772,859	58,836,919	53,112,875
Amount of Debt Applicable to Debt Limitation										
Total Debt Applicable to Debt Limit	107,627,710	104,424,551	85,677,381	85,022,785	86,396,012	89,293,441	90,620,827	72,772,859	58,836,919	53,112,875
Less: Assets in Debt Service Fund Available for Payment of Principal	1,234,127	2,184,354	552,866	310,425	296,713	4,989,077	849,582	43,412	133,729	10,723
Net Debt Applicable to Debt Limit	106,393,583	102,240,197	85,124,515	84,712,360	86,099,299	84,304,364	89,771,245	72,729,447	58,703,190	53,102,152
Remaining Legal Debt Margin	217,293,567	201,619,488	188,959,595	153,662,970	122,707,246	108,902,081	91,933,470	92,776,138	90,532,195	85,510,138
Total Debt Applicable to the Limit as a Percentage of Debt Limit	32.87%	33.65%	31.06%	35.54%	41.23%	43.63%	49.41%	43.94%	39.34%	38.31%

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
2025	$ 39,489,208	$ 31,904,049	$ 7,585,159	$ 1,450,000	$ 1,378,210	$ 2,828,210	2.68
2024	37,284,840	28,822,495	8,462,345	590,000	1,595,914	2,185,914	3.87
2023	36,211,593	29,401,491	6,810,102	580,000	243,560	823,560	8.27
2022	37,565,801	30,965,465	6,600,336	560,000	263,416	823,416	8.02
2021	34,090,905	27,889,639	6,201,266	550,000	282,860	832,860	7.45
2020	31,749,647	25,357,546	6,392,101	615,000	176,392	791,392	8.08
2019	30,898,998	25,360,468	5,538,530	590,000	199,184	789,184	7.02
2018	31,621,954	26,396,577	5,225,377	570,000	222,145	792,145	6.60
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

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 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
2025	$ 6,986,078	$ 3,892,150	$ 3,093,928	$ 886,620	$ 681,797	$ 1,568,417	1.97
2024	6,431,545	3,634,528	2,797,017	1,780,949	208,266	1,989,215	1.41
2023	6,167,888	3,540,543	2,627,345	1,736,914	240,763	1,977,677	1.33
2022	5,755,412	2,852,129	2,903,283	1,703,039	274,991	1,978,030	1.47
2021	5,453,196	2,510,511	2,942,685	1,669,856	308,520	1,978,376	1.49
2020	5,353,221	2,339,458	3,013,763	930,981	104,411	1,035,392	2.91
2019	4,621,775	2,261,557	2,360,218	909,472	126,175	1,035,647	2.28
2018	4,296,400	2,164,119	2,132,281	888,460	147,435	1,035,895	2.06
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

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		Per Capita Personal Income			Unemployment Rates[3]		
Year	Population[1]	Personal Income[2]	City of Sun Prairie	Dane County	State of Wisconsin	City of Sun Prairie	Dane County	State of Wisconsin
2025	40,079	$ 1,813,212,065	$ 45,241	$ 49,532	$ 41,124	2.30%	2.40%	3.10%
2024	39,419	1,680,527,399	42,632	47,487	39,152	2.60%	2.70%	2.90%
2023	38,387	1,797,945,858	46,837	47,610	39,244	2.30%	2.30%	3.00%
2022	37,304	1,573,202,626	42,172	46,443	38,062	2.20%	2.20%	2.90%
2021	36,394	1,482,459,759	40,734	45,615	35,440	3.30%	2.80%	3.80%
2020	35,895	1,377,870,500	38,386	43,482	33,967	5.00%	4.80%	6.30%
2019	34,926	1,321,347,804	37,833	42,952	33,258	2.50%	2.40%	3.30%
2018	33,966	1,233,243,129	36,308	40,153	31,962	2.30%	2.20%	3.00%
2017	32,933	1,164,737,156	35,367	38,542	30,182	2.40%	2.40%	3.30%
2016	32,613	1,125,874,149	34,522	37,523	29,711	3.00%	2.90%	4.10%

[1-] Wisconsin Department of Administration

[2-] Wisconsin Department of Revenue; Wisconsin Municipal Income Per Return Report (AGI)

[3-] Wisconsin Department of Workforce Development

Schedule 16
City of Sun Prairie
Principal Employers
2025 and Nine Years Ago

	2025			2016		
Taxpayer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sun Prairie School District	1,501	1	6.97%	1,141	1	6.11%
City of Sun Prairie	992	2	4.60%	212	9	1.13%
QBE Insurance (formerly General Casualty)	600	3	2.78%	781	2	4.18%
Colony Brands	505	4	2.34%			
Costco	419	5	1.94%			
Wisconsin Distributors	412	6	1.91%	238	6	1.27%
Axim Geospatial	360	7	1.67%			
Prairie Athletic Club	300	8	1.39%	330	3	1.77%
Trachte Building Systems Inc.	291	9	1.35%			
Target	274	10	1.27%			
Continental ContiTech				268	4	1.43%
Frontier				250	5	1.34%
Walmart				250	5	1.34%
Royle Printing				235	7	1.26%
Woodmans				226	8	1.21%
Total	5,654		26.24%	3,931		21.03%

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
*Fire	23.5	23.5	27.0	26.0	26.0	26.0	14.0	14.0	14.0	9.0
Police	85.0	84.0	81.0	80.0	78.0	77.0	76.0	76.0	73.4	73.4
EMS	29.5	29.5	23.5	15.0	15.0	14.0	14.0	14.0	13.0	13.5
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	6.0	6.0	5.0	4.0	4.0	3.0	3.0	3.0	2.0	2.0
Attorney	2.8	2.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor	4.0	4.0	4.0	4.0	4.0	2.0	4.0	4.0	5.0	4.8
Clerk	4.0	4.0	3.0	3.0	4.6	4.6	4.6	4.6	3.3	3.3
Finance	7.6	7.6	7.6	6.6	5.6	6.6	6.0	5.1	4.6	4.6
Information technology	6.0	6.0	6.0	6.0	5.0	5.0	5.0	7.0	5.7	5.5
Human resources	4.0	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5	2.8
Building maintenance	4.6	4.6	3.5	3.0	3.0	3.0	3.0	2.5	2.0	2.0
Planning/ Community Dev.	6.0	6.0	6.0	6.0	5.0	5.0	4.8	4.8	3.8	3.8
Economic development	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Building inspection	8.0	8.0	8.0	7.0	6.0	6.0	6.0	5.6	5.3	4.0
Public works										
Public works	10.7	11.2	15.0	13.0	13.0	11.4	10.1	9.1	10.0	10.0
Refuse & recycling	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Fleet inservice fund	4.0	4.0	3.6	3.6	3.6	3.6	3.6	3.6	3.6	4.0
Parks and forestry	13.1	13.1	10.0	9.0	9.0	9.0	9.0	7.0	7.5	7.0
Stormwater utility	5.4	5.4	5.0	5.0	5.0	5.0	6.3	6.3	6.3	4.3
Engineering	7.4	6.0	10.0	9.0	9.0	6.0	7.3	7.3	6.3	6.3
WWTP	14.4	14.4	15.0	14.0	12.0	12.0	10.0	10.0	10.0	10.0
Sun prairie utilities	34.0	34.0	35.0	34.9	33.9	32.9	31.9	32.3	30.3	30.3
Recreation programs	5.1	5.1	4.0	4.0	3.7	3.7	3.5	3.0	3.0	3.0
Historical museum	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	-	-
Library	24.2	24.2		23.4	23.4	23.4	24.1	23.5	23.0	22.6
Media center	4.0	4.0	4.0	4.0	3.9	3.9	3.9	3.9	5.2	4.7
Total	**328.7**	**326.8**	**297.7**	**301.0**	**293.2**	**283.6**	**256.1**	**252.4**	**242.1**	**236.2**

*The Fire Department was a separate 501c3 volunteer fire department through 2023 and the schedule only shows the full-time employee hours and does not include the volunteer hours.
As of 1/1/2024, the Fire Department is now a department of the City.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Police										
Arrests	1,278	1,223	1,136	1,012	1,057	848	792	1,121	645	641
Citations[2]	3,120	2,774	2,409	2,499	2,153	2,869	3,282	2,707	2,914	2,680
Warnings	4,281	4,263	4,024	2,739	2,150	1,607	2,671	2,788	3,042	3,420
Fire Department										
Total Calls	2,872	3,036	2,679	2,354	2071	1,966	1,970	1,917	1,373	1,120
Fire Calls	78	81	106	758	791	828	1,018	945	652	59
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Apparatus	12	12	9	11	11	11	11	12	12	11
EMS										
Calls	5,084	4,973	4,424	3,876	3,368	3,213	3,165	2,839	2,828	2,467
En route Time (minutes)	3.15	2.26	1.49	1.46	1.38	1.93	6.38	1.87	1.45	1.25
To Scene (minutes)	7.04	7.47	5.34	6.51	6.52	7.07	6.5	6.27	6.12	4.21
Public Works										
Refuse/ Recycling[1]										
Units Collected	11,102	10,986	10,877	10,777	10,726	10,440	10,326	10,163	9,917	9,743/9,820
Recycle Cost per Unit	$ 4.10	$ 3.95	$ 3.80	$ 3.65	$ 2.25	$ 2.70	$ 2.55	$ 2.40	$ 2.25	$3.32/$2.10
Recycling Tonnage	2,892	3,010	2,876	2,627	2,785	2,999	2,815	2,726	2,578	2,737
Refuse Tonnage	8,254	8,491	8,339	8,738	8,293	8,621	7,677	7,327	7,494	7,255
Refuse Cost per Unit	$ 7.60	$ 7.45	$ 7.30	7.15	$ 7.00	$ 7.40	$ 7.25	$ 7.10	$ 6.95	$8.13/$6.80
Recreation										
Shelter/ Gazebo Reservations	263	416	355	332	388	90	302	372	168	363
Athletic Field Reservations	1,033	868	1,399	1,440	1,832	969	426	429	500	572
Program Enrollments[3]	4,021	4,677	4,036	4,205	2,791	2,712	3,111	4,661	4,898	7,906
Open Swim Attendance	24,435	23,110	21,998	20,241	16,037	0	18,840	22,426	26,353	31,316
Library										
Circulation	616,707	676,349	663,668	646,979	418,635	385,823	684,407	635,368	648,172	643,423
Visits	204,347	221,887	189,475	173,614	104,397	77,107	225,660	232,931	231,554	236,526
Registered Borrowers	25,515	26,607	23,553	22,688	23,618	22,450	23,616	23,156	23,830	23,455
Internet/ Computer Use	17,086	18,102	15,129	12,729	639,762	154,576	19,671	304, 737	286,763	261,504
Volumes	132,138	140,339	144,255	148,684	145,665	144,785	141,755	138, 464	134,186	133,955
WWTP										
Wastewater Treatment (thousands of gallons)	1,234,004	1,452,457	1,234,765	1,146,952	1,148,975	1,439,960	1,532,270	1,431,837	1,485,512	1,394,968
Sun Prairie Utilities										
Water Main Breaks	1	4	7	12	4	11	5	16.0	19.0	12.0
Water Mains Added (miles)	0.90	1.26	0.46	3.10	4.17	2.94	9.78	3.8	4.1	0.7
Water Mains Replaced (miles)	0.50	0.61	0.68	0.70	1.27	1.57	2.29	2.4	1.5	0.9
Pumpage (Gallons) (thousands)	1,076,038	1,085,273	1,111,628	1,023,342	997,159	950,617	915,696	976,463	987,169	970,006
Electric Customers	18,792	18,497	18,262	17,382	17,189	16,734	16,400	15,951	15,351	14,955
Electric Meters	18,784	18,496	18,261	17,382	17,125	16,734	16,399	16,103	16,555	15,505
Electric Meters Added	288	374	880	257	455	334	296	749	1,050	491
Current Distribution (miles)	314	314	309	316	312	306	299	287	280	286
Miles Added	2	5	2	4	7	3	12	7	-	4
Miles Retired	2	0	9	0	1	1	-	-	6	-
Energy Used (kWh)	310,601,176	299,201,840	299,237,645	303,465,789	304,663,161	291,319,505	294,093,056	299,902,450	283,216,940	282,102,714
Peak Demand (kW)	69,046	72,496	74,755	68,953	68,330	68,137	66,783	65,160	60,742	62,481

Source: Department annual reports

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

2 - The Citations issued do not include parking citations.

3 - Program Enrollments for 2019 do not include the Winter/Spring session due to changes in registration software

Schedule 19
City of Sun Prairie
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Police Stations	2	2	2	2	2	2	2	2	2	2
Police Vehicles	31	31	31	30	30	28	27	27	27	27
Police Squads	19	19	19	19	19	19	19	19	19	19
Police Speed Trailers	2	2	2	2	2	1	1	1	1	1
Police Cargo Trailers	1	1	0	0	0	0	0	0	0	0
Fire Stations	2	2	2	2	2	2	2	2	2	1
Fire Vehicles	7	8	8	8	8	8	7	6	6	5
Fire UTV and Trailers	4	4	4	4	2	2	1	1	0	0
EMS Vehicles (ambulances)	6	6	6	4	4	4	4	4	4	4
Support Vehicles	7	2	2	2	2	2	2	2	0	0
Public Works										
Streets (miles)	154.09	149.19	148.15	145.97	142.54	142.11	140.66	138.28	133.94	132.83
Traffic Signals (intersections)	21	21	20	20	19	19	19	19	19	19
Parks and Recreation										
Number of Parks	48	45	45	44	43	42	41	40	40	40
Acreage of Parkland	725	455.5	455.5	449.7	449	446.3	444.9	402.69	402.69	402.69
Number of Swimming Pools	1	1	1	1	1	1	1	1	1	1
Library										
Library Facilities	1	1	1	1	1	1	1	1	1	1
Wastewater Utility										
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Number of Pumping/Lift Stations	10	10	10	10	10	10	10	10	10	10
Miles of Sanitary Sewer	146	146	144	140	140	140	140	130	130	130
Treatment Capacity (million gallons/day)	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Stormwater Utility										
Miles of Storm Sewer	120	120	119	118	117	114	111	108	106	102
Number of Retention Ponds	181	168	168	165	159	146	144	142	131	127
Water Utility										
Number of Wells	7	7	7	7	7	7	7	7	7	7
Number of Reservoirs	3	3	3	3	3	3	3	3	3	3
Number of Towers	3	3	3	3	3	3	3	3	3	3
Miles of Water Main	168.4	167.4	166.1	165.6	162.5	158.3	153.7	153.7	149.9	145.8
Number of Hydrants	1884	1868	1860	1849	1803	1759	1815	1815	1749	1689
Storage Capacity (million gallons)	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Production Capacity (million gallons/day)	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47
Electric Utility										
Distribution Plants/Substations	7	7	7	7	7	7	7	7	7	7
Street lights - (city owned)	2855	2844	2817	2783	2703	2663	2665	2615	2564	2564

Source: City Departments

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

October 15, 2026

Re: City of Sun Prairie, Wisconsin ("Issuer")
$9,675,000 Water and Light Utility Revenue Bonds, Series 2026B,
dated October 15, 2026 ("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 issued pursuant to Section 66.0621, Wisconsin Statutes, Resolution No. 92/115 adopted by the Common Council of the Issuer on July 21, 1992, as previously amended and supplemented (the "Bond Resolution"), and a supplementing resolution adopted by the Common Council of the Issuer on August 18, 2026, as supplemented by the Approving Certificate, dated _____, 2026 (collectively, the "Supplemental Resolution") (hereinafter the Bond Resolution and the Supplemental Resolution shall be referred to as the "Resolutions"). Pursuant to the Resolutions, the Bonds are issued on a parity with the Issuer's outstanding Water and Light Utility Revenue Bonds defined in the Supplemental Resolution as the Prior Bonds. The Issuer covenanted in the Resolutions that revenues of the Water and Light Utility (the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Prior Bonds and the Bonds as the same falls due.

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
2027	$390,000	___%
2028	385,000	___
2029	400,000	___
2030	410,000	___
2031	425,000	___
2032	440,000	___
2033	460,000	___
2034	470,000	___
2035	490,000	___
2036	510,000	___
2037	435,000	___
2038	450,000	___
2039	470,000	___

Year	Principal Amount	Interest Rate
2040	$485,000	___%
2041	515,000	___
2042	535,000	___
2043	560,000	___
2044	590,000	___
2045	615,000	___
2046	640,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2027.

The Bonds maturing on April 1, 2036 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2035 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.

[The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in 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 Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Resolutions, perform the agreements on its part contained therein and issue the Bonds.

2. The Resolutions have been duly adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer.

3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.

4. 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; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). 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.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Resolutions or on the sufficiency of the Revenues.

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 $9,675,000 Water and Light Utility Revenue Bonds, Series 2026B, dated October 15, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on August 18, 2026, as supplemented by an Approving Certificate, dated _____, 2026 (collectively, 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 _____, 2026 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"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.

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

"Issuer Contact" means the Finance Director of the Issuer who can be contacted at City Hall, 300 East Main Street, Sun Prairie, Wisconsin 53590-2227, phone (608) 825-1173, 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 ending December 31, 2026, 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. THE BONDS - DESCRIPTION OF WATER SYSTEM
5. THE BONDS – DESCRIPTION OF ELECTRIC SYSTEM

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;

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

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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 15th day of October, 2026.

_____
Steve C. Stocker
Mayor

(SEAL)

_____
Elena Hilby
City Clerk

APPENDIX E

FORM OF PARAMETERS RESOLUTION

(See following pages)

RESOLUTION NO. ___

RESOLUTION SUPPLEMENTING RESOLUTION NO. 92/115;
AUTHORIZING THE ISSUANCE AND ESTABLISHING
PARAMETERS FOR THE SALE OF NOT TO EXCEED $9,675,000
WATER AND LIGHT UTILITY REVENUE BONDS, SERIES 2026B

WHEREAS, the City of Sun Prairie, Dane County, Wisconsin (the "Municipality") owns and operates a water and light utility (the "System") which is operated by Sun Prairie Utilities (formerly, the Sun Prairie Water and Light Commission), for a public purpose as a public utility by the Municipality;

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility from the proceeds of bonds, which bonds are payable only from the income and revenues derived from any source by such utility and are secured by a pledge of the revenues of the utility;

WHEREAS, the Municipality has heretofore issued its Water and Light Utility Revenue Bonds, Series 1992, dated July 15, 1992 (the "1992 Bonds") pursuant to Resolution No. 92/115 adopted by the Common Council of the Municipality (the "Governing Body") on July 21, 1992 (the "Bond Resolution"), which 1992 Bonds have been paid in full and are no longer outstanding;

WHEREAS, the Municipality has also heretofore issued and has outstanding (i) its Water and Light Utility Revenue Bonds, Series 2012A, dated November 15, 2012 (the "2012A Bonds") pursuant to Resolution No. 12/150 adopted on October 23, 2012 (the "2012A Resolution"), (ii) its Water and Light Utility Revenue Bonds, Series 2014, dated June 16, 2014 (the "2014 Bonds") pursuant to Resolution No. 14/095 adopted on June 3, 2014 (the "2014 Resolution"), (iii) its Water and Light Utility Revenue Bonds, Series 2021A, dated February 10, 2021 (the "2021A Bonds") pursuant to Resolution No. 21/013 adopted on January 19, 2021 (the "2021A Resolution") and (iv) its Water and Light Utility Revenue Bonds, Series 2024B, dated August 8, 2024 (the "2024B Bonds") pursuant to Resolution No. 24/076 adopted on June 18, 2024 (the "2024B Resolution") (the 2012A Bonds, 2014 Bonds, 2021A Bonds and 2024B Bonds shall be collectively referred to herein as the "Prior Bonds"), (the 2012A Resolution, 2014 Resolution, 2021A Resolution and 2024B Resolution shall be collectively referred to herein as the "Prior Resolutions"), which bonds are payable from the income and revenues of the System;

WHEREAS, Section 9 of the Bond Resolution provides that additional bonds may be issued on a parity with the Prior Bonds upon compliance with certain conditions, and those conditions have been met;

WHEREAS, the Municipality has determined that certain additions, improvements and extensions to the System, including water main replacements, construction of a new well house, replacement of voltage regulators and acquisition of a crane and digger derrick (collectively, the "Project") are necessary to adequately supply the needs of the Municipality and the residents thereof;

WHEREAS, it is necessary, desirable and in the best interest of the Municipality to authorize and sell revenue bonds for such purpose payable solely from the revenues of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes;

WHEREAS, other than the Prior Bonds, no bonds or notes payable from the revenues of the System are now outstanding;

WHEREAS, for the purpose of paying the cost of the Project (including paying legal, financing, engineering and other professional fees in connection therewith and any cost of increasing the amount on deposit in the Reserve Account created and established pursuant to the Bond Resolution), the Governing Body deems it to be necessary, desirable and in the best interest of the Municipality to authorize and sell water and light utility revenue bonds of the Municipality payable solely from the revenues of the System on a parity with the Prior Bonds, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes;

WHEREAS, it is the finding of the Governing Body that it is in the best interest of the Municipality to direct its financial advisor, Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary for the Municipality to offer and sell water and light utility revenue bonds (the "Bonds") at public sale and to obtain bids for the purchase of the Bonds; and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Governing Body hereby finds and determines that it is necessary, desirable and in the best interest of the Municipality to delegate to each of the City Administrator and the Finance Director (each, an "Authorized Officer") the authority to accept on behalf of the Municipality the bid for the Bonds that results in the lowest true interest cost for the Bonds (the "Proposal") and meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Municipality that:

Section 1A. Authorization of Bonds; Parameters. For the purpose of paying the cost of the Project, the Municipality shall borrow on the credit of the income and revenue of the System the principal sum of not to exceed $9,675,000 upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 14 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal (the "Purchaser") for, on behalf of and in the name of the Municipality, Bonds aggregating the principal amount of not to exceed NINE MILLION SIX HUNDRED SEVENTY-FIVE THOUSAND DOLLARS ($9,675,000). The purchase price to be paid to the Municipality for the Bonds shall not be less than 98.75% of the principal amount of the Bonds.

Section 1B. Terms of the Bonds. The Bonds shall be designated "Water and Light Utility Revenue Bonds, Series 2026B"; shall be issued in the aggregate principal amount of up to $9,675,000; shall be dated as of their date of issuance; shall be in the denomination of $5,000 or

any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption in the years and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to $365,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed $9,675,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of $9,675,000.

Date	Amount
04/01/2027	$390,000
04/01/2028	385,000
04/01/2029	400,000
04/01/2030	410,000
04/01/2031	425,000
04/01/2032	440,000
04/01/2033	460,000
04/01/2034	470,000
04/01/2035	490,000
04/01/2036	510,000
04/01/2037	435,000
04/01/2038	450,000
04/01/2039	470,000
04/01/2040	485,000
04/01/2041	515,000
04/01/2042	535,000
04/01/2043	560,000
04/01/2044	590,000
04/01/2045	615,000
04/01/2046	640,000

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2027. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) will not exceed 5.00%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The Bonds shall be subject to optional redemption as set forth on the Approving Certificate. If the Proposal specifies that certain of the Bonds shall be subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate labeled as Schedule MRP. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in the Approving Certificate in such manner as the Municipality shall direct.

The schedule of maturities and mandatory redemption amounts established by the parameters of this Resolution is found to be such that the amount of annual debt service

payments is reasonable in accordance with prudent municipal utility practices. The Authorized Officer shall confirm this finding in the Approving Certificate.

Section 1C. Definitions. The definitions in the Bond Resolution, as amended by the Prior Resolutions, apply to and are incorporated into this Resolution except as expressly amended below or unless the context expressly or by necessary implication requires otherwise. References in the Bond Resolution, as amended by the Prior Resolutions, to "Bonds" and "Additional Bonds" shall apply to the Bonds being issued pursuant to this Resolution. All references to specific sections in the Bond Resolution, as amended by the Prior Resolutions, also apply to the Bonds being issued pursuant to this Resolution unless otherwise amended herein.

Section 2. Restated, Additional and/or Amended Definitions. In addition to and/or in amendment of the terms defined in Section 1C hereof, the following terms shall have the following meanings in this Resolution unless the context expressly or by implication requires otherwise:

"Annual Debt Service Requirement" means the total amount of principal and interest due on the Prior Bonds, the Bonds and any Parity Bonds in any Bond Year whether at maturity or pursuant to mandatory redemption thereof;

"Bonds" means the Water and Light Utility Revenue Bonds, Series 2026B of the Municipality dated as of their date of issuance, authorized to be issued by this Resolution;

"Bond Resolution" means Resolution No. 92/115 adopted by the Governing Body on July 21, 1992;

"Credit Obligation" means any obligation of the Municipality under a contract, lease, installment sales agreement or other instrument, including but not limited to any contract entered into with a municipal electric company pursuant to Section 66.0825(8), Wisconsin Statutes, to make payments for property, services or commodities for the benefit or use of the Electric Utility whether or not the same are made available, furnished or received, or any other obligation of the Municipality, under which the Municipality lends credit to or guarantees debts, claims or other obligations of any other person or entity for the purpose of obtaining property, services or commodities for the Electric Utility or for the purpose of financing the initial costs of any project of any other person or entity from which property, services or commodities are intended to be obtained for the benefit or use of the Electric Utility but only to the extent such obligation requires payment directly or indirectly from a designated fund or account created under the Bond Resolution, as supplemented;

"Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance, audits, the wholesale purchase of electrical power and obligations under the Power Supply Contract between the Municipality and WPPI, and all payments required by the Credit Obligations, but shall exclude depreciation, debt service, tax equivalents, replacements and capital expenditures. Current Expenses shall include, without intent to limit the foregoing, all costs of purchasing, producing and delivering electric power and energy and specifically fuel costs, costs of transmission service, reserve service, interchange service, and all other costs of

purchased power, including obligations under the Power Supply Contract between the Municipality and WPPI, and all payments required by Credit Obligations;

"DTC" or "Depository" means The Depository Trust Company, New York, New York, or its nominee or successor which shall act as securities depository for the Bonds;

"Electric Utility" means the municipal light utility which the Municipality owns and operates as part of the System;

"Parity Bonds" means any additional bonds payable from the revenues of the System issued on a parity and equality of rank with the Bonds pursuant to the Act and Section 9 of the Bond Resolution;

"Power Supply Contract" means the Long Term Power Supply Contract for Participating Members between the Municipality and WPPI entered into under Section 66.0825(8), Wis. Stats.;

"Prior Bonds" means the 2012A Bonds, the 2014 Bonds, the 2021A Bonds and the 2024B Bonds;

"Prior Resolutions" means the 2012A Resolution, the 2014 Resolution, the 2021A Resolution and the 2024B Resolution;

"Project" means financing additions, improvements and extensions to the System, including water main replacements, construction of a new well house, replacement of voltage regulators and acquisition of a crane and digger derrick. All elements of the Project are to be owned and operated by the Municipality as part of the System as described in the preamble hereto;

"Purchaser" means the financial institution listed first on the Bid Tabulation;

"2012A Bonds" means the outstanding balance of the Water and Light Utility Revenue Bonds, Series 2012A, dated November 15, 2012;

"2012A Resolution" means Resolution No. 12/150 adopted by the Governing Body on October 23, 2012, which authorized the 2012A Bonds;

"2014 Bonds" means the outstanding balance of the Water and Light Utility Revenue Bonds, Series 2014, dated June 16, 2014;

"2014 Resolution" means Resolution No. 14/095 adopted by the Governing Body on June 3, 2014, which authorized the 2014 Bonds;

"2021A Bonds" means the outstanding balance of the Water and Light Utility Revenue Bonds, Series 2021A, dated February 10, 2021;

"2021A Resolution" means Resolution No. 21/013 adopted by the Governing Body on January 19, 2021, which authorized the 2021A Bonds;

"2024 Bonds" means the outstanding balance of the Water and Light Utility Revenue Bonds, Series 2024B, dated August 8, 2024;

"2024 Resolution" means Resolution No. 24/076 adopted by the Governing Body on June 18, 2024, which authorized the 2024 Bonds; and

"WPPI" means WPPI Energy, a municipal electric company organized under Section 66.0825, Wisconsin Statutes.

Section 3. Parity with the Prior Bonds. The Bonds shall be additional bonds within the meaning of Section 9 of the Bond Resolution; are issued on a parity with the Prior Bonds; and are secured by an equal lien on the revenues of the System and the monies on deposit in the Special Redemption Fund as set forth in the Bond Resolution, as amended and supplemented by the Prior Resolutions and this Resolution.

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 5. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Bond Trust Services Corporation, which is hereby appointed as the Municipality's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Municipality hereby authorizes the Mayor and City Clerk or other appropriate officers of the Municipality to enter a Fiscal Agency Agreement between the Municipality and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 5A. Persons Treated as Owners; Transfer of Bonds. The Municipality shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The Municipality shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 5B. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the Municipality at the close of business on the Record Date.

Section 6. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund created and established pursuant to the Bond Resolution, as amended and supplemented by the Prior Resolutions and this Resolution, and shall be a valid claim of any holder thereof only against said Special Redemption Fund and the revenues of the System pledged to such fund on a parity with the outstanding Prior Bonds. Sufficient revenues have been heretofore pledged to said Special Redemption Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the outstanding Prior Bonds, the Bonds and any Parity Bonds as the same becomes due. It is the express intent and determination of the Governing Body that the amount of revenues to be set aside in the Special Redemption Fund (including the Reserve Account) shall be sufficient in any event to pay the principal of and interest on the outstanding Prior Bonds, the Bonds and any Parity Bonds and to provide any amounts required to be paid into the Reserve Account to maintain the Reserve Requirement.

Section 7. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on the outstanding Prior Bonds, the Bonds and any Parity Bonds, certain funds of the System have been created and established pursuant to Section 6 of the Bond Resolution which shall be used solely for the purposes set forth in the Bond Resolution, as amended by the Prior Resolutions and as further amended as follows:

Subparagraph (c) of Section 6 of the Bond Resolution is hereby amended and supplemented to read as follows:

(c) Water and Light Utility Special Redemption Fund, which shall be divided into two separate accounts to be known as the "Interest and Principal Account" and the "Reserve Account".

(i) There shall be deposited in the Interest and Principal Account from Prior Bond, Bond and any Parity Bond proceeds all accrued interest. In addition, there shall be deposited in said account in the manner specified in Section 7 of the Bond Resolution, an amount sufficient (after giving effect to available amounts in said account from accrued interest, any premium, investment earnings and any other source) to pay the principal of and interest on the Prior Bonds, the Bonds and any Parity Bonds as the same becomes due. The Interest and Principal Account shall be used solely for the purpose of paying principal of and interest on the Prior Bonds, the Bonds and any Parity Bonds in accordance with the provisions of the Bond Resolution, as amended. It is the express intent of the Governing Body that at all times the Interest and Principal Account constitute a "bona fide debt service account" and be depleted (except for a reasonable carryover as defined in the Regulations) at least once a year.

The minimum amounts to be so deposited in the Interest and Principal Account for debt service on the Bonds, when established within the parameters set forth in the Resolution, in addition to amounts needed for debt service on the Prior Bonds, will be set forth on Schedule IV of the Approving Certificate and incorporated herein by this reference.

(ii) There is currently on deposit in the Reserve Account the sum of $2,846,617.52. Upon the issuance of the Bonds there shall be deposited in the Reserve Account from Utility funds on hand and Bond proceeds a sum sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement. The Reserve Account shall be used solely for the purpose of paying principal of or interest on the Prior Bonds, the Bonds or any Parity Bonds at any time when there shall be insufficient money in the Interest and Principal Account. The Reserve Account shall be funded and replenished in the manner specified in Section 7 of the Bond Resolution, as amended by this Resolution, except that $36,875 shall be changed to an amount equal to one-twelfth of the Reserve Requirement, so long as such funding and replenishment at all times complies with the pertinent provisions of the Code and Regulations. It is the intent of the Municipality that at all times the Reserve Account constitutes a "reasonably required reserve fund" under Section 148 of the Code and any applicable Regulations;

Section 8. Application of Revenues. The entire gross earnings of the System have been and will continue to be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed in the Bond Resolution in the order of priority and in the manner set forth in the Bond Resolution, as amended by the Prior Resolutions and this Resolution.

Section 9. Service to the Municipality. In accordance with the Act, Section 8 of the Bond Resolution provides that the reasonable cost and value of services rendered to the Municipality by the System by furnishing water and electric service for public purposes, shall be charged against the Municipality and shall be paid by it in quarterly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System, and out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the Municipality in each year shall be an amount which, together with the other revenues of the System, will produce earnings equivalent to not less than one and one tenth (1.10) times annual principal and interest requirements on the Prior Bonds, the Bonds and any Parity Bonds then outstanding after deduction of all operation and maintenance expenses of the System but before deduction of depreciation charges and local tax equivalents.

Section 10. Application of Bond Proceeds. The proceeds of the sale of the Bonds (including any premium and accrued interest from their date to the date of delivery) shall be deposited and applied as follows:

(a) to the Interest and Principal Account of the Special Redemption Fund, the amount of any accrued interest received from the sale of the Bonds;

(b) to the Reserve Account of the Special Redemption Fund, any amount necessary to make the amount on deposit therein equal to the Reserve Requirement; and

(c) to the Water and Light Utility Improvement Fund, a special construction fund hereby created and established, the balance of the proceeds of the Bonds. Said Improvement Fund shall be adequately secured and shall be used solely for the purpose of meeting costs of purchasing, acquiring, constructing, extending, adding to, improving, operating and managing the System, as more fully described in the preamble hereof as the Project (including paying legal, financing, engineering and other professional fees, and paying costs of issuance of the Bonds). Any balance remaining in said Improvement Fund after paying the costs of the Project shall be transferred to the Special Redemption Fund for use in payment of principal of or interest on the outstanding Prior Bonds, the Bonds and any Parity Bonds.

Section 11. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 7 and 10 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the Municipality and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations").

Section 12. Resolution a Contract. The provisions of this Resolution, together with the Bond Resolution and the Prior Resolutions, shall constitute a contract between the Municipality and the holder or holders of the Prior Bonds, the Bonds and any Parity Bonds, and after issuance of any Bond or any Parity Bond no change or alteration of any kind in the provisions of this Resolution may be made except as provided in Section 14 of the Bond Resolution, until all of the Prior Bonds, the Bonds and any Parity Bonds have been paid in full as to both principal and interest. The holder or holders of any Bond or any Parity Bond shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce his or their rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof, including, but without limitation, the right to require the Municipality, its Governing Body and other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution, the Bond Resolution and the Prior Resolutions.

Section 13. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Municipality agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations which the City Clerk or other authorized

representative of the Municipality is authorized and directed to execute and deliver to DTC on behalf of the Municipality to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 14. Condition on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds to the Purchaser are subject to approval by an Authorized Officer of the principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Bonds, which approval shall be evidenced by execution by an Authorized Officer of the Approving Certificate.

The Bonds shall not be issued, sold or delivered until the details of the Bonds are approved by an Authorized Officer through execution of the Approving Certificate as provided above. After such consent and approval, an Authorized Officer is authorized to execute the Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

Section 15. Payment of Issuance Expenses. The Municipality authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 16. Ratification of Bond Resolution, Prior Resolutions. Except as expressly amended and supplemented by the provisions of this Resolution, the provisions of the Bond Resolution, as supplemented by the Prior Resolutions, shall remain in full force and effect.

Section 17. Compliance with Federal Tax Laws. (a) The Municipality represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The Municipality further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The Municipality further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the Municipality charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the Municipality certifying that the Municipality can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Municipality also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the Municipality will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 18. Official Statement. The Governing Body hereby directs an Authorized Officer to approve the Preliminary Official Statement and any addenda with respect to the Bonds and to deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by an Authorized Officer or other officers of the Municipality in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate Municipality official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 19. Undertaking to Provide Continuing Disclosure. The Municipality hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the Municipality to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the Municipality charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the Municipality's Undertaking.

Section 20. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 21. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the Municipality are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 22. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the Municipality by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the Municipality of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the Municipality has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The Municipality hereby authorizes the officers and agents of the Municipality to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 23. Conflicting Resolutions, Ordinances, Severability, Closing and Effective Date. All prior ordinances, resolutions (other than the Bond Resolution and the Prior Resolutions), rules or other actions of the Governing Body or any parts thereof in conflict with the provisions hereof shall be and the same are hereby rescinded insofar as they may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The appropriate officers and agents of the Municipality are hereby directed and authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the closing of this transaction. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded this 18th day of August, 2026.

_____
Steve C. Stocker
Mayor

Attest:

_____
Elena Hilby
City Clerk

(SEAL)

EXHIBIT A

APPROVING CERTIFICATE

The undersigned [City Administrator] or [Finance Director] of the City of Sun Prairie, Dane County, Wisconsin (the "City"), hereby certifies that:

1. Resolution. On August 18, 2026, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed $9,675,000 Water and Light Utility Revenue Bonds, Series 2026B of the City (the "Bonds") after a public sale and delegating to me the authority to approve the Preliminary Official Statement, to approve the purchase proposal for the Bonds, and to determine the details for the Bonds within the parameters established by the Resolution.

2. Proposal; Terms of the Bonds. On the date hereof, the Bonds were offered for public sale and the bids set forth on the Bid Tabulation attached hereto as Schedule I and incorporated herein by this reference were received. The institution listed first on the Bid Tabulation, _____ (the "Purchaser") offered to purchase the Bonds in accordance with the terms set forth in the Proposal attached hereto as Schedule II and incorporated herein by this reference and resulting in the lowest true interest cost on the Bonds (the "Proposal"). Ehlers & Associates, Inc. recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Bonds shall be issued in the aggregate principal amount of $_____, which is not more than the $9,675,000 approved by the Resolution, and shall mature on April 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule III and incorporated herein by this reference. The amount of each annual principal or mandatory redemption payment due on the Bonds is not more than $365,000 more or less per maturity or mandatory redemption amount than the schedule included in the Resolution as set forth below:

Date	Resolution Schedule	Actual Amount
04-01-2027	$390,000	$_____
04-01-2028	385,000	_____
04-01-2029	400,000	_____
04-01-2030	410,000	_____
04-01-2031	425,000	_____
04-01-2032	440,000	_____
04-01-2033	460,000	_____
04-01-2034	470,000	_____
04-01-2035	490,000	_____
04-01-2036	510,000	_____
04-01-2037	435,000	_____
04-01-2038	450,000	_____
04-01-2039	470,000	_____
04-01-2040	485,000	_____
04-01-2041	515,000	_____

COPY

Date	Resolution Schedule	Actual Amount
04-01-2042	$535,000	$_____
04-01-2043	560,000	_____
04-01-2044	590,000	_____
04-01-2045	615,000	_____
04-01-2046	640,000	_____

The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) is _____%, which is not in excess of 5.00%, as required by the Resolution.

3. Purchase Price of the Bonds. The Bonds shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of $_____, plus accrued interest, if any, to the date of delivery of the Bonds, which is not less than 98.75% of the principal amount of the Bonds, as required by the Resolution.

4. Redemption Provisions of the Bonds. The Bonds maturing on April 1, 20__ and thereafter shall be subject to redemption prior to maturity, at the option of the City, on April 1, 20__ or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption. [The Proposal specifies that [some of] the Bonds are subject to mandatory redemption. The terms of such mandatory redemption are set forth on an attachment hereto as Schedule MRP and incorporated herein by this reference.]

5. Debt Service. The minimum amounts to be so deposited in the Interest and Principal Account for debt service on the Bonds, in addition to amounts needed for debt service on the Prior Bonds, are set forth on Schedule IV and incorporated herein by this reference.

6. Preliminary Official Statement. The Preliminary Official Statement with respect to the Bonds is hereby approved and deemed "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934.

7. Approval. This Certificate constitutes my approval of the Proposal, and the principal amount, definitive maturities, interest rates, purchase price and redemption provisions for the Bonds and the debt service schedule attached hereto as Schedule III is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices, in satisfaction of the parameters set forth in the Resolution.

COPY

IN WITNESS WHEREOF, I have executed this Certificate on _____, 2026 pursuant to the authority delegated to me in the Resolution.

[_____
Aaron Oppenheimer
City Administrator]

OR

[_____
Renee Schwass
Finance Director]

COPY

SCHEDULE I TO APPROVING CERTIFICATE

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

COPY

SCHEDULE II TO APPROVING CERTIFICATE

Proposal

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

COPY

SCHEDULE III TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

COPY

SCHEDULE IV TO APPROVING CERTIFICATE

Debt Service Schedule

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

COPY

[SCHEDULE MRP TO APPROVING CERTIFICATE

Mandatory Redemption Provision

The Bonds due on April 1, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from special redemption fund deposits which are required to be made in amounts sufficient to redeem on April 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on April 1, 20__

Redemption Date	Amount
____	$_____
____	_____
____	_____ (maturity)

For the Term Bonds Maturing on April 1, 20__

Redemption Date	Amount
____	$_____
____	_____
____	_____ (maturity)

For the Term Bonds Maturing on April 1, 20__

Redemption Date	Amount
____	$_____
____	_____
____	_____ (maturity)

For the Term Bonds Maturing on April 1, 20__

Redemption Date	Amount
____	$_____
____	_____
_____	_____ (maturity)]

COPY

EXHIBIT B

(Form of Bond)

REGISTERED	UNITED STATES OF AMERICA STATE OF WISCONSIN DANE COUNTY CITY OF SUN PRAIRIE	DOLLARS
NO. R-__		$_____

WATER AND LIGHT UTILITY REVENUE BOND, SERIES 2026B

MATURITY DATE:	ORIGINAL DATE OF ISSUE:	INTEREST RATE:	CUSIP:
April 1, 20___	_____, 2026	_____%	_____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS
($_____)

FOR VALUE RECEIVED, the City of Sun Prairie, Dane County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), solely from the fund hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2027 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by Bond Trust Services Corporation (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

COPY

The Bonds maturing on April 1, 20__ and thereafter are subject to redemption prior to maturity, at the option of the City, on April 1, 20__ or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

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

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

This Bond is one of an issue aggregating $_____, issued for the purpose of paying the cost of additions, improvements and extensions to the Water and Light Utility of the City, including water main replacement, construction of a new well house, replacement of voltage regulators and acquisition of a crane and digger derrick, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted August 18, 2026, and entitled: "Resolution Supplementing Resolution No. 92/115; Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed $9,675,000 Water and Light Utility Revenue Bonds, Series 2026B", as supplemented by an Approving Certificate, dated _____, 2026 (collectively, the "Resolution") and the Bond Resolution, as amended and supplemented by the Prior Resolutions and the Resolution (as those terms are defined in the Resolution) and is payable only from the net revenues of said Water and Light Utility. Such net revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund", created by the Bond Resolution and continued by the Prior Resolutions and the Resolution.

COPY

The City has heretofore issued and has outstanding certain Water and Light Utility Revenue Bonds specified in the Resolution (referred to collectively herein as the "Prior Bonds"). The Bonds are issued on a parity with the Prior Bonds and are secured by an equal lien and claim to the revenues and properties of the Water and Light Utility and the monies on deposit in the Special Redemption Fund. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; and that the issuance of this Bond has been duly authorized by the City and does not exceed or violate any constitutional or statutory limitation.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of $5,000 or any integral multiple thereof.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

COPY

IN WITNESS WHEREOF, the City of Sun Prairie, Dane County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual signatures of its duly qualified Mayor and City Clerk; and to be sealed with the official seal of the City, all as of the original date of issue specified above.

CITY OF SUN PRAIRIE,
DANE COUNTY, WISCONSIN

By:_____
Steve C. Stocker
Mayor

(SEAL)

By:_____
Elena Hilby
City Clerk

COPY

Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue authorized by the within-mentioned Resolution of the City of Sun Prairie, Dane County, Wisconsin.

BOND TRUST SERVICES
CORPORATION,
ROSEVILLE, MINNESOTA

By_____
Authorized Signatory

COPY

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____

_____

(Name and Address of Assignee)

_____

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____
(e.g. Bank, Trust Company or Securities Firm)

_____
(Authorized Officer)

_____
(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the depository as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

COPY

APPENDIX F

NOTICE OF SALE

$9,675,000* WATER AND LIGHT UTILITY REVENUE BONDS, SERIES 2026B
CITY OF SUN PRAIRIE, WISCONSIN

Bids for the purchase of $9,675,000* Water and Light Utility Revenue Bonds, Series 2026B (the "Bonds") of the City of Sun Prairie, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, 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 September 24, 2026, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on August 18, 2026 (the "Parameters Resolution"), which authorizes the Finance Director or the City Administrator to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on September 24, 2026, neither the Finance Director nor the City Administrator will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City, to provide funds for the public purpose of financing additions, improvements and extensions to the City's Water and Light Utility (the "Utility System") including water main replacements, construction of a new well house, replacement of voltage regulators and acquisition of a crane and digger derrick. The Bonds are being issued on a parity with the City's outstanding Water and Light Utility Revenue Bonds, Series 2012A, dated November 15, 2012, the Water and Light Utility Revenue Bonds, Series 2014, dated June 16, 2014, the Water and Light Utility Revenue Bonds, Series 2021A, dated February 10, 2021 and the Water and Light Utility Revenue Bonds, Series 2024B, dated August 8, 2024.

DATES AND MATURITIES

The Bonds will be dated October 15, 2026, 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*
2027	$390,000	2034	$470,000	2041	$515,000
2028	385,000	2035	490,000	2042	535,000
2029	400,000	2036	510,000	2043	560,000
2030	410,000	2037	435,000	2044	590,000
2031	425,000	2038	450,000	2045	615,000
2032	440,000	2039	470,000	2046	640,000
2033	460,000	2040	485,000		

*Preliminary, subject to change.

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, up to a maximum of $365,000 per maturity or mandatory redemption amount. 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 April 1, 2027, 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. 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 has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. 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, 2036 shall be subject to optional redemption prior to maturity on April 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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 October 15, 2026, 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 ("Bond Counsel"), 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 special 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 of 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 the 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 the 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 $9,578,250.00 plus accrued interest on the principal sum of $9,675,000 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) 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 IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

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 $193,500 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. 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. **The Bonds will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5.00% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

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 Bonds shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 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 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 winning 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 winning 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) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, 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 (5^{th}) 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 winning bidder selects the 10% test</u>, the winning 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 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 Underwriter (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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Common Council

Elena Hilby, City Clerk
City of Sun Prairie, Wisconsin

BID FORM

City of Sun Prairie, Wisconsin (the "City") **September 24, 2026**

RE: $9,675,000* Water and Light Utility Revenue Bonds, Series 2026B (the "Bonds")
DATED: October 15, 2026

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 $9,578,250.00) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2027	_____	% due	2034	_____	% due	2041
_____	% due	2028	_____	% due	2035	_____	% due	2042
_____	% due	2029	_____	% due	2036	_____	% due	2043
_____	% due	2030	_____	% due	2037	_____	% due	2044
_____	% due	2031	_____	% due	2038	_____	% due	2045
_____	% due	2032	_____	% due	2039	_____	% due	2046
_____	% due	2033	_____	% due	2040			

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, up to a maximum of $365,000 per maturity or mandatory redemption amount. 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.

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%.

A good faith deposit ("Deposit") in the amount of $193,500 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. 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. 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 October 15, 2026.

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 Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (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 not met, we elect to use either the: _____10% test, or the _____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 October 15, 2026 of the above bid is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf of the City of Sun Prairie, Wisconsin, on September 24, 2026.

By: _____

Title: _____