

CITY OF SUN PRAIRIE *Wisconsin*

Comprehensive Annual Financial Report

As of and for the Year Ending December 31, 2019



2019

CITY OF SUN PRAIRIE

Sun Prairie, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended

December 31, 2019

Prepared By:

DEPARTMENT OF FINANCE
Kristin Vander Kooi, Finance Director

CITY OF SUN PRAIRIE

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CITY ADMINISTRATORS OFFICE

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

June 19, 2020

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

The City of Sun Prairie's (the City) 2019 Comprehensive Annual Financial Report (CAFR), including the Independent Auditor's Report is submitted. This report consists of management's representations concerning the finances of the City of Sun Prairie. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City maintains strong budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated operating and capital improvements budget adopted by the Common Council. Annual budgets are adopted for all funds, including the activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Internal Service Fund and Enterprise Funds. Budgetary control is maintained through expenditure limitation at the cost center level (a cost center can be a fund, major program, department or specific activity for which control of expenditures is considered appropriate). Proposed expenditures for which 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 Virchow Krause, LLP, an independent certified public accounting firm, has audited the City's financial statements. Baker Tilly Virchow Krause, LLP concluded, based upon its audit procedures, that the City's annual financial report for the fiscal year ended December 31, 2019 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 back to 1837 when President Van Buren commissioned a party of 45 men, including August Bird, to build a state capitol in Madison. The group of men left Milwaukee on May 26, 1837 and traveled for days in the rain. On June 9, the group emerged at the edge of the prairie and with the sun shining, carved the words Sun Prairie into a tree. Charles Bird returned to the area 2 years later and became the first settler. The Town of Sun Prairie was created on February 2, 1846 and the City of Sun Prairie, which grew from the town, was incorporated in 1958.

Current Profile –

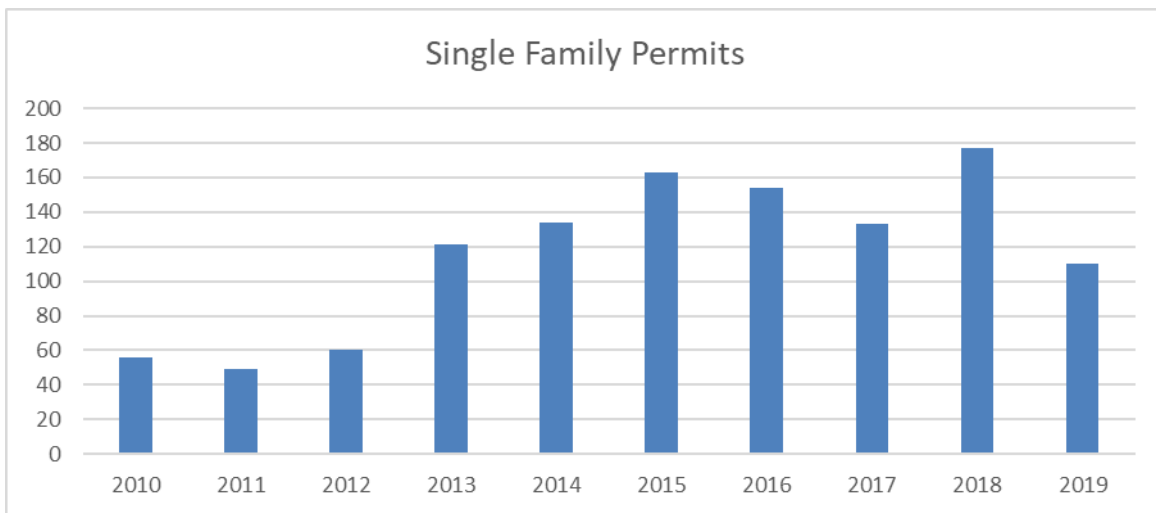
- The boundaries of Sun Prairie encompass an area approximately 12.8 square miles with an estimated population of 35,907.
- The City of Sun Prairie has historically been one of the fastest growing cities in Wisconsin with a population over 20,000 --a trend that continues today. This is also reflected in the fact that the Sun Prairie Area School District is the fastest growing school district in Wisconsin.
- The City is located in Dane County, immediately northeast of the City of Madison, which is home to the capital of the State of Wisconsin and the campus of the University of Wisconsin.
- The City’s location provides residents and businesses fast, easy access to the I-39/90 and I-94 corridors, as well as the Dane County Regional Airport.
- Sun Prairie is the birthplace of Georgia O’Keeffe. She has been described as one of the most significant and intriguing artists of the twentieth century, known internationally for her boldly innovative art and her original contributions to American Modernism.
- Sun Prairie’s Downtown area is home to Cannery Square, a successful redevelopment area in the City. This City’s popular events, including but not limited to the annual Groundhog Day Prognostication, Taste of Sun Prairie, and Fall Fest are held in this area.
- The Sun Prairie Business Park, located on U.S. 151 in the northeast corner of the City is one of the oldest and most successful employment centers in Dane County.
- The Grand Avenue Interchange on U.S. 151 is one of the fastest growing retail centers in Wisconsin.
- The City’s largest employer is the Sun Prairie Area School District employing approximately 1,501 people.
- Several major employers have their headquarters here in Sun Prairie, including 2G Engineering, Flexion, Continental Mapping, Compeer Financial, Hallman Lindsay Paints, i3 Product Development, ProActive Engineering, Wisconsin Distributors, Trachte Building Systems and Royle Printing.
- Sun Prairie’s Angell Park Speedway is one of nation’s oldest clay oval racetracks, hosting midget auto racing events throughout the summertime. Angell Park also is home to Sun Prairie’s annual Sweet Corn Festival.

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

LOCAL ECONOMY

The economy continues to improve from the effects of the recession. The City has experienced significant residential and commercial growth including a thriving retail center in the southwest region of the City. Notable projects for 2019 include:

- The City acquired property in the downtown area in 2019 near Cannery Square and has been working with a developer on a multi-use building project.
- The City participated in a joint marketing of opportunity zones with the cities of Madison, Monona, and Fitchburg.
- MacDon constructs a new research and development facility in the business park.
- Construction of two large apartment complexes along the main street corridor were completed and opened in 2019.
- A new private business park, Park 151, was created in 2017. Construction of the first of two buildings completed in 2019 and opened for business. The construction of a second multi-tenant building is anticipated to be completed in 2020.
- The citizens passed a referendum in April 2019 to build a new high school among other improvements to existing buildings. Construction on the multi-purpose stadium started in 2019.
- Express bus service from the City of Sun Prairie to downtown Madison began in August 2019. The City's park-n-ride facility was also completed in August 2019 to coincide with the start of the express bus service.



Overall property valuation increased by 9.79% for 2019. This is the fifth year in a row that the City's tax base has increased. The City has regained the losses sustained during the great recession. Over the long-term the City is likely to continue to experience residential and commercial growth due to its proximity to the City of Madison. In 2019, the City had net new construction growth of 5.22% or \$172.8 million.

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

Local economic indicators continued their favorable trends. The City's unemployment rate continued to compare favorable to the state and national average rates of 3.3% and 3.7% and was often one of the lowest in Wisconsin. Per capita and median income is above the state average. We expect these trends to remain favorable in the future.

LONG-TERM FINANCIAL PLANNING

The City 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. This plan replaces the existing comprehensive plan that has been guiding development and infrastructure decisions since 2009. In 2018, the City adopted the Central Main Street Corridor Plan to guide redevelopment within a portion of TID #11. An updated Parks and Open Space Plan was adopted in 2017. 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. The City Council also developed and endorsed a strategic plan in the summer of 2019. Annually the City prepares a ten-year Capital Improvement Plan to plan and updates its five-year Financial Management Plan. Both of these 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.

The Common Council approved the creation of TIF No. 9 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 and the construction of a new building that houses Home Goods, TJ Maxx and Five Below in 2019.

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 City created and expanded TIF District #12 in the northeast area of the City to expand the current Business Park.

The Common Council approved the creation of TIF No. 13 district in 2017 to facilitate a light industrial park in the southwest area of the City. This TIF district takes advantage of the close proximity of State Hwy 151. Two new light industrial buildings were completed in 2019. Sani-Matic Inc. will move and occupy one building and the second building has been fully leased. An additional building started construction in 2019.

COMMUNITY SERVICES

The City provides services for its citizens including public safety (police, fire, emergency medical services and building inspection), streets, water, electric, wastewater, recreational programming and general administration. The citizens of Sun Prairie enjoy the 425 acres of Parks and 34.7 miles of trails within the City including Sheehan Park which is the City's 147 acre community park. This park includes a skateboard park, shelters, volleyball courts, softball fields, youth baseball complex, basketball courts, soccer field, playgrounds and a forested trail system. Some of the City's more unique services include an aquatic center, a Historical Museum, and a 36,000 s.f. 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 comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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 Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service and commitment of each member of the Finance Department staff. They have our sincere appreciation for their individual contribution in preparation of the report. We express our appreciation to all the City staff that assisted and contributed to the preparation of this report.

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

Respectfully Submitted,



Aaron O Oppenheimer
City Administrator



Kristin L Vander Kooi
Finance Director



Government Finance Officers Association

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

Presented to

**City of Sun Prairie
Wisconsin**

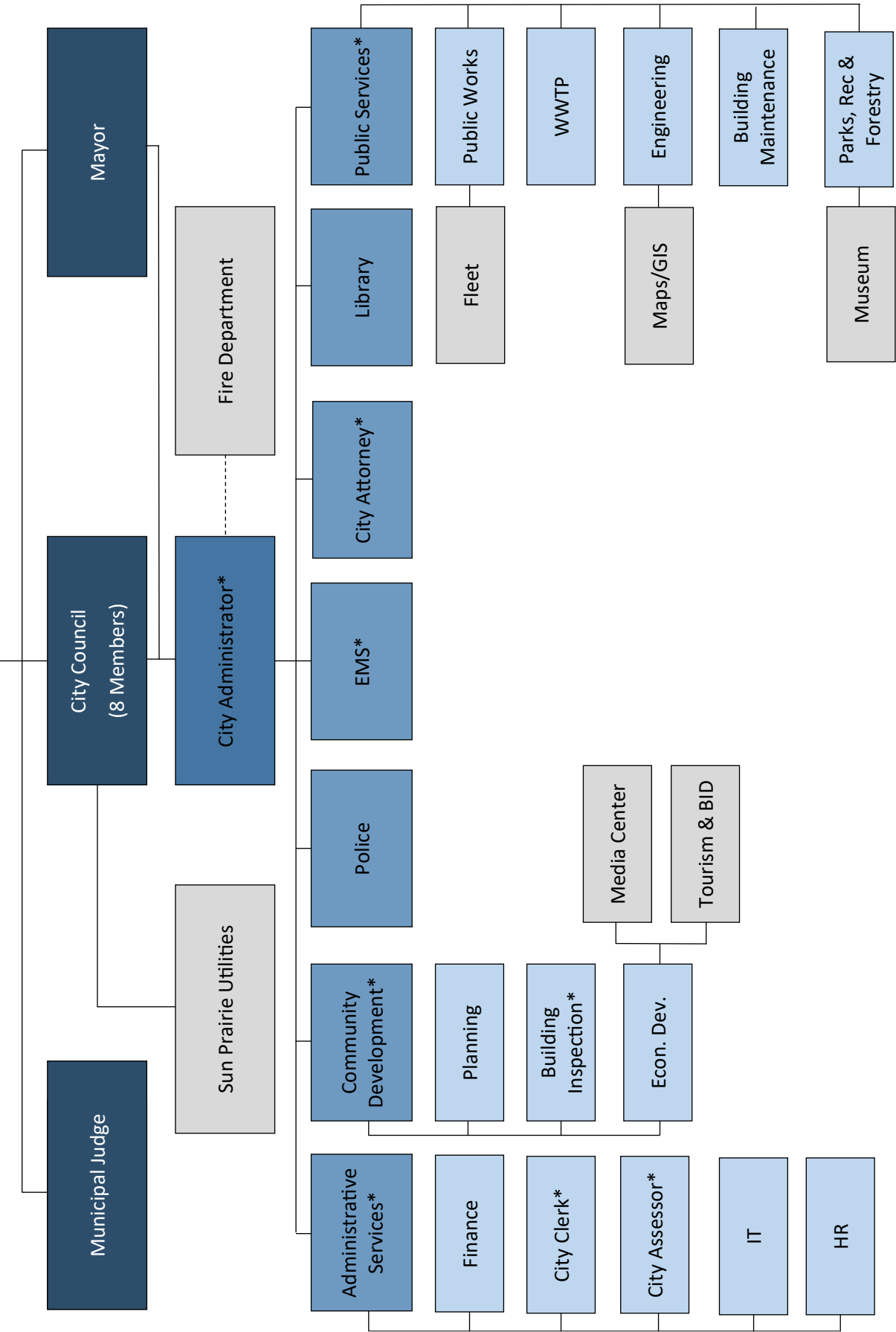
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

Citizens of Sun Prairie
Population: 34,926



* Positions appointed by the Common Council

CITY OF SUN PRAIRIE
DIRECTORY OF OFFICIALS
December 31, 2019

MAYOR

Paul T. Esser

COUNCIL PRESIDENT

Bill Connors

COUNCIL MEMBERS

District 1 – Emily Lindsey

District 1 – Steve Stocker

District 2 – Bill Connors

District 2 – Theresa Stevens

District 3 – Michael Jacobs

District 3 – Maureen Crombie

District 4 – Al Guyant

District 4 – Mary Polenske

ADMINISTRATION

City Administrator

Director of Administrative Services

Finance Director/City Treasurer

City Attorney

City Assessor

City Clerk

Director of Public Services/City Engineer

Engineering Director

Director of Community Development

Planning Director

Sun Prairie Media Center Director

Director of Building Inspection

Director of Public Works

Director of Economic Development

EMS Director

Human Resources Director

Information Technology Director

Library Director

Recreation Director

Police Chief

Water Pollution Control Facility Superintendent

Sun Prairie Utilities Manager

Aaron Oppenheimer

Connie DeKemper

Kristin Vander Kooi

Mark Leonard

Tyler Technologies (*contract*)

Elena Hilby

Adam Schleicher

Tom Veith

Scott Kugler

Tim Semmann

Jeffrey Robbins

Brian Flannery

Lee Igl

Neil Stechschulte

Brian Goff

Brenda Sukenik

Donald McDermott

Svetha Hetzler

Kristin Grissom

Michael Steffes

Jeremy Cramer

Rick Wicklund

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sun Prairie, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Sun Prairie's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sun Prairie, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the City of Sun Prairie adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 19, 2020

Management's Discussion and Analysis (Unaudited)

CITY OF SUN PRAIRIE MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2019

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, 2019. The information should be read in conjunction with the City's financial statements, which begin with the following section.

FINANCIAL HIGHLIGHTS

- The combined net position increased by 4.8% in 2019 to \$295.9 million. The City's net investment in capital assets was \$242.7 million at the end of 2019. An additional \$10.8 million was held for restricted purposes with \$42.4 million in unrestricted net position.
- At the end of 2019, the City's governmental activities reported a positive balance in unrestricted net position of \$10.9 million. This is an increase of \$.4 million from the previous year due primarily to operating revenues over expenses. This is made up of various items, but primarily vacancies throughout the City.
- The City's general fund had an increase in fund balance of \$0.6 million for 2019. The general fund's unassigned fund balance at the end of 2019 was \$3.9 million. The unassigned fund balance amount at the end of 2019 is at 17.8% of the prior year's general fund revenue budget. This meets the City's goal for unassigned fund balance of 16.0% to 20.0% of the prior year general fund revenue budget. The primary reductions in the assigned fund balance was a reduction in the amount of appropriations carried over to 2020 and the amount of items prepaid in 2019 for the 2020 budget.
- The City continues to experience an increase of property values in 2019. Equalized value increased by 10.0% in 2019 following an increase of 10.9% in 2018. The total property tax levy for the 2019-2020 tax year was \$30,069,120 an increase of 9.3% compared to the prior year.
- The City issued \$9.255 million Taxable General Obligation Corporate Purpose Bonds and \$2.555 million General Obligation Refunding Bonds. The Taxable Corporate Purpose Bonds were used to fund economic assistance to development projects in TID 9 and TID 11 as well as refinance a portion of the 2017 State Trust Fund Loan in TID 12 and a portion of the 2018 State Trust Fund Loan in TID 13. The \$2.555 million Refunding Bonds were used to supplement the Taxable General Obligation Corporate Bonds with the refinancing of the 2018 State Trust Fund Loan in TID 13.
- The City issued \$10.975 million General Obligation Corporate Purpose Bonds and \$9.605 million General Obligation Notes. The Corporate Purpose Bonds of \$10.975 million were issued for sanitary sewer infrastructure, stormwater infrastructure, and the construction of an addition to the Westside Community Services Building to supplement the increased Fire Department services that will begin in 2020. Utility fees are expected to pay the debt service for the utility portion of these bonds.

Management's Discussion and Analysis (Unaudited)

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.

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

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

Management's Discussion and Analysis (Unaudited)

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 internal service funds for its fleet and health insurance. This distributes charges of fleet and health insurance 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.

Management's Discussion and Analysis (Unaudited)

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, 2019 and 2018 are summarized in the table below.

The City's net position increased by \$13.6 million or 4.8% during the current fiscal year 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. The primary increase is due to development and contribution of assets from the developers. City investments were funded with general obligation notes and general obligation corporate purpose bonds.

The net investment in capital assets accounts for 82.0% 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.

Management's Discussion and Analysis (Unaudited)

The following table provides a summary of the City's net position for 2019 and 2018:

	CITY OF SUN PRAIRIE NET POSITION					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 68,162,903	\$ 63,208,101	\$ 51,179,906	\$ 46,862,865	\$ 119,342,809	\$ 110,070,966
Capital assets	<u>151,559,978</u>	<u>139,031,095</u>	<u>175,590,421</u>	<u>165,385,444</u>	<u>327,150,399</u>	<u>304,416,539</u>
Total assets	219,722,881	202,239,196	226,770,327	212,248,309	446,493,208	414,487,505
Deferred outflows	6,994,442	3,198,334	466,765	430,112	7,461,207	3,628,446
Non-current liabilities	61,624,945	49,318,535	38,269,391	33,950,069	99,894,336	83,268,604
Current and other liabilities	<u>16,464,248</u>	<u>14,708,013</u>	<u>6,248,176</u>	<u>5,784,239</u>	<u>22,712,424</u>	<u>20,492,252</u>
Total Liabilities	78,089,193	64,026,548	44,517,567	39,734,308	122,606,760	103,760,856
Deferred inflows	34,816,459	31,727,037	670,185	335,666	35,486,644	32,062,703
Net position:						
Invested in capital assets,						
net of related debt	96,950,125	92,635,035	145,728,006	139,352,187	242,678,131	231,987,222
Restricted	5,926,657	6,547,859	4,849,510	4,365,726	10,776,167	10,913,585
Unrestricted (deficit)	<u>10,934,889</u>	<u>10,501,051</u>	<u>31,471,824</u>	<u>28,890,534</u>	<u>42,406,713</u>	<u>39,391,585</u>
Total net position	<u>\$ 113,811,671</u>	<u>\$ 109,683,945</u>	<u>\$ 182,049,340</u>	<u>\$ 172,608,447</u>	<u>\$ 295,861,011</u>	<u>\$ 282,292,392</u>

An additional portion of the City's net position represents resources that are subject to external restriction on their usage. The net position subject to external restrictions was \$10.8 million as of December 31, 2019. Restricted net position for governmental activities decreased \$130,000 primarily due to the value of the City's proportionate share of the Wisconsin Retirement System net pension liability. Additional detail about the Wisconsin Retirement System can be found in Note IV B on pages 60 through 66 of the financial statements. The City is participating in the Wisconsin CDBG close program whereby, \$155,000 of revolving loan funds were remitted to the state to be allocated to the City as CDBG program funds to be spent within two years.

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 \$42.4 million at the end of the year. It is important to note that \$31.5 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.

Management's Discussion and Analysis (Unaudited)

Governmental activities unrestricted net position increased to a balance of \$10.9 million due to relatively flat expenses caused by vacancies and greater than budgeted investment income and other miscellaneous revenues. Capital grants and contributions decreased due to a decrease in assets dedicated to the City such as roads, storm sewers or sanitation sewers. Additionally, the City has incurred significant non-capitalized redevelopment expenditures in TID No. 8 for the acquisition, demolition, and remediation of property located in the City's downtown revitalization area. These improvements were financed through long-term borrowing, which will be repaid through future tax increments. As of January 1, 2019, TID No. 8 had an equalized value increment of \$92,472,900. Based on current projections, TID No. 8 is projected to generate sufficient tax increment to pay off its debt obligations. TID No. 9 also has a deficit fund balance due to expenditures for the repayment of long-term general obligation debt which was used to purchase land and install infrastructure. It is expected that future tax increments will be sufficient to recover any costs and pay all future debt service obligations.

Change in Net Position

The City's combined net position increased by \$13.6 million from fiscal year 2018 to 2019, an increase of 4.8%. Of this increase, the net position of the City's governmental activities increased by 3.8%, or \$4.1 million. The net position of the business-type activities increased 5.5%, or \$9.4 million.

Management's Discussion and Analysis (Unaudited)

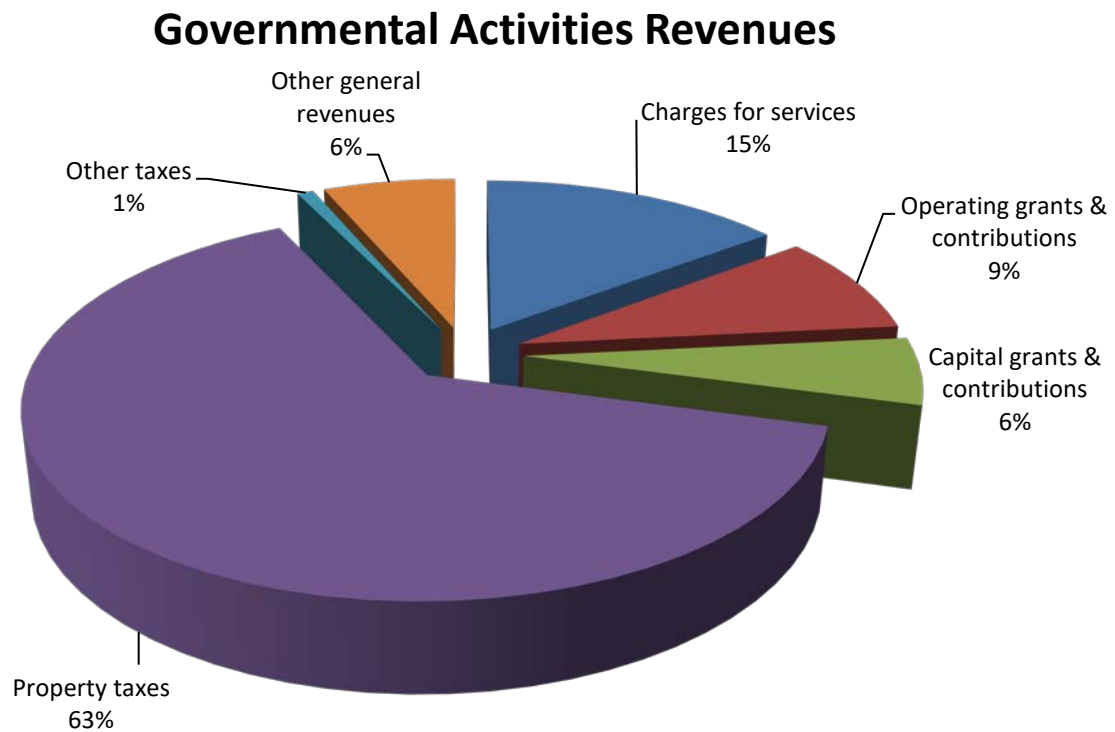
The following table provides a more detailed analysis of the City's change in net position:

CITY OF SUN PRAIRIE CHANGE IN NET POSITION						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 6,368,540	\$ 5,828,804	\$ 37,971,501	\$ 38,451,590	\$ 44,340,041	\$ 44,280,394
Operating grants & contributions	3,757,657	3,259,208	-	-	3,757,657	3,259,208
Capital grants & contributions	2,504,207	787,142	5,421,986	7,483,835	7,926,193	8,270,977
General revenues					-	-
Property taxes	27,509,675	25,416,837	-	-	27,509,675	25,416,837
Other taxes	344,454	257,499	-	-	344,454	257,499
Other general revenues	<u>2,785,184</u>	<u>2,361,104</u>	<u>1,791,542</u>	<u>1,341,242</u>	<u>4,576,726</u>	<u>3,702,346</u>
Total revenues	43,269,717	37,910,594	45,185,029	47,276,667	88,454,746	85,187,261
Expenses						
General government	4,754,741	4,882,014	-	-	4,754,741	4,882,014
Public safety	13,613,011	12,397,125	-	-	13,613,011	12,397,125
Public works	6,665,610	6,666,674	-	-	6,665,610	6,666,674
Health and human services	115,550	54,500	-	-	115,550	54,500
Culture, recreation, and education	5,357,998	4,439,250	-	-	5,357,998	4,439,250
Conservation and development	7,462,982	2,825,225	-	-	7,462,982	2,825,225
Interest and fiscal charges	1,725,371	1,369,108	-	-	1,725,371	1,369,108
Electric Utility	-	-	25,572,370	26,379,948	25,572,370	26,379,948
Water Utility	-	-	3,094,137	3,137,098	3,094,137	3,137,098
Telecommunications Utility	-	-	-	-	-	-
Wastewater Utility	-	-	3,929,728	3,784,864	3,929,728	3,784,864
Stormwater Utility	<u>-</u>	<u>-</u>	<u>2,594,629</u>	<u>2,259,576</u>	<u>2,594,629</u>	<u>2,259,576</u>
Total expenses	39,695,263	32,633,896	35,190,864	35,561,486	74,886,127	68,195,382
Increase in net position	3,574,454	5,276,698	9,994,165	11,715,181	13,568,619	16,991,879
Gain on disposal of telecommunications operations	-	-	-	-	-	-
Transfers	<u>553,272</u>	<u>1,464,013</u>	<u>(553,272)</u>	<u>(1,464,013)</u>	<u>-</u>	<u>-</u>
Change in net position	4,127,726	6,740,711	9,440,893	10,251,168	13,568,619	16,991,879
Net position - beginning of the year	109,683,945	102,943,234	172,608,447	162,357,279	282,292,392	265,300,513
Net position - end of the year	<u>\$ 113,811,671</u>	<u>\$ 109,683,945</u>	<u>\$ 182,049,340</u>	<u>\$ 172,608,447</u>	<u>\$ 295,861,011</u>	<u>\$ 282,292,392</u>

Management's Discussion and Analysis (Unaudited)

Governmental Activities

An examination of the statement of activities can provide a concise picture of how the various activities of the City are funded. The following charts draw data from the statement of activities. The City received \$43.3 million in governmental activities revenues in 2019. This was an increase of \$5.4 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 63.6% of the total in 2019. 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 15.3%, while charges for services and all other sources account for 21.2% of total governmental activity resources.

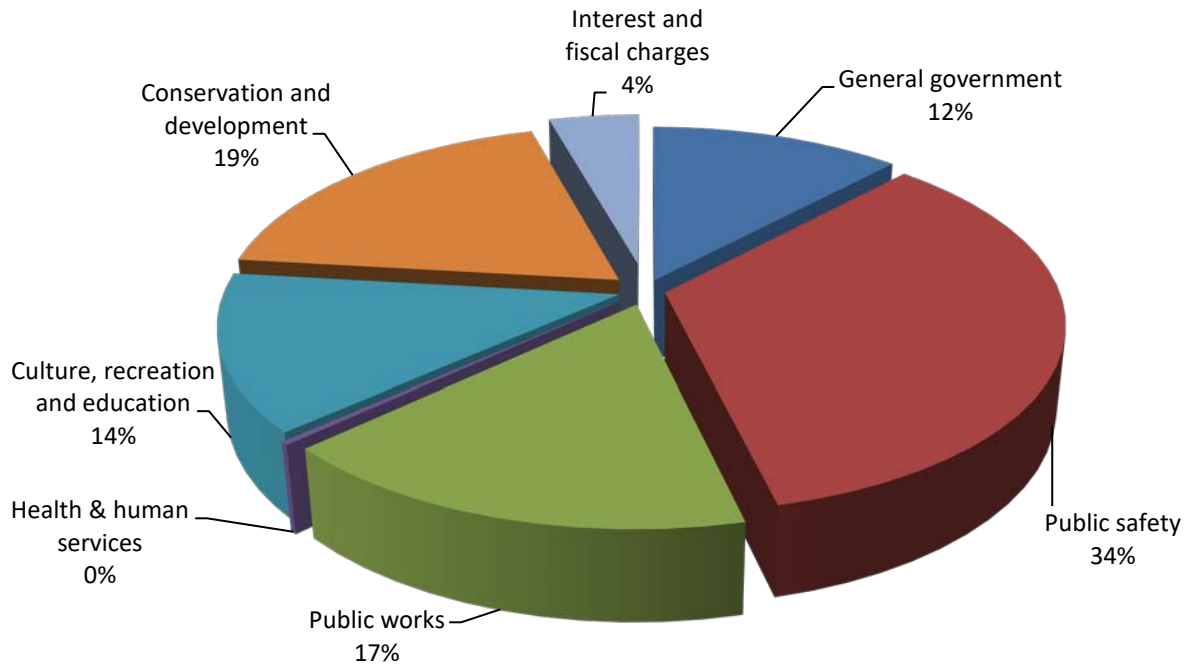


The City experienced a 14.1% increase in revenues from 2018 to 2019. The primary changes are as follows:

- The council approved an increase in the property tax levy (\$2.09 million) primarily corresponding to the additional equalized value resulting from increased development in 2018, as well as the closure TID 7.
- Charges for services increased 9.3% (\$540,000) primarily due to increased ambulance fees and increased development in the Westside Traffic Impact fee area.
- Capital grants and contributions increased approximately \$1.7 million due to increased dedications of infrastructure by developers.

Total governmental activities expenses were \$39.7 million in 2019. Public safety (including police, emergency medical services, building inspection, and fire services) accounts for the largest share of City expenses at 34.3%. This is followed by conservation and development with 18.8%, public works with 16.8%, culture, recreation and education with 13.5%, and general government at 12.0%. Interest & fiscal charges make up the remaining 4.3%.

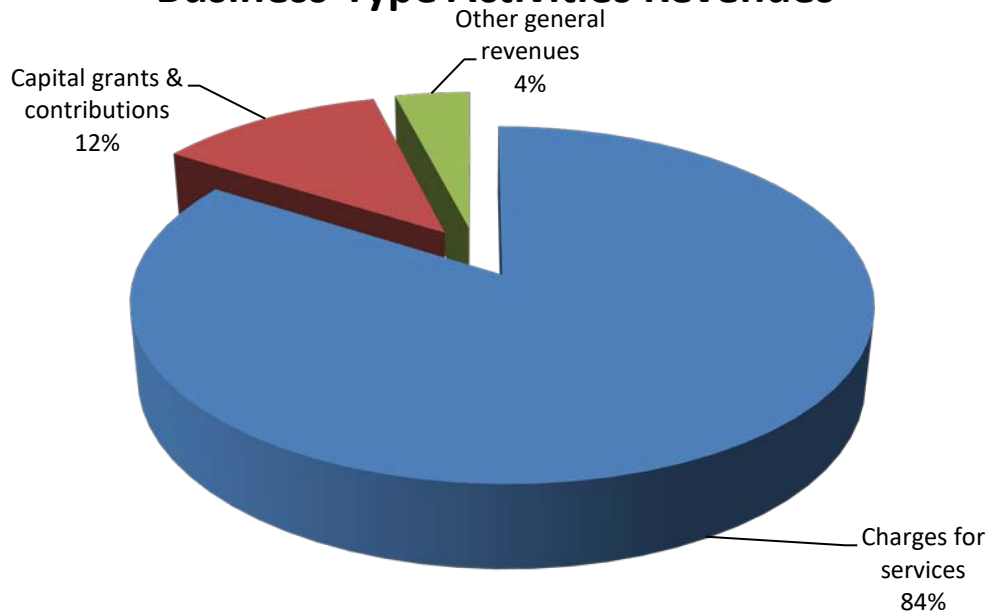
Governmental Activities Expenses



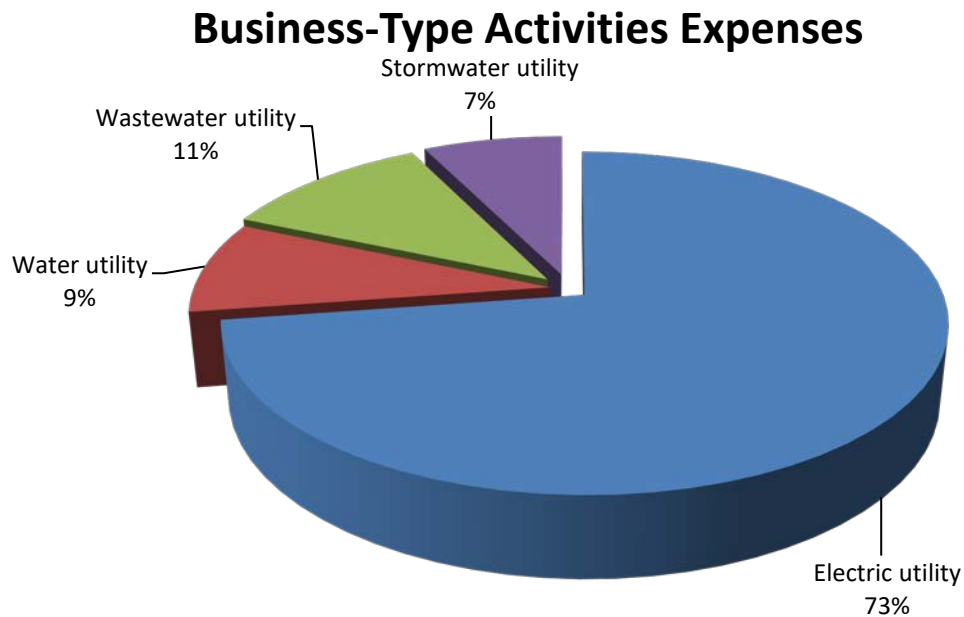
Business-type Activities

Business-type activities include the City's water and electric, wastewater, and storm water utilities. In 2019, revenue for business-type activities totaled \$45.2 million. Charges for services were the largest revenue source for these operations, representing 84.0% of business-type activity revenues. Capital grants and contributions accounted for 12.0% of revenues with other general revenues representing 4.0%.

Business-Type Activities Revenues



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



The net position of Sun Prairie Utilities increased by \$3.3 million, which represents a 4.2% increase over 2018. Combined operating revenues for the utility decreased by 2.3%, or \$723,000. Operating expenses for the utility decreased by \$912,000, or 3.14% from 2018.

The net position of the wastewater utility increased by \$3.0 million, which represents a 6.1% increase from 2018. Wastewater utility operating revenues increased by \$325,000 or 7.6% in 2018. Operating expenses of the utility increased by \$122,000, or 3.43%, from 2018.

The net position of the storm water utility increased by \$3.1 during 2019, an increase of 6.8%. Storm water utility operating revenues decreased by \$83,000, or 3.3% while operating expenses increased by \$176,000, or 8.7%.

The increase in net position for the enterprise funds is due to development in the City during 2018 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 October 1, 2019.
- Water rates were effective as of August 5, 2019.
- Wastewater rates were effective as of January 1, 2019. City Council approved a rate increase effective January 1, 2020.
- Storm water rates were effective as of July 1, 2017. City Council approved a rate increase effective February 25, 2020.

Management's Discussion and Analysis (Unaudited)

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 2019, the combined fund balances for the City's governmental funds were \$24.4 million, as detailed below:

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

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

CITY OF SUN PRAIRIE GOVERNMENTAL FUND BALANCE

	2019	2018
Nonspendable, reported in:		
General Fund	\$ 3,776,543	\$ 3,743,664
Special revenue funds	7,520	3,022
Permanent Funds	403,834	362,296
Restricted, reported in:		
General Fund	663,665	587,226
Special revenue funds	4,595,323	3,942,322
Debt service funds	849,582	43,412
Capital project funds	5,138,668	2,823,048
Committed to:		
Special revenue funds	934,190	1,082,428
Assigned, reported in:		
General Fund	3,775,937	4,167,316
Capital project funds	2,988,584	5,036,191
Unassigned, reported in:		
General Fund	3,933,818	3,078,057
Debt service funds (deficit)	(116,444)	(254,155)
Capital project funds (deficit)	(2,548,471)	(2,891,598)
Total Fund Balance	<u>\$ 24,402,749</u>	<u>\$ 21,723,229</u>

General Fund: The general fund is the primary operating fund of the City. Total fund balance as of December 31, 2019 was \$12.1 million, of which \$3.8 million was nonspendable. Included in this amount is \$2.8 million representing advances to TIF District funds. Assigned fund balance comprised another \$3.8 million of the total fund balance. The 2019 payment in lieu of taxes due to the general fund from the electric and water utility represents \$2.0 million of the assigned fund balance. Unassigned fund balance in the general fund at the end of 2019 was \$3.9 million, which represents 17.8% of the total prior year general fund revenue budget. The City modified the debt management 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. At this time the City meets the minimum requirement of 16%.

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

General Capital Projects Fund: The general capital projects fund is used to account for major capital improvement projects relating to City-owned capital assets. The fund balance at the end of 2019 was \$7.4million. \$4.4 million are classified as restricted as they are general obligation bond funds to be used for capital projects not yet completed.

Management's Discussion and Analysis (Unaudited)

Proprietary Funds

Sun Prairie Utilities (SPU) (Electric and Water): The SPU's operating income was \$2.8 million in 2019, with net income before transfers and contributions of \$3.6 million. This is an increase of \$399,000 (12.7%) over 2018.

Water Pollution Control Facility (WPCF): The WPCF's operating income was \$929,000 in 2019, with net income before transfers and contributions of \$997,000. This is a result of a minor rate increase in 2019.

Storm Water Utility: The Storm Water Utility had operating income of \$254,000 in 2019, with a net income before contributions and transfers of \$25,000 and an increase in net position of \$3.1 million. The Storm water utility continues to require significant infrastructure improvements. A 20% rate increase was implemented on July 1, 2017. This rate increase is a result of the purchase of land and the future construction of a regional storm water facility. The city approved an additional 15% rate increase to take effect February 25, 2020 to fund the investment of additional storm water infrastructure. The increase in net position is primarily a result of an increase in capital contributions due to development in 2019.

GENERAL FUND BUDGETARY ANALYSIS

The general fund budget is adopted at the function level of expenditure. In 2019, the general fund experienced a net increase in fund balance of \$573,700.

Total general fund revenues exceeded the budget by \$877,039. Significant revenue variances for 2019 are noted below:

- **Licenses and Permits: Surplus \$57,928**

Licenses and permit revenues represent fees collected for alcohol licensing, animal licenses as well as permit revenue generated from development. This variance is a result of increased development in the City. The City continued to experience new home construction rates similar to previous years.

- **Fines, forfeitures and penalties: Surplus \$ 60,799**

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

- **Public Charges for Services: Surplus \$182,920**

Public charges for services represent fees charged for various city services including ambulance calls, recreation programs, inspections, and fees from the Family Aquatic Center. EMS ambulance fee revenue for 2019 exceeded the budget by \$239,013 due to increased call volume and collection rates. Recreation fees experienced a deficit of \$60,842 in fee revenue. This is due to the movement of recreation programming revenues and expenses to a special revenue fund.

- **Investment Income: Surplus \$202,454**

Investment income exceeded the 2019 budget by \$202,454 due to higher interest rates on short-term investments.

Management's Discussion and Analysis (Unaudited)

- **Miscellaneous Revenues: Surplus of \$387,370**

Miscellaneous revenues consist of sales of equipment and materials, donations, insurance dividends, and other miscellaneous revenues not categorized elsewhere. Insurance dividends and recoveries experienced a surplus of \$93,176 due to the delay in reimbursement for damages that were created by a gas main explosion in the downtown area of the City. The City received a reimbursement of \$142,745 in forfeited distributions from ICMA, the City's defined contribution plan. The forfeited distributions are attributable to employees who left employment prior to being fully vested in the plan.

Total general fund expenditures and other financing uses were \$1,079,864 under budget in 2019. Areas that experienced significant variances from the budget are noted below:

- **Police Department: Surplus \$182,797**

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

- **General government operations: Surplus \$264,774**

The City experienced savings in the Building Maintenance department for utilities and janitorial services totaling \$70,000. The City budgets \$45,000 annually for contribution to the building maintenance fund for larger building repairs. This amount shows as a savings but is assigned in the General Fund fund balance. The Assessing department realized \$87,000 in savings from vacancies due to retirements. The balance of the savings was from \$87,500 of unspent contingency funds included as part of the finance operating budget.

- **Public Works Department: Surplus \$21,889**

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

- **Parks and Recreation: Surplus \$129,298**

The Parks and Recreation Department experienced a savings of \$60,500 due to vacancies in park maintenance operations as well as a delay of the park camera replacement until 2020. Recreation programming also saw a surplus in operating supplies and professional services due to changes in scheduled programming.

- **Historical Museum: Surplus \$14,609**

The Historical Museum building sustained damages due to the natural gas main explosion that occurred in the City's downtown area in 2018. The savings was due to the closure of the building for improvements and the resulting reduction of operating costs.

BUDGETARY ANALYSIS

The City's 2019 General Fund adopted expenditure budget including other financing uses totaled \$26,452,190. The Common Council approved departmental 2018 carryover requests of 2018 unspent operating funds of \$498,619.

The City ended 2019 with a total fund balance increase of \$574,000 and an unassigned fund balance increase from 2018 of \$855,800. Statements highlighting budget versus actual variances can be found on pages 76 through 79.

Management's Discussion and Analysis (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the City of Sun Prairie had investments in capital assets of \$327.2 million, net of accumulated depreciation, for all governmental and business-type activities of the City. This represents an increase of 8.1% from the end of 2018.

Major capital asset improvements within the City's governmental activities included \$8.6 million for street additions and reconstruction. This includes new streets dedicated to the City from developers and the reconstruction of existing streets. \$2.0 million for the addition and reconstruction of bike paths and sidewalks. The City purchased \$760,000 in machinery and equipment assets for fleet purposes. The purchases were typical fleet purchases of pickup trucks, squad cars and mowers.

In the City's business-type activities, major capital additions (prior to depreciation) include \$2.2 million for electric distribution plant, \$4.2 million for water infrastructure, \$2.2 million for wastewater infrastructure, and \$4.3 million for the storm water infrastructure. These additions include dedications in new developments. The following table provides a summary of the City's changes in capital assets:

CITY OF SUN PRAIRIE CAPITAL ASSETS

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land/right-of-ways	\$ 45,610,672	\$ 44,891,841	\$ 14,431,681	\$ 11,969,773	\$ 60,042,353	\$ 56,861,614
Land improvements	4,655,640	4,123,048	-	-	4,655,640	4,123,048
Buildings	29,339,416	28,982,453	-	-	29,339,416	28,982,453
Equipment	19,166,996	18,437,663	-	-	19,166,996	18,437,663
Infrastructure	116,248,664	106,230,030	-	-	116,248,664	106,230,030
Electric system	-	-	50,170,147	49,032,948	50,170,147	49,032,948
Water system	-	-	55,765,695	51,792,828	55,765,695	51,792,828
Telecommunications system	-	-	-	-	-	-
Wastewater system	-	-	64,800,052	62,716,318	64,800,052	62,716,318
Stormwater system	-	-	53,440,230	49,302,184	53,440,230	49,302,184
Construction in progress	<u>3,788,930</u>	<u>-</u>	<u>3,023,136</u>	<u>945,453</u>	<u>6,812,066</u>	<u>945,453</u>
Total capital assets	218,810,318	202,665,035	241,630,941	225,759,504	460,441,259	428,424,539
Less: Accumulated depreciation	<u>(67,250,340)</u>	<u>(63,633,940)</u>	<u>(66,040,520)</u>	<u>(62,102,958)</u>	<u>(133,290,860)</u>	<u>(125,736,898)</u>
Capital assets net of depreciation	<u>\$ 151,559,978</u>	<u>\$ 139,031,095</u>	<u>\$ 175,590,421</u>	<u>\$ 163,656,546</u>	<u>\$ 327,150,399</u>	<u>\$ 302,687,641</u>

Additional detail about the changes in capital assets can be found in Note III.D on pages 39 through 42 of the financial statements.

Management's Discussion and Analysis (Unaudited)

Long Term Debt

The City's outstanding general obligation debt as of December 31, 2019 totaled \$90.6 million. In addition, the City had revenue debt outstanding of \$11.7 million that is guaranteed by revenues generated from the City's electric, water, and wastewater utilities. There were also outstanding capital leases in the amount of \$5.8 million of which the majority is supported by revenues from the City's tax increment financing districts.

The City issued \$33.04 million of long-term general obligation debt in 2019. The debt was used to finance 2019 capital project expenditures as well as economic assistance payments.

City Capital Projects	\$ 12,971,600
Economic Assistance	4,710,000
Fleet Purchases	805,000
Land and Buildings for Rehabilitation	371,750
Refunding of Previous GO Debt	7,100,000
Wastewater Infrastructure Projects	1,500,000
Stormwater infrastructure Projects	<u>5,580,000</u>
Total	<u>\$33,038,350</u>

The City's outstanding general obligation bonds are rated Aa2 by Moody's Investors Service. Moody's defines an Aa2 rating as representing "high quality and very low credit risk." In its June 12, 2019 rating analysis, Moody's stated that factors contributing to the City's high rating include "large tax base, located within commuting distance of Madison (Aaa negative), sound financial operations with healthy reserves and modest pension burden". 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 2019 equalized valuation of \$3.6 billion the City's statutory debt limit is \$181,704,715. The City was at 50.0% of its legal debt limit as of December 31, 2019.

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

CITY OF SUN PRAIRIE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds and notes	\$ 62,700,827	\$ 50,397,859	\$ 27,920,000	\$ 22,375,000	\$ 90,620,827	\$ 72,772,859
Revenue bonds	-	-	11,714,822	13,173,282	11,714,822	13,173,282
Capital leases	<u>5,809,506</u>	<u>7,048,229</u>	<u>-</u>	<u>-</u>	<u>5,809,506</u>	<u>7,048,229</u>
Total	<u>\$ 68,510,333</u>	<u>\$ 57,446,088</u>	<u>\$ 39,634,822</u>	<u>\$ 35,548,282</u>	<u>\$ 108,145,155</u>	<u>\$ 92,994,370</u>

More detail regarding the City's outstanding debt can be found in Note III.F on Pages 46 through 52 of this report.

Management's Discussion and Analysis (Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Sun Prairie is an economically stable community located in northeastern Dane County and shares a border with the City of Madison, which is the state capital. This location has contributed to the City's rapid growth and strong economic position. As of January 1, 2019, the population is estimated at 34,926. This is an increase of 5,576 since 2010. During this period, the City's population has grown by 19.0% making it one of the fastest growing municipalities in the State of Wisconsin. Major development projects in the city include a new light industrial business park, redevelopment of the downtown area, a new Westside commercial center, and a mixed-use TIF district that has become a retail destination center. The redevelopment of the downtown area includes the construction of new apartment complexes and a retail center. The Westside commercial center continues to grow with the completion of a Hilton Gardens Hotel, Menards retail store, and two apartment complexes.

From 2000 to 2008, Sun Prairie's tax base experienced average growth of 12.8% per year. From 2008 to 2014, the growth in Sun Prairie leveled off. The City has experienced a 9.79% increase in equalized property valuation from 2018 to 2019 for a total of \$3.63 billion.

The local economy remains strong compared to state and national averages. Unemployment in the Madison area is consistently below the state average and national average, while Sun Prairie's adjusted gross income per return continues to average above the state as a whole. The Dane County unemployment rate is 2.4% in 2019, below the state and federal rates of 3.3% and 3.7% respectively.

The Sun Prairie City Council approved the 2020 budget, which authorized general fund expenditures of \$27,452,618. The combined property tax levy was \$30,069,120, which is an increase of 9.30%. The City's portion of the mill rate increased by 1.77%. The current mill rate is \$8.086 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 4.3% in 2019. Commercial property increased by 7.76% and residential property increased by 3.18%. New construction increased from \$137.0 million in 2018 to \$172.1 million in 2019.

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; however we anticipate this situation could impact the City's revenues. The City does not have a health department and the public safety response to the pandemic is minimal; however the temporary closure of buildings and businesses to reduce the speed of the infection is anticipated to affect revenues from hotel taxes, building permits, and recreation fees and rentals. 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.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals	CDA
ASSETS				
Cash and investments	\$ 22,608,105	\$ 19,505,851	\$ 42,113,956	\$ -
Receivables (net)				
Taxes	31,346,546	-	31,346,546	-
Delinquent personal property taxes	29,391	-	29,391	-
Accounts	1,252,235	2,750,662	4,002,897	-
Special assessments	83,022	10,151	93,173	-
Delinquent special assessments	6,425	-	6,425	-
Accrued interest	23,765	11,992	35,757	61,414
Other	-	846,435	846,435	-
Internal balances	263,720	(263,720)	-	-
Due from primary government	-	-	-	1,108
Leases receivable from primary government	-	-	-	5,678,229
Prepaid items and inventories	685,357	1,284,109	1,969,466	-
Land held for resale	10,937,861	-	10,937,861	-
Investment in mutual insurance company	206,244	-	206,244	-
Restricted cash and investments				
Restricted cash and investments	720,232	15,396,251	16,116,483	1,567,747
Net pension asset	-	523,239	523,239	-
Other assets	-	11,114,936	11,114,936	-
Capital assets				
Land	43,950,277	14,431,681	58,381,958	-
Construction in progress	3,788,930	3,023,136	6,812,066	-
Easements	1,660,395	-	1,660,395	-
Other capital assets, net of depreciation	102,160,376	158,135,604	260,295,980	-
Total Assets	<u>219,722,881</u>	<u>226,770,327</u>	<u>446,493,208</u>	<u>7,308,498</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	-	122,884
Pension related amounts	6,994,442	466,765	7,461,207	-
Total Deferred Outflows of Resources	<u>6,994,442</u>	<u>466,765</u>	<u>7,461,207</u>	<u>122,884</u>
LIABILITIES				
Accounts payable and accrued expenses	3,204,442	2,744,575	5,949,017	61,414
Deposits	341,124	2,597	343,721	-
Due to other governments	285,153	-	285,153	-
Due to component unit	1,108	-	1,108	-
Noncurrent Liabilities				
Due within one year	10,178,497	3,315,318	13,493,815	1,390,000
Due in more than one year	61,624,945	38,269,391	99,894,336	5,840,000
Net pension liability	2,453,924	185,686	2,639,610	-
Total Liabilities	<u>78,089,193</u>	<u>44,517,567</u>	<u>122,606,760</u>	<u>7,291,414</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for next period	31,311,163	-	31,311,163	-
Pension related amounts	3,505,296	670,185	4,175,481	-
Total Deferred Inflows of Resources	<u>34,816,459</u>	<u>670,185</u>	<u>35,486,644</u>	<u>-</u>

See accompanying notes to financial statements.

	Governmental Activities	Business-type Activities	Totals	CDA
NET POSITION				
Net investment in capital assets	\$ 96,950,125	\$ 145,728,006	\$ 242,678,131	\$ -
Restricted for				
Park improvement	1,787,243	-	1,787,243	-
Economic development	2	-	2	-
Transportation improvement and transit	1,644,640	-	1,644,640	-
Grants	335,505	-	335,505	-
Library	441,448	-	441,448	-
Pension	-	523,239	523,239	-
Tourism	465,080	-	465,080	-
Trusts	403,834	-	403,834	-
Equipment replacement	-	3,182,974	3,182,974	-
Debt service	848,905	1,143,297	1,992,202	-
Unrestricted	<u>10,934,889</u>	<u>31,471,824</u>	<u>42,406,713</u>	<u>139,968</u>
TOTAL NET POSITION	<u>\$113,811,671</u>	<u>\$182,049,340</u>	<u>\$295,861,011</u>	<u>\$ 139,968</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 4,754,741	\$ 311,826	\$ 100,749	\$ -
Public safety	13,613,011	2,499,997	517,466	-
Public works	6,665,610	2,215,142	2,537,300	2,469,898
Health and human services	115,550	-	-	-
Culture, recreation and education	5,357,998	1,199,525	602,142	34,309
Conservation and development	7,462,982	142,050	-	-
Interest and fiscal charges	1,725,371	-	-	-
Total Governmental Activities	<u>39,695,263</u>	<u>6,368,540</u>	<u>3,757,657</u>	<u>2,504,207</u>
Business-type Activities				
Electric	25,572,370	27,186,116	-	222,291
Water	3,094,137	3,712,882	-	1,053,681
Wastewater	3,929,728	4,621,775	-	1,840,939
Stormwater	2,594,629	2,450,728	-	2,305,075
Total Business-type Activities	<u>35,190,864</u>	<u>37,971,501</u>	<u>-</u>	<u>5,421,986</u>
Total Primary Government	<u>\$ 74,886,127</u>	<u>\$ 44,340,041</u>	<u>\$ 3,757,657</u>	<u>\$ 7,926,193</u>
Component Unit				
Community Development Authority	<u>\$ 239,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Intergovernmental

Investment income

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	CDA
\$ (4,342,166)	\$ -	\$ (4,342,166)	\$ -
(10,595,548)	-	(10,595,548)	-
556,730	-	556,730	-
(115,550)	-	(115,550)	-
(3,522,022)	-	(3,522,022)	-
(7,320,932)	-	(7,320,932)	-
(1,725,371)	-	(1,725,371)	-
<u>(27,064,859)</u>	<u>-</u>	<u>(27,064,859)</u>	<u>-</u>
-	1,836,037	1,836,037	-
-	1,672,426	1,672,426	-
-	2,532,986	2,532,986	-
-	2,161,174	2,161,174	-
<u>-</u>	<u>8,202,623</u>	<u>8,202,623</u>	<u>-</u>
<u>(27,064,859)</u>	<u>8,202,623</u>	<u>(18,862,236)</u>	<u>-</u>
-	-	-	(239,703)
16,911,464	-	16,911,464	-
6,449,889	-	6,449,889	-
4,148,322	-	4,148,322	-
344,454	-	344,454	-
1,222,907	-	1,222,907	-
-	-	-	160,130
693,438	1,731,341	2,424,779	-
868,839	60,201	929,040	-
<u>30,639,313</u>	<u>1,791,542</u>	<u>32,430,855</u>	<u>160,130</u>
<u>553,272</u>	<u>(553,272)</u>	<u>-</u>	<u>-</u>
<u>31,192,585</u>	<u>1,238,270</u>	<u>32,430,855</u>	<u>160,130</u>
4,127,726	9,440,893	13,568,619	(79,573)
<u>109,683,945</u>	<u>172,608,447</u>	<u>282,292,392</u>	<u>219,541</u>
<u>\$ 113,811,671</u>	<u>\$ 182,049,340</u>	<u>\$ 295,861,011</u>	<u>\$ 139,968</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	<u>General Fund</u>	<u>General Debt Service Fund</u>	<u>General Capital Projects Fund</u>
ASSETS			
Cash and investments	\$ 13,520,126	\$ 968,987	\$ 3,120,286
Receivables (net)			
Taxes	18,015,328	6,567,043	-
Delinquent personal property taxes	29,391	-	-
Accounts	746,824	3,563	32,984
Special assessments	-	17,467	65,555
Delinquent special assessments	1,572	-	-
Accrued interest	20,051	-	-
Due from other funds	3,396,200	-	2,146,589
Prepaid items and inventories	727,000	-	-
Land held for resale	-	-	3,727,308
Investment in mutual insurance company	206,244	-	-
Advances to other funds	2,812,336	-	-
Restricted cash and investments	<u>288,665</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 39,763,737</u>	<u>\$ 7,557,060</u>	<u>\$ 9,092,722</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 790,298	\$ -	\$ 830,791
Accrued liabilities	394,566	-	-
Deposits	159,756	-	96,833
Due to other governments	285,153	-	-
Due to other funds	7,594,099	122,968	682,822
Due to component unit	1,108	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>9,224,980</u>	<u>122,968</u>	<u>1,610,446</u>
Deferred Inflows of Resources			
Property taxes levied for next period	17,979,985	6,567,043	-
Unavailable revenues	408,809	17,467	65,555
Total Deferred Inflows of Resources	<u>18,388,794</u>	<u>6,584,510</u>	<u>65,555</u>
Fund Balances			
Nonspendable	3,776,543	-	-
Restricted	663,665	849,582	4,428,137
Committed	-	-	-
Assigned	3,775,937	-	2,988,584
Unassigned (deficit)	3,933,818	-	-
Total Fund Balances	<u>12,149,963</u>	<u>849,582</u>	<u>7,416,721</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 39,763,737</u>	<u>\$ 7,557,060</u>	<u>\$ 9,092,722</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 4,998,706	\$ 22,608,105
6,764,175	31,346,546
-	29,391
468,283	1,251,654
-	83,022
4,853	6,425
3,714	23,765
2,586,524	8,129,313
9,236	736,236
-	3,727,308
-	206,244
-	2,812,336
-	288,665
<u>\$ 14,835,491</u>	<u>\$ 71,249,010</u>

\$ 353,739	\$ 1,974,828
44,076	438,642
84,535	341,124
-	285,153
395,937	8,795,826
-	1,108
<u>2,957,336</u>	<u>2,957,336</u>
<u>3,835,623</u>	<u>14,794,017</u>

6,764,135	31,311,163
<u>249,250</u>	<u>741,081</u>
<u>7,013,385</u>	<u>32,052,244</u>

411,354	4,187,897
5,305,854	11,247,238
934,190	934,190
-	6,764,521
<u>(2,664,915)</u>	<u>1,268,903</u>
<u>3,986,483</u>	<u>24,402,749</u>

<u>\$ 14,835,491</u>	<u>\$ 71,249,010</u>
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See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2019

Total Fund Balances - Governmental Funds	\$ 24,402,749
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note III. D.	144,917,039
Special assessments that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note III. B.	83,022
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note III. B.	658,059
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(2,430,215)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	6,948,119
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(3,480,814)
Land held for resale used in governmental funds are not financial resources and, therefore, are not reported in the funds.	7,210,553
Internal service funds are reported in the statement of net position as governmental activities.	5,254,308
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	(60,055,827)
Compensated absences	(1,617,768)
Accrued interest	(744,815)
Unamortized debt premium	(1,523,233)
Capital leases	<u>(5,809,506)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 113,811,671</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

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

For the Year Ended December 31, 2019

	General Fund	General Debt Service Fund	General Capital Projects Fund
REVENUES			
Taxes	\$ 17,034,377	\$ 6,449,889	\$ -
Intergovernmental	2,815,133	-	74,017
Licenses and permits	926,823	-	19,190
Fines, forfeitures and penalties	232,799	-	-
Public charges for services	2,006,994	-	-
Special assessments	2,041	-	76,743
Investment income	342,454	20,261	104,461
Miscellaneous	1,018,520	50,944	101,243
Total Revenues	<u>24,379,141</u>	<u>6,521,094</u>	<u>375,654</u>
EXPENDITURES			
Current			
General government	4,679,576	-	-
Public safety	12,925,995	-	-
Public works	3,419,888	-	-
Health and human services	115,550	-	-
Culture, recreation and education	2,214,734	-	-
Conservation and development	929,307	-	-
Capital Outlay	-	-	12,499,057
Debt Service			
Principal	36,895	5,569,016	-
Interest and fiscal charges	-	875,161	175,639
Total Expenditures	<u>24,321,945</u>	<u>6,444,177</u>	<u>12,674,696</u>
Excess (deficiency) of revenues over expenditures	<u>57,196</u>	<u>76,917</u>	<u>(12,299,042)</u>
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	12,695,000
Capital leases issued	168,172	-	-
Refunding debt issued	-	-	-
Premium on debt issued	-	-	817,893
Transfers in	2,356,228	729,253	428,970
Transfers out	(2,007,896)	-	(1,076,513)
Total Other Financing Sources (Uses)	<u>516,504</u>	<u>729,253</u>	<u>12,865,350</u>
Net Change in Fund Balances	573,700	806,170	566,308
FUND BALANCES - Beginning of Year	<u>11,576,263</u>	<u>43,412</u>	<u>6,850,413</u>
FUND BALANCES - END OF YEAR	<u>\$ 12,149,963</u>	<u>\$ 849,582</u>	<u>\$ 7,416,721</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 4,402,806	\$ 27,887,072
1,398,077	4,287,227
412,035	1,358,048
-	232,799
3,152,301	5,159,295
2,773	81,557
212,471	679,647
361,046	1,531,753
<u>9,941,509</u>	<u>41,217,398</u>
-	4,679,576
36,332	12,962,327
2,809,748	6,229,636
-	115,550
3,212,033	5,426,767
5,237,650	6,166,957
1,799,470	14,298,527
9,233,016	14,838,927
<u>1,010,156</u>	<u>2,060,956</u>
<u>23,338,405</u>	<u>66,779,223</u>
<u>(13,396,896)</u>	<u>(25,561,825)</u>
5,360,000	18,055,000
-	168,172
7,100,000	7,100,000
162,497	980,390
2,225,895	5,740,346
<u>(718,154)</u>	<u>(3,802,563)</u>
<u>14,130,238</u>	<u>28,241,345</u>
733,342	2,679,520
<u>3,253,141</u>	<u>21,723,229</u>
<u>\$ 3,986,483</u>	<u>\$ 24,402,749</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$	2,679,520
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.		14,298,527
Some items reported as operating expenses in the fund financial statements, are capitalized in the government-wide statements.		1,036,669
Depreciation is reported in the government-wide financial statements		(4,691,050)
Net book value of assets retired.		(78,734)

Contributed capital assets are reported as revenues in the governmental activities.		1,860,207
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		73,379
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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.		310,841
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued		(25,155,000)
Capital lease issued		(168,172)
Principal repaid		14,838,927

Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization of premium on debt		197,705
Current year premium		(731,086)

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		557
Accrued interest on debt		(68,069)
Net pension liability/asset		(3,939,547)
Deferred outflows/inflows of resources related to pensions		3,236,944

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 in governmental activities

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

	\$	<u>4,127,726</u>
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See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	
ASSETS					
Current Assets					
Cash and investments	\$ 9,337,109	\$ 1,959,325	\$ -	\$ 11,296,434	\$ -
Receivables					
Accounts	2,236,214	359,519	154,929	2,750,662	581
Accrued interest	6,448	5,544	-	11,992	-
Other	806,910	38,445	1,080	846,435	-
Due from other funds	90,264	249,096	3,647,850	3,987,210	1,075,233
Prepaid items	54,074	-	2,241	56,315	-
Inventories	1,227,794	-	-	1,227,794	-
Restricted Assets					
Cash and investments	505,768	713,963	-	1,219,731	-
Total Current Assets	14,264,581	3,325,892	3,806,100	21,396,573	1,075,814
Noncurrent Assets					
Restricted Assets					
Cash and investments	4,259,169	4,052,469	5,864,882	14,176,520	431,567
Net pension asset	523,239	-	-	523,239	-
Capital Assets					
Land	730,379	194,278	13,507,024	14,431,681	-
Construction in progress	1,620,503	982,519	420,114	3,023,136	124,708
Other capital assets	105,935,842	64,800,052	53,440,230	224,176,124	11,032,178
Less: Accumulated depreciation	(34,343,466)	(19,300,646)	(12,396,408)	(66,040,520)	(4,513,947)
Other Assets					
Cash and investments	-	8,209,417	-	8,209,417	-
Property held for future use	16,854	-	-	16,854	-
Lift station fees receivable	-	79,984	-	79,984	-
Special assessments receivable	-	10,151	-	10,151	-
Advances to other funds	-	145,000	-	145,000	-
Non-utility property	52,651	-	-	52,651	-
Investment in ATC	10,965,447	-	-	10,965,447	-
Total Noncurrent Assets	89,760,618	59,173,224	60,835,842	209,769,684	7,074,506
Total Assets	104,025,199	62,499,116	64,641,942	231,166,257	8,150,320
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	212,654	93,720	160,391	466,765	46,323
Total Deferred Outflows of Resources	212,654	93,720	160,391	466,765	46,323

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 2,012,170	\$ 98,346	\$ 39,508	\$ 2,150,024	\$ 64,931
Other accrued liabilities	276,222	64,464	177,431	518,117	32,105
Deposits	2,597	-	-	2,597	-
Due to other funds	4,341,062	54,868	-	4,395,930	-
Current portion of general obligation debt	365,000	255,000	955,000	1,575,000	310,000
Current portion of compensated absences	220,178	11,949	8,719	240,846	-
Liabilities Payable From Restricted Assets					
Revenue bonds payable	590,000	909,472	-	1,499,472	-
Accrued interest	53,613	22,821	-	76,434	-
Total Current Liabilities	<u>7,860,842</u>	<u>1,416,920</u>	<u>1,180,658</u>	<u>10,458,420</u>	<u>407,036</u>
Noncurrent Liabilities					
Long-Term Debt					
Revenue bonds payable	5,335,000	4,880,350	-	10,215,350	-
Unamortized debt premium	466,099	144,055	610,985	1,221,139	105,458
General obligation debt	9,240,000	3,290,000	13,815,000	26,345,000	2,335,000
Net pension liability	68,048	41,573	76,065	185,686	23,709
Compensated absences	430,838	47,982	9,082	487,902	46,650
Total Noncurrent Liabilities	<u>15,539,985</u>	<u>8,403,960</u>	<u>14,511,132</u>	<u>38,455,077</u>	<u>2,510,817</u>
Total Liabilities	<u>23,400,827</u>	<u>9,820,880</u>	<u>15,691,790</u>	<u>48,913,497</u>	<u>2,917,853</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	<u>548,725</u>	<u>42,924</u>	<u>78,536</u>	<u>670,185</u>	<u>24,482</u>
Total Deferred Inflows of Resources	<u>548,725</u>	<u>42,924</u>	<u>78,536</u>	<u>670,185</u>	<u>24,482</u>
NET POSITION					
Net investment in capital assets	62,206,328	38,066,821	45,454,857	145,728,006	4,421,293
Restricted for					
Pension	523,239	-	-	523,239	-
Debt service	452,155	691,142	-	1,143,297	-
Equipment replacement	-	3,182,974	-	3,182,974	-
Unrestricted	<u>17,106,579</u>	<u>10,788,095</u>	<u>3,577,150</u>	<u>31,471,824</u>	<u>833,015</u>
TOTAL NET POSITION	<u>\$ 80,288,301</u>	<u>\$ 52,729,032</u>	<u>\$ 49,032,007</u>	<u>\$ 182,049,340</u>	<u>\$ 5,254,308</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	
OPERATING REVENUES	<u>\$ 30,898,998</u>	<u>\$ 4,621,775</u>	<u>\$ 2,450,728</u>	<u>\$ 37,971,501</u>	<u>\$ 4,282,299</u>
OPERATING EXPENSES					
Operation and maintenance	25,360,468	2,261,557	1,093,200	28,715,225	3,280,421
Depreciation	<u>2,768,635</u>	<u>1,431,177</u>	<u>1,103,712</u>	<u>5,303,524</u>	<u>701,148</u>
Total Operating Expenses	<u>28,129,103</u>	<u>3,692,734</u>	<u>2,196,912</u>	<u>34,018,749</u>	<u>3,981,569</u>
Operating Income	<u>2,769,895</u>	<u>929,041</u>	<u>253,816</u>	<u>3,952,752</u>	<u>300,730</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	1,296,021	302,408	132,912	1,731,341	13,311
Intergovernmental grants	-	-	-	-	31,200
Interest, amortization expense and debt issuance costs	(537,404)	(236,994)	(397,717)	(1,172,115)	(55,778)
Miscellaneous	<u>21,559</u>	<u>2,221</u>	<u>36,421</u>	<u>60,201</u>	<u>86,645</u>
Total Nonoperating Revenues (Expenses)	<u>780,176</u>	<u>67,635</u>	<u>(228,384)</u>	<u>619,427</u>	<u>75,378</u>
Income Before Contributions and Transfers	<u>3,550,071</u>	<u>996,676</u>	<u>25,432</u>	<u>4,572,179</u>	<u>376,108</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	1,275,972	1,840,939	2,305,075	5,421,986	-
Capital contributions - from municipality	437,111	209,532	787,868	1,434,511	-
Transfers in (out)	<u>(2,007,112)</u>	<u>-</u>	<u>19,329</u>	<u>(1,987,783)</u>	<u>50,000</u>
Total Contributions and Transfers	<u>(294,029)</u>	<u>2,050,471</u>	<u>3,112,272</u>	<u>4,868,714</u>	<u>50,000</u>
Change in Net Position	<u>3,256,042</u>	<u>3,047,147</u>	<u>3,137,704</u>	<u>9,440,893</u>	<u>426,108</u>
NET POSITION - Beginning of Year	<u>77,032,259</u>	<u>49,681,885</u>	<u>45,894,303</u>	<u>172,608,447</u>	<u>4,828,200</u>
NET POSITION - END OF YEAR	<u><u>\$ 80,288,301</u></u>	<u><u>\$ 52,729,032</u></u>	<u><u>\$ 49,032,007</u></u>	<u><u>\$ 182,049,340</u></u>	<u><u>\$ 5,254,308</u></u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 30,666,442	\$ 5,376,824	\$ 2,080,883	\$ 38,124,149	\$ 3,777,415
Received from municipality for services	389,923	-	-	389,923	-
Paid to suppliers for goods and services	(23,710,224)	(2,215,676)	(551,391)	(26,477,291)	(2,879,066)
Paid to employees for services	(1,575,297)	(782,358)	(509,915)	(2,867,570)	(329,936)
Net Cash Flows From Operating Activities	<u>5,770,844</u>	<u>2,378,790</u>	<u>1,019,577</u>	<u>9,169,211</u>	<u>568,413</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investments sold and matured	662,069	2,228,656	-	2,890,725	-
Investment income	1,020,593	319,579	133,333	1,473,505	13,311
Investment in ATC	(450,523)	-	-	(450,523)	-
Investments purchased	(610,088)	-	-	(610,088)	-
Net Cash Flows From Investing Activities	<u>622,051</u>	<u>2,548,235</u>	<u>133,333</u>	<u>3,303,619</u>	<u>13,311</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund activity	-	733,367	-	733,367	-
Repayment of advances from other funds	-	140,000	-	140,000	-
Transfers In	(1,827,309)	-	19,329	(1,807,980)	50,000
Net Cash Flows From Noncapital Financing Activities	<u>(1,827,309)</u>	<u>873,367</u>	<u>19,329</u>	<u>(934,613)</u>	<u>50,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt issued	-	1,500,000	5,580,000	7,080,000	805,000
Debt retired	(1,165,000)	(1,128,460)	(700,000)	(2,993,460)	(225,000)
Interest paid	(578,594)	(204,849)	(263,712)	(1,047,155)	(61,496)
Debt premium net of debt issue costs	-	73,873	275,261	349,134	37,711
Acquisition and construction of capital assets	(5,416,338)	(1,749,655)	(2,385,477)	(9,551,470)	(756,941)
Capital contribution received	165,093	684,244	-	849,337	-
Special assessments received	-	(8,424)	64,938	56,514	-
Net Cash Flows From Capital and Related Financing Activities	<u>(6,994,839)</u>	<u>(833,271)</u>	<u>2,571,010</u>	<u>(5,257,100)</u>	<u>(200,726)</u>
Net Change in Cash and Cash Equivalents	<u>(2,429,253)</u>	<u>4,967,121</u>	<u>3,743,249</u>	<u>6,281,117</u>	<u>430,998</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>15,921,211</u>	<u>9,617,660</u>	<u>2,121,633</u>	<u>27,660,504</u>	<u>569</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 13,491,958</u>	<u>\$ 14,584,781</u>	<u>\$ 5,864,882</u>	<u>\$ 33,941,621</u>	<u>\$ 431,567</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sun Prairie Utilities	Wastewater Utility	Stormwater Utility	Totals	
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	\$ 2,769,895	\$ 929,041	\$ 253,816	\$ 3,952,752	\$ 300,730
Nonoperating revenue	21,559	614	36,000	58,173	70,374
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities					
Depreciation	2,768,635	1,431,177	1,103,712	5,303,524	701,148
Depreciation charged to clearing and other funds	187,416	-	-	187,416	-
Changes in assets, deferred outflows, liabilities, and deferred inflows					
Accounts receivable	89,681	18,449	24,827	132,957	-
Other accounts receivable	(4,397)	(2,978)	(1,080)	(8,455)	1,420
Due to/from other funds	(96,397)	60,465	(429,592)	(465,524)	(576,678)
Accounts payable	10,759	(7,317)	14,586	18,028	44,149
Other current liabilities	183,770	5,561	5,168	194,499	12,097
Compensated absences	-	(62,922)	(4,480)	(67,402)	6,392
Prepaid items	28,684	3,461	(852)	31,293	-
Inventories	(131,859)	-	-	(131,859)	-
Pension related amounts	(56,902)	3,239	17,472	(36,191)	8,781
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 5,770,844</u>	<u>\$ 2,378,790</u>	<u>\$ 1,019,577</u>	<u>\$ 9,169,211</u>	<u>\$ 568,413</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments	\$ 9,337,109	\$ 1,959,325	\$ -	\$ 11,296,434	\$ -
Restricted cash and investments					
Redemption account	505,768	713,963	-	1,219,731	-
Replacement account	-	3,182,974	-	3,182,974	-
Reserve account	610,088	-	-	610,088	-
Construction account	3,649,081	869,495	5,864,882	10,383,458	431,567
Other assets - cash and investments	-	8,209,417	-	8,209,417	-
Total Cash and Investments	<u>14,102,046</u>	<u>14,935,174</u>	<u>5,864,882</u>	<u>34,902,102</u>	<u>431,567</u>
Less: Noncash equivalents	<u>(610,088)</u>	<u>(350,393)</u>	<u>-</u>	<u>(960,481)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS	<u>\$ 13,491,958</u>	<u>\$ 14,584,781</u>	<u>\$ 5,864,882</u>	<u>\$ 33,941,621</u>	<u>\$ 431,567</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Amortization	\$ -	\$ 9,114	\$ -		\$ 16,575
Capital contributions	\$ 1,053,681	\$ 1,156,695	\$ 2,306,249		\$ -
Dividends reinvested in ATC	\$ 275,997	\$ -	\$ -		\$ -
TIF capital contributions	\$ 436,511	\$ 209,532	\$ 787,868		\$ -
Capital contributions invoiced but not paid	\$ 183,912	\$ -	\$ -		\$ -

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2019

	Utilities Pension Trust Fund	Custodial Funds
CURRENT ASSETS		
Cash and investments	\$ -	\$ 43,372,094
Taxes receivable	-	14,076,992
Due from other governments	-	284,531
Prepaid items	-	9,509
NONCURRENT ASSETS		
Restricted Assets		
Cash	42,253	-
Corporate stock	523,204	-
Mutual funds	2,526,160	-
TOTAL ASSETS	<u>3,091,617</u>	<u>57,743,126</u>
LIABILITIES		
Due to other governments	-	57,436,363
Other accounts payable	-	73,105
Total Liabilities	<u>-</u>	<u>57,509,468</u>
NET POSITION		
Restricted for:		
Pensions	3,091,617	-
Individuals, organizations, and other governments	<u>-</u>	<u>233,658</u>
Total Net Position	<u>\$ 3,091,617</u>	<u>\$ 233,658</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2019

	Utilities Pension Trust Fund	Custodial Funds
ADDITIONS		
Contributions		
Employer	\$ 169,679	\$ -
Member	-	849,518
Investment income	499,616	5,514
Investment management fees and other taxes	(23,042)	-
Property taxes collected for other governments	-	37,058,135
Miscellaneous	-	240,027
Total Additions	<u>646,253</u>	<u>38,153,194</u>
DEDUCTIONS		
Public safety expense	-	861,401
Property taxes distributed to other governments	-	37,058,135
Total Deductions	<u>-</u>	<u>37,919,536</u>
CHANGE IN NET POSITION	646,253	233,658
NET POSITION - Beginning of Year	<u>2,445,364</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 3,091,617</u>	<u>\$ 233,658</u>

See accompanying notes to financial statements.

CITY OF SUN PRAIRIE

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CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

Component units are reported using one of 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. See Note III.I. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2019. The CDA does not issue separate financial statements.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units (cont.)

Business Improvement District (BID)

The BID was created under the provisions of Wisconsin Statute Section 66.608. The BID is a legally separate organization. The board of the BID is appointed by the mayor and confirmed by city council. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the BID, and also create a potential financial benefit to or burden on the city. The Business Improvement District is part of the reporting entity of the City of Sun Prairie. However, the BID had no financial transactions during 2019 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.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements

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

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

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

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

The city reports the following major governmental funds:

- General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- General Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The city reports the following major enterprise funds:

- Sun Prairie Utilities - accounts for operations of the electric and water system
- Wastewater Utility - accounts for operations of the wastewater system
- Stormwater Utility - accounts for operations of the stormwater system

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental funds:

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

Park Improvement Fund	Grant Funds
Wisconsin Development Fund	Library
Transportation Impact Fee Fund	Sun Prairie Media Center
Refuse and Recycling	Street Trees
Transportation	Tourism
Recreation	

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

Tax Incremental District (TID) No. 6

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

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

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

Ashley Trust Fund	Library Trust Fund
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In addition, the city reports the following fund types:

Internal Service Funds - 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
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CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements (cont.)

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

Utilities Pension Trust Fund

Custodial Funds - 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)

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements (cont.)

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held by the county are reported as receivables and unavailable revenues. At December 31, 2019, there were \$60,755 of unrecorded anticipated future assessments related to the wastewater and stormwater utility funds, which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

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

Proprietary and fiduciary fund financial statements 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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

1. Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- 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 III.A. The policy also states that the city shall not invest more than 50% of its funds in any one institution unless the investments are in U.S. Government securities, obligation of U.S. Government agencies, and LGIP and limits the term on investments to no more than three years.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

1. Deposits and Investments (cont.)

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 III.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the county governments as well as the local school district and technical college district. Taxes for all 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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

2. Receivables (cont.)

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

Accounts receivable in the general fund have been shown net of an allowance for uncollectible accounts in the amount of \$384,528. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Sun Prairie Utilities, wastewater utility, and stormwater utility because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

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

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

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

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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.

6. Other Assets

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

Nonutility property in the Sun Prairie Utilities consists of a house and the land with a balance (net of depreciation) of \$52,651 at December 31, 2019.

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

The 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, 2019, was \$6,084,506.

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, 2019, was \$2,124,911.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

6. Other Assets (cont.)

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.

7. Deferred Outflows of Resources

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

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

8. Compensated Absences

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

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

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, 2019, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations/Conduit Debt

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

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

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 \$18,672,142, made up of three issues.

10. Deferred Inflows of Resources

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

11. Equity Classifications

Government-Wide Statements

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

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

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

11. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

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

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

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

11. Equity Classifications (cont.)

Fund Statements (cont.)

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

The city has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 16%-20% of the prior year's budgeted general fund revenues. The balance at year end was \$3,933,818 or 17.8%, and is reported as unassigned general fund balance.

See Note III. H. for further information.

12. Pension

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

13. Basis for Existing Rates

Sun Prairie Utilities

Current electric rates were approved by the PSCW on September 26, 2019, effective as of October 1, 2019.

Current water rates were approved by the PSCW on July 11, 2019, and effective as of August 5, 2019.

Wastewater Utility

Current wastewater rates were approved by the city council effective January 1, 2019.

Stormwater Utility

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Transportation impact fee - special revenue	\$ 110,093	\$ 327,257	\$ 217,164
Wisconsin development fund - special revenue	-	155,466	155,466
Grant fund - special revenue	302,603	374,190	71,587
Library fund - special revenue	2,212,931	2,237,219	24,288
TID No. 8 - capital project	2,077,230	2,678,079	600,849
TID No. 9 - capital project	5,140,184	5,241,685	101,501
TID No. 11 - capital project	242,519	258,569	16,050

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.

B. DEFICIT BALANCES

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

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
TID No. 6 - debt service	\$ 116,444	Excess expenditures over revenues
TID No. 8 - capital project	1,309,861	Excess expenditures over revenues
TID No. 9 - capital project	464,291	Excess expenditures over revenues
TID No. 12 - capital project	527,631	Excess expenditures over revenues
TID No. 13 - capital project	127,333	Excess expenditures over revenues
Development projects - capital project	119,355	Timing of recording revenue for the chargeback of expenditures

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

C. LIMITATIONS ON THE CITY'S TAX LEVY

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

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Demand deposits	\$ 61,181,919	\$ 60,942,811	Custodial credit
Certificates of deposit - negotiable	3,921,794	3,921,794	Credit, custodial credit, interest rate
Mutual funds - other than bond funds	5,062,382	5,062,198	N/A
LGIP	36,084,782	36,091,491	Credit risk
Petty cash	11,020	-	N/A
	<u>\$106,261,897</u>	<u>\$106,018,294</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 42,113,956		
Restricted cash and investments	17,684,230		
Per statement of net position - fiduciary funds			
Utilities Pension Trust Fund	3,091,617		
Custodial Funds	<u>43,372,094</u>		
	<u>\$106,261,897</u>		

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

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

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$1,403,018 of the city's investments are covered by SIPC.

The city maintains collateral agreements with its banks. At December 31, 2019, the banks had pledged various government securities in the amount of \$4,655,000 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.

Investment Type	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Certificates of deposit - negotiable	\$ -	\$ 3,921,794	\$ -	\$ 3,921,794
Mutual funds - other than bond funds	3,091,617	1,970,765	-	5,062,382
Total	<u>\$ 3,091,617</u>	<u>\$ 5,892,559</u>	<u>\$ -</u>	<u>\$ 8,984,176</u>

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

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.

Custodial Credit Risk

Deposits

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

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, 2019, the city's investments were rated as follows:

<u>Investment Type</u>	<u>Not Rated</u>
Certificates of deposit - negotiable	X

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

Local Government Investment Pool

Interest Rate Risk

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

As of December 31, 2019, the city's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1-4 years</u>	<u>1-4 years</u>
Certificates of deposit - negotiable	<u>\$ 3,921,794</u>	<u>\$ 2,436,341</u>	<u>\$ 1,485,453</u>
Totals	<u>\$ 3,921,794</u>	<u>\$ 2,436,341</u>	<u>\$ 1,485,453</u>

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for delinquent items in the general fund in the amount of \$30,963, and special assessments of \$17,467 and \$65,555 in the general debt service fund and general capital projects fund, respectively.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 31,311,163	\$ -
Special assessments not yet due	-	83,022
Ambulance receivables	-	366,867
Other accounts receivable	<u>-</u>	<u>291,192</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 31,311,163</u>	 <u>\$ 741,081</u>

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

Equipment Replacement Account

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

Net Pension Asset

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2019:

	Governmental Activities	Business-type Activities
Reserve account	\$ 288,665	\$ 610,088
Replacement account	-	3,182,974
Construction account	431,567	10,383,458
Redemption account	-	1,219,731
Net pension asset	-	523,239
	<u> </u>	<u> </u>
Total	<u>\$ 720,232</u>	<u>\$ 15,919,490</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land and non-depreciable improvements	\$ 43,231,446	\$ 718,831	\$ -	\$ 43,950,277
Construction in progress	-	3,664,222	-	3,664,222
Construction in progress - internal service	-	124,708	-	124,708
Easements	1,660,395	-	-	1,660,395
Total Capital Assets Not Being Depreciated	<u>44,891,841</u>	<u>4,507,761</u>	<u>-</u>	<u>49,399,602</u>
Capital assets being depreciated				
Land improvements	3,957,817	532,592	-	4,490,409
Land improvements - internal service	165,231	-	-	165,231
Buildings	26,684,132	489,903	132,940	27,041,095
Buildings - internal service	2,298,321	-	-	2,298,321
Machinery and equipment	9,473,679	1,146,013	21,322	10,598,370
Machinery and equipment - internal service	8,963,984	760,435	1,155,793	8,568,626
Streets	84,850,184	8,583,325	506,321	92,927,188
Sidewalks	14,488,532	1,479,813	41,932	15,926,413
Signals	2,133,440	47,827	-	2,181,267
Bike paths	4,757,874	532,877	76,955	5,213,796
Total Capital Assets Being Depreciated	<u>157,773,194</u>	<u>13,572,785</u>	<u>1,935,263</u>	<u>169,410,716</u>
Total Capital Assets	<u>202,665,035</u>	<u>18,080,546</u>	<u>1,935,263</u>	<u>218,810,318</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Land improvements	\$ (2,633,796)	\$ (141,966)	\$ -	\$ (2,775,762)
Land improvements - internal service	(1,652)	(6,610)	-	(8,262)
Buildings	(11,912,493)	(697,234)	104,838	(12,504,889)
Buildings - internal service	(926,554)	(47,458)	-	(974,012)
Machinery and equipment	(7,442,556)	(436,593)	21,322	(7,857,827)
Machinery and equipment - internal service	(3,959,655)	(647,080)	1,075,062	(3,531,673)
Streets	(30,792,910)	(2,731,024)	455,689	(33,068,245)
Sidewalks	(2,729,871)	(315,579)	41,932	(3,003,518)
Signals	(607,833)	(109,063)	-	(716,896)
Bike paths	(2,626,620)	(259,591)	76,955	(2,809,256)
Total Accumulated Depreciation	<u>(63,633,940)</u>	<u>(5,392,198)</u>	<u>1,775,798</u>	<u>(67,250,340)</u>
Net Capital Assets Being Depreciated	<u>94,139,254</u>	<u>8,180,587</u>	<u>159,465</u>	<u>102,160,376</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$139,031,095</u></u>	<u><u>\$12,688,348</u></u>	<u><u>\$ 159,465</u></u>	<u><u>\$151,559,978</u></u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 250,040
Public safety	381,419
Public works	4,190,697
Culture, recreation and education	557,671
Conservation and development	<u>12,371</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 5,392,198</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Construction in progress - electric	\$ 916,863	\$ 697,913	\$ 80,004	\$ 1,534,772
Construction in progress - water	28,590	65,122	7,981	85,731
Construction in progress - wastewater	-	982,519	-	982,519
Construction in progress - stormwater	400,160	19,954	-	420,114
Land - electric	620,148	45,144	-	665,292
Land - water	65,087	-	-	65,087
Land - wastewater	194,278	-	-	194,278
Land - stormwater	12,418,997	1,088,027	-	13,507,024
Total Capital Assets Not Being Depreciated	<u>14,644,123</u>	<u>2,898,679</u>	<u>87,985</u>	<u>17,454,817</u>
Capital assets being depreciated				
Electric system	49,032,948	2,200,541	1,063,342	50,170,147
Water system	51,792,828	4,167,899	195,032	55,765,695
Wastewater system	62,716,320	2,157,191	73,459	64,800,052
Stormwater	49,302,184	4,322,997	184,951	53,440,230
Total Capital Assets Being Depreciated	<u>212,844,280</u>	<u>12,848,628</u>	<u>1,516,784</u>	<u>224,176,124</u>
Total Capital Assets	<u>227,488,403</u>	<u>15,747,307</u>	<u>1,604,769</u>	<u>241,630,941</u>
Less: Accumulated depreciation for				
Electric system	(20,458,945)	(1,825,531)	1,099,499	(21,184,977)
Water system	(12,223,441)	(1,196,323)	261,275	(13,158,489)
Wastewater system	(17,942,927)	(1,431,177)	73,458	(19,300,646)
Stormwater	(11,477,646)	(1,103,712)	184,950	(12,396,408)
Total Accumulated Depreciation	<u>(62,102,959)</u>	<u>(5,556,743)</u>	<u>1,619,182</u>	<u>(66,040,520)</u>
Net Capital Assets Being Depreciated	<u>150,741,321</u>	<u>7,291,885</u>	<u>(102,398)</u>	<u>158,135,604</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$165,385,444</u>	<u>\$10,190,564</u>	<u>\$ (14,413)</u>	<u>\$175,590,421</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Electric	\$ 1,700,600
Water	1,068,035
Wastewater	1,431,177
Stormwater	<u>1,103,712</u>

Total Business-type Activities Depreciation Expense	<u><u>\$ 5,303,524</u></u>
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Depreciation expense is different from accumulated depreciation additions and capital asset deletions are different from accumulated depreciation deletions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
Sun Prairie Utilities	General	\$ 35,396
General	Sun Prairie Utilities	2,194,473
Sun Prairie Utilities	Wastewater utility	54,868
Grant	General	331,462
General	Transportation impact fee	326,055
Sun Prairie media center	General	151,607
Street trees	General	315,262
General	Recreation fund	209
TID No. 6	General	28,556
Capital projects	Sun Prairie Utilities	2,146,589
Fleet	General	726,834
Wisconsin development	General	2
General	Park improvement fund	69,673
Refuse and recycling	General	428,447
Stormwater utility	General	3,647,850
General	General debt service	122,968
TID No. 11	General	152,119
Wastewater utility	General	249,096
Library	General	395,433
Tourism	General	404,680
Transportation	General	329,540
Health Insurance	General	348,399
General	Capital projects	682,822
Development projects	General	<u>49,416</u>
Total - Fund Financial Statements		13,191,756
Less: Fund eliminations		(3,843,119)
Less: Government-wide eliminations		(8,939,917)
Add: Interfund advances		<u>(145,000)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 263,720</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Interfund Receivables/Payables (cont.)

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 4,395,930
Business-type Activities	Governmental Activities	<u>(4,132,210)</u>
Total Government-Wide Financial Statements		<u><u>\$ 263,720</u></u>

All amounts are due within one year.

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

Advances

The general fund is advancing funds to TID No. 8, TID No. 9, TID No. 12, and TID No. 13. The amount advanced is determined by the deficiency of revenues over expenditures and other financing uses since the district's inception. No repayment schedules have been established. The wastewater utility is advancing funds to TID No. 6. No formal repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	TID No. 8 - capital project	\$ 1,422,499	\$ 1,422,499
General	TID No. 9 - capital project	466,633	466,633
General	TID No. 12 - capital project	527,631	527,631
General	TID No. 13 - capital project	395,573	395,573
Wastewater utility	TID No. 6 - debt service	<u>145,000</u>	145,000
Total - Fund Financial Statements		2,957,336	
Less: Fund eliminations		<u>(2,812,336)</u>	
Total - Interfund Advances		<u><u>\$ 145,000</u></u>	

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Capital projects	\$ 347,260	TID 7 closure
General	Refuse & Recycle	1,856	PW positions
Grants	General	7,000	CVMIC grant
Library	General	1,605,159	Moving library - related funds
Tourism	Grants	285,686	Moving tourism - related funds
			Moving transportation - related funds
Transportation	Grants	12,313	
Transportation	General	285,737	Taxi subsidy
General debt service	General capital projects	220,200	Refer to general note
General debt service	General capital projects	509,053	Refer to general note
General capital projects	Transportation impact fee	307,928	Refer to general note
General capital projects	TID No. 9	20,592	Refer to general note
General capital projects	General	30,000	Refer to general note
General capital projects	Park improvement	70,450	Refer to general note
TID No. 8	General	30,000	Refer to general note
Stormwater utility	Transportation impact fee	19,329	Refer to general note
Fleet	General	50,000	Refer to general note
General	Sun Prairie utilities	<u>2,007,112</u>	Payment in lieu of taxes
Sub-total		5,809,675	
Less: Fund eliminations		(3,733,234)	
Less: Government-wide eliminations		(88,658)	
Less: Transfer to business-type activities for capital assets funded by the governmental activities		<u>(1,434,511)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 553,272</u></u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-type Activities	\$ 2,007,112	
Business-type Activities	Governmental Activities	<u>(1,453,840)</u>	
Total Government-wide Financial Statements		<u><u>\$ 553,272</u></u>	

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Transfers (cont.)

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt - other	\$ 36,505,000	\$ 24,505,000	\$ 5,980,000	\$ 55,030,000	\$ 7,215,000
General obligation notes from direct borrowings and direct placements	11,827,859	650,000	7,452,032	5,025,827	142,386
General obligation debt - internal service	2,065,000	805,000	225,000	2,645,000	310,000
(Discounts)/Premiums	989,852	980,390	447,009	1,523,233	314,210
Premiums - internal service	73,465	48,568	16,575	105,458	-
Sub-totals	<u>51,461,176</u>	<u>26,988,958</u>	<u>14,120,616</u>	<u>64,329,518</u>	<u>7,981,596</u>
Other Liabilities					
Vested compensated absences	1,618,325	1,344,260	1,344,817	1,617,768	776,377
Vested compensated absences - internal service	40,258	10,015	3,623	46,650	-
Capital leases	<u>7,048,229</u>	<u>168,172</u>	<u>1,406,895</u>	<u>5,809,506</u>	<u>1,420,524</u>
Total Other Liabilities	<u>8,706,812</u>	<u>1,522,447</u>	<u>2,755,335</u>	<u>7,473,924</u>	<u>2,196,901</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 60,167,988</u>	<u>\$ 28,511,405</u>	<u>\$ 16,875,951</u>	<u>\$ 71,803,442</u>	<u>\$ 10,178,497</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 22,375,000	\$ 7,080,000	\$ 1,535,000	\$ 27,920,000	\$ 1,575,000
Revenue bonds	6,495,000	-	570,000	5,925,000	590,000
Revenue bonds from direct borrowings and direct placements	6,678,282	-	888,460	5,789,822	909,472
(Discounts)/Premiums	847,193	452,659	78,713	1,221,139	-
Sub-totals	<u>36,395,475</u>	<u>7,532,659</u>	<u>3,072,173</u>	<u>40,855,961</u>	<u>3,074,472</u>
Other Liabilities					
Vested compensated absences	<u>627,312</u>	<u>341,387</u>	<u>239,951</u>	<u>728,748</u>	<u>240,846</u>
Total Other Liabilities	<u>627,312</u>	<u>341,387</u>	<u>239,951</u>	<u>728,748</u>	<u>240,846</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 37,022,787</u>	<u>\$ 7,874,046</u>	<u>\$ 3,312,124</u>	<u>\$ 41,584,709</u>	<u>\$ 3,315,318</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2019, was \$181,704,715. Total general obligation debt outstanding at year end was \$90,620,827.

In addition to the liabilities above, information on the net pension liability/(asset) is provided in Note IV.A and Note IV.B.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Notes	11/9/10	4/1/20	0.60-2.35%	\$ 4,700,000	\$ 800,000
Notes	5/8/12	4/1/22	0.4-2.0	7,085,000	2,420,000
Notes	7/2/13	2/1/23	1.5-2.0	8,580,000	1,680,000
Notes	7/8/14	2/1/24	1.0-3.0	4,255,000	2,825,000
Taxable refunding notes	7/8/14	2/1/27	1.2-3.7	4,315,000	3,715,000
Notes	7/7/15	2/1/25	2.0-2.25	2,970,000	1,930,000
Notes	10/26/16	4/1/26	2.0-3.0	10,690,000	8,335,000
Notes	6/28/17	4/1/27	2.0-3.0	4,920,000	3,945,000
State trust fund loan - Direct placement	8/9/17	3/15/27	3.5	4,931,000	836,827
State trust fund loan - Direct placement	6/18/18	3/15/28	4.25	3,589,000	3,539,000
Notes	10/11/18	4/1/28	3.0-4.0	7,825,000	6,715,000
Bonds	2/7/19	4/1/37	2.7-4.0	9,255,000	9,255,000
Refunding Bonds	2/7/19	4/1/32	3.0-4.0	2,555,000	2,555,000
Bonds	7/17/19	4/1/39	3.0-5.0	3,895,000	3,895,000
Notes	7/17/19	4/1/29	2.0-4.0	9,605,000	9,605,000
State trust fund loan - Direct placement	12/20/19	3/15/29	3.25	650,000	<u>650,000</u>
Total Governmental Activities - General Obligation Debt					<u><u>\$ 62,700,827</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Notes	7/2/13	2/1/23	1.5-2.0%	\$ 365,000	\$ 155,000
Notes	7/8/14	2/1/24	1.0-3.0	1,385,000	720,000
Notes	7/8/14	2/1/24	1.0-3.0	330,000	175,000
Notes	7/7/15	2/1/25	2.0-2.25	835,000	520,000
Notes	10/26/16	4/1/26	2.0-3.0	475,000	280,000
Notes	10/26/16	4/1/36	2.0-3.0	5,820,000	4,970,000
Notes	10/26/16	4/1/36	2.543	3,435,000	2,940,000
Bonds	11/30/17	4/1/37	2.0-3.0	4,900,000	4,415,000
Bonds	10/11/18	4/1/38	3.0-5.0	7,125,000	6,665,000
Bonds	7/17/19	4/1/39	3.0-5.0	7,080,000	<u>7,080,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 27,920,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt - Other		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2020	\$ 7,525,000	\$ 1,734,660	\$ 1,575,000	\$ 942,674
2021	6,830,000	1,451,701	1,500,000	840,738
2022	6,875,000	1,252,854	1,435,000	792,025
2023	6,090,000	1,059,376	1,485,000	743,825
2024	6,295,000	877,358	1,485,000	692,044
2025-2029	18,615,000	2,002,565	6,725,000	2,711,213
2030-2034	3,315,000	568,663	7,710,000	1,561,563
2035-2039	<u>2,130,000</u>	<u>147,972</u>	<u>6,005,000</u>	<u>373,430</u>
Totals	<u>\$ 57,675,000</u>	<u>\$ 9,095,149</u>	<u>\$ 27,920,000</u>	<u>\$ 8,657,512</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

<u>Years</u>	Governmental Activities	
	Notes from Direct Borrowings and	
	Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 142,386	\$ 180,189
2021	454,688	200,440
2022	514,932	177,446
2023	570,540	156,963
2024	626,255	134,532
2025-2029	<u>2,717,026</u>	<u>274,784</u>
Totals	<u>\$ 5,025,827</u>	<u>\$ 1,124,354</u>

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 2008-2014. Proceeds from the bonds provided financing for the electric and water systems. The bonds are payable solely from sales revenues and are payable through 2034. Annual principal and interest payments on the bonds are expected to require 7% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,008,030. Principal and interest paid for the current year and total customer net revenues were \$792,145 and \$6,859,330, respectively.

The wastewater utility has pledged future sales revenues, net of specified operating expenses, to repay \$15.8 million in sales revenue bonds issued in 2005. Proceeds from the bonds provided financing for the wastewater system. The bonds are payable solely from sales revenues and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 17% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$6,209,942. Principal and interest paid for the current year and total customer gross revenues were \$1,035,895 and \$5,609,041, respectively.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2019, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
<u>Sun Prairie Utilities</u>					
Revenue bonds	11/6/08	4/1/23	4.38-5.13%	\$ 3,600,000	\$ 1,230,000
Revenue bonds	11/15/12	4/1/32	1.50-3.20	2,800,000	2,055,000
Revenue bonds	6/16/14	4/1/34	3.25-4.30	3,200,000	<u>2,640,000</u>
				Total Sun Prairie Utilities	<u>5,925,000</u>
<u>Wastewater Utility</u>					
Revenue bonds - Direct placement	6/8/05	5/1/25	2.365%	\$ 15,844,256	\$ <u>5,789,822</u> (1)
Total Business-type Activities - Revenue Debt					<u>\$ 11,714,822</u>

(1) - During 2005 the utility was authorized to issue \$16,114,376 of wastewater system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2019. The repayment schedule is for the amount issued.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>		<u>Business-type Activities Revenue Debt from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 590,000	\$ 199,184	\$ 909,472	\$ 126,175
2021	615,000	176,392	930,981	104,411
2022	630,000	152,642	952,999	82,133
2023	645,000	128,135	975,537	59,328
2024	325,000	110,704	998,608	35,985
2025-2029	1,680,000	402,354	1,022,225	12,088
2030-2034	<u>1,440,000</u>	<u>121,474</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 5,925,000</u>	<u>\$ 1,290,885</u>	<u>\$ 5,789,822</u>	<u>\$ 420,120</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

Capital Leases

Refer to Note III. G.

Other Debt Information

Estimated payments of compensated absences and the net pension liability are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

Under terms of the resolutions providing for the issuance of utility revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.10 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2019 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 one percent per month and shall be deducted from any state payments that are due to the city.

G. LEASE DISCLOSURES

Lessee - Capital Leases

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

In 2019, the city entered into an agreement with Dell Financial Services LLC to lease computer equipment for \$168,172 over a 5-year period with an interest rate of 4.85%.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

G. LEASE DISCLOSURES (cont.)

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2019, are as follows:

Years	Governmental Activities		
	Principal	Interest	Totals
2020	\$ 1,420,524	\$ 153,763	\$ 1,574,287
2021	1,442,006	130,042	1,572,048
2022	1,473,559	102,404	1,575,963
2023	1,473,417	71,255	1,544,672
Totals	<u>\$ 5,809,506</u>	<u>\$ 457,464</u>	<u>\$ 6,266,970</u>

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 43,950,277
Construction in progress	3,788,930
Easements	1,660,395
Other capital assets, net of accumulated depreciation	102,160,376
Less: Long-term debt outstanding	(62,700,827)
Plus: Unspent capital related debt proceeds	5,252,949
Plus: Non-capital debt outstanding	10,144,945
Less: Capital leases	(5,678,229)
Less: Unamortized debt premium	<u>(1,628,691)</u>
Total Net Investment in Capital Assets	<u>\$ 96,950,125</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Funds	Totals
Fund Balances					
Nonspendable:					
Delinquent items	\$ 30,963	\$ -	\$ -	\$ -	\$ 30,963
Prepaid items and inventories	727,000	-	-	7,520	734,520
Investment in mutual insurance company	206,244	-	-	-	206,244
Permanent fund principal	-	-	-	403,834	403,834
Advances	2,812,336	-	-	-	2,812,336
Sub-total	<u>3,776,543</u>	<u>-</u>	<u>-</u>	<u>411,354</u>	<u>4,187,897</u>
Restricted for:					
Debt service	-	849,582	-	-	849,582
Future capital projects (unspent debt)	-	-	4,428,137	-	4,428,137
Park improvements	-	-	-	1,708,890	1,708,890
Economic development	-	-	-	2	2
Transportation improvements	-	-	-	1,389,020	1,389,020
Grants	-	-	-	335,505	335,505
Library	-	-	-	441,448	441,448
Transit	-	-	-	255,378	255,378
Tourism	-	-	-	465,080	465,080
TIF related projects	-	-	-	710,531	710,531
Sun Prairie Ice, Inc	663,665	-	-	-	663,665
Sub-total	<u>663,665</u>	<u>849,582</u>	<u>4,428,137</u>	<u>5,305,854</u>	<u>11,247,238</u>
Committed to:					
Sun Prairie media center	-	-	-	236,552	236,552
Street trees	-	-	-	315,262	315,262
Refuse and recycling	-	-	-	380,970	380,970
Recreation	-	-	-	1,406	1,406
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>934,190</u>	<u>934,190</u>
Assigned to:					
Subsequent years' budget	546,129	-	-	-	546,129
Signs	7,474	-	-	-	7,474
Replacement funds	191,531	-	-	-	191,531
Tax equivalent	2,007,112	-	-	-	2,007,112
Self insurance	200,000	-	-	-	200,000
Carryovers					
Zoning ordinance update	5,000	-	-	-	5,000
Police	104,489	-	-	-	104,489
Building maintenance	5,780	-	-	-	5,780
Encumbrances	316,127	-	-	-	316,127
Youth and family	2,564	-	-	-	2,564
Sick benefits	389,731	-	-	-	389,731
Future capital projects	-	-	2,988,584	-	2,988,584
Sub-total	<u>3,775,937</u>	<u>-</u>	<u>2,988,584</u>	<u>-</u>	<u>6,764,521</u>
Unassigned (deficit):	<u>3,933,818</u>	<u>-</u>	<u>-</u>	<u>(2,664,915)</u>	<u>1,268,903</u>
Total Fund Balances (Deficit)	<u>\$ 12,149,963</u>	<u>\$ 849,582</u>	<u>\$ 7,416,721</u>	<u>\$ 3,986,483</u>	<u>\$ 24,402,749</u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 14,431,681
Construction in progress	3,023,136
Other capital assets, net of accumulated depreciation	158,135,604
Less: Long-term debt outstanding	(39,634,822)
Plus: Unspent capital related debt proceeds	10,993,546
Less: Unamortized debt premium	<u>(1,221,139)</u>
Total Net Investment in Capital Assets	<u>\$ 145,728,006</u>

I. COMPONENT UNIT

COMMUNITY DEVELOPMENT AUTHORITY

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Mutual funds - other than bond funds	<u>\$ 1,567,747</u>	<u>\$ 1,567,747</u>	N/A

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

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

- > Quoted market prices for identical assets

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

I. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

b. Deposits and Investments (cont.)

Investment Type	12/31/2019			
	Level 1	Level 2	Level 3	Total
Mutual funds - other than bond funds	<u>\$ 1,567,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,567,747</u>

Custodial Credit Risk

Deposits

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

c. Restricted Assets

The following represent the balances of the restricted assets:

Portions of the lease revenue bond proceeds were deposited into debt service redemption accounts and reserve accounts. The reserve accounts are resources set aside to make up potential future debt service deficiencies. The total of these accounts is \$1,567,747 at December 31, 2019, and is reported as restricted cash and investments in the CDA.

d. Long-Term Obligations

The CDA has pledged future lease revenues, net of specified operating expenses, to repay revenue bonds issued in 2014. Proceeds from the bonds provided financing for the various projects of the city. The bonds are payable solely from lease revenues and are payable through 2024. Annual principal and interest payments on the bonds are expected to require 100.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,707,522. Principal and interest paid for the current year and total customer net revenues were \$1,509,240 and \$160,130, respectively.

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

I. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

d. Long-Term Obligations (cont.)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2014 Series: Issued 6/24/14; Interest rates of 0.4 - 2.4%; Final maturity 8/1/24.	<u>\$ 8,600,000</u>	<u>\$ -</u>	<u>\$ 1,370,000</u>	<u>\$ 7,230,000</u>	<u>\$ 1,390,000</u>
Totals	<u>\$ 8,600,000</u>	<u>\$ -</u>	<u>\$ 1,370,000</u>	<u>\$ 7,230,000</u>	<u>\$ 1,390,000</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 1,390,000	\$ 147,393	\$ 1,537,393
2021	1,410,000	125,153	1,535,153
2022	1,440,000	99,068	1,539,068
2023	1,475,000	69,548	1,544,548
2024	<u>1,515,000</u>	<u>36,360</u>	<u>1,551,360</u>
Totals	<u>\$ 7,230,000</u>	<u>\$ 477,522</u>	<u>\$ 7,707,522</u>

e. Employee Retirement System

The CDA has no employees.

NOTE IV - OTHER INFORMATION

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

Plan Description

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

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

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

Funding Policy

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

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

Annual Money-Weighted Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on the Plan's investments was 18.8%. 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 , the date of the latest actuarial valuation, consisted of:

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to, but not yet receiving benefits	1
Active plan members	14
Actives suspended accruals due to change to defined contribution plan	<u>4</u>
Total	<u><u>19</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

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

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, 2019:

Total pension liability	\$ 2,568,378
Fiduciary net position	<u>3,091,617</u>
Net Pension Liability (Asset)	<u>\$ (523,239)</u>
Fiduciary Net Position as Percentage of Total Pension Liability	<u>120.4 %</u>

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

Actuarial Assumptions

The total pension liability is based on the results of the actuarial valuation as of December 31, 2019 using the aggregate cost method. The actuarial assumptions included (a) segmented investment rate of return of 2.77%, 3.83%, and 4.28%, respectively for 0 – 5 years, 6 – 20 years, and >20 years (net of administrative expenses) and (b) projected salary increases of 0% per year. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities. Information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan. Mortality rates were based on the Applicable Mortality Table for 417(e) (unisex).

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

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

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 5%. 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% as well as what the net pension liability (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (4%) or 1 percentage point higher (6%) than the current rate:

	1% Decrease (4%)	Current Discount Rate	1% Increase (6%)
Net pension liability (asset)	\$ 551,691	\$ (523,239)	\$ (476,866)

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 6.62%. The actuarial expected rate of return is 5% in order to be more confident that there will not be a short fall of funding in future years.

Asset Class	Target	Long-Term Expected Real Rate of Return
Equities	40-55%	7.5%
Bonds	40-45%	6.0%
Alternatives	5-15%	4.0%
Preferreds	0-5%	4.0%
Cash and Cash Equivalents	0-3%	0.5%

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM

The city and utility are currently offering two retirement plans during 2019. 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, 2019.

	WRS	SPU Employees' Pension Plan	Total
Deferred outflows of resources	\$7,416,905	\$44,301	\$7,461,206
Deferred inflows of resources	3,697,005	478,476	4,175,481
Net pension liability (asset)	2,639,610	(523,239)	2,116,371
Pension expense	1,715,370	134,038	1,849,408

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, and expected to work at least 1200 hours a year (880 hours 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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their 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 makes 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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

1. Wisconsin Retirement System (WRS) (cont.)

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.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

1. Wisconsin Retirement System (WRS) (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$977,787 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the city reported a liability (asset) of \$2,639,610 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 (asset) was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the city's proportion was 0.07419457%, which was an increase of 0.01945693% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$1,715,370.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

1. Wisconsin Retirement System (WRS) (cont.)

At December 31, 2019, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,055,856	\$ 3,634,015
Changes in assumptions	444,941	-
Net differences between projected and actual earnings on pension plan investments	3,854,970	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,252	62,990
Employer contributions subsequent to the measurement date	1,057,886	-
Totals	<u>\$ 7,416,905</u>	<u>\$ 3,697,005</u>

\$1,057,886 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 969,597
2021	232,339
2022	417,712
2023	1,042,366

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

1. Wisconsin Retirement System (WRS) (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

1. Wisconsin Retirement System (WRS) (cont.)

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

1. Wisconsin Retirement System (WRS) (cont.)

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the city's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the city's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the city's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$10,490,087	\$2,639,610	\$(3,197,828)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2019, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

2. ICMA Defined Contribution Plan

All remaining full-time and regular part-time employees who work a minimum of 25 hours per week for the city, wastewater utility and stormwater utility are covered under pension plans funded through ICMA Retirement Corporation (IRS Section 401(a) plan). These plans are defined contribution plans. The total pension contribution for 2019 was \$76,478. The total covered payroll for the year ended December 31, 2019 was \$1,167,603. Total contributions for the years ended December 31, 2018 and 2017 were \$95,454 and \$105,552, respectively, equal to the required contributions for each year. Benefits for non-union employees are fully vested after five years and benefits for union employees are fully vested after five years.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

3. Sun Prairie Utilities Employees' Pension Plan

The Sun Prairie Utilities contributes to the Sun Prairie Utility Pension plan as described in Note IV.A. The utilities' total contribution during 2019 was \$169,679, which is equal to the annual required contribution. The annual required contribution for the current year was determined as part of the December 31, 2019 actuarial valuation using the aggregate cost method. The 2019 contribution as calculated by the actuary was made as of December 31, 2019. The actuarial assumptions included (a) segmented investment rate of return of 2.77%, 3.83%, and 4.28%, respectively for 0 – 5 years, 6 – 20 years, and >20 years (net of administrative expenses) and (b) projected salary increases of 0% per year. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities.

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

At December 31, 2019, the utilities reported a pension asset of \$(523,239). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The entry age actuarial cost method is used to calculate the total pension liability.

For the year ended December 31, 2019, the utilities recognized pension expense of \$119,553.

	<u>2019</u>
Total Pension Liability	
Service cost	\$ 117,882
Interest	154,581
Differences between expected and actual experience	(244,628)
Benefit payments, including refunds of member contributions	<u>-</u>
Net Change in Total Pension Liability	27,835
Total Pension Liability - Beginning	<u>2,540,543</u>
Total Pension Liability - Ending (a)	<u><u>\$ 2,568,378</u></u>

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	2019
Plan fiduciary net position	
Employer contributions	\$ 169,679
Net investment income (loss)	499,616
Benefit payments, including refunds of member contributions	-
Administration	<u>(23,042)</u>
Net Change in Plan Fiduciary Net Position	646,253
Plan Fiduciary Net Position - Beginning	<u>2,445,364</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 3,091,617</u></u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u><u>\$ (523,239)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	120.37%
Covered payroll	\$ 1,434,573
Net pension liability (asset) as a percentage of covered payroll	-36.47%

Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Individual aggregate		
Annual pension contribution	Entry age normal		
Actuarial accrued liability	Level percentage of payroll		
Amortization method	1 year		
Remaining amortization period	Market value		
Asset valuation method			
Actuarial assumptions:			
Investment rate of return	Segment 1	0-5 years	2.77%
	Segment 2	6-10 years	3.83%
	Segment 3	>20 years	4.28%
Projected salary increases	0%		
Mortality	Applicable Mortality Table for		
	417(e) (unisex)		

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2019, the utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 44,301	\$ 324,729
Net difference between projected and actual earnings on pension plan	-	153,053
Totals	<u>\$ 44,301</u>	<u>\$ 477,782</u>

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

Year Ended December 31

2019	\$ (72,976)
2020	(61,587)
2021	(20,046)
2022	(90,334)
2023	(23,323)
Thereafter	<u>(165,215)</u>
Totals	<u>\$ (433,481)</u>

4. Defined Contribution Plan - Sun Prairie Utilities Employees

Beginning in January 1, 2014, in addition to the defined benefit pension plan, the utilities established the Sun Prairie Utilities Employees Retirement Plan which is a defined contribution plan. All employees hired on or after January 1, 2013 have the option of joining the Sun Prairie Utilities Employees Retirement Plan (Defined Contribution Plan) which is administered by Coe Administrators, LLC. In addition to employees starting on or after January 1, 2013, all existing employees had the option of leaving the defined benefit pension plan and joining the Defined Contribution Plan. Participants become fully vested in the Defined Contribution Plan after five years of employment. The employer contributions are currently 8.5% of employee compensation. Contributions of \$52,645 and \$61,561 for 2019 and 2018 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.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

C. RISK MANAGEMENT

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

Public Entity Risk Pool

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

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

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

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

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

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

The initial investment in WMIC is refundable upon withdrawal from the commission. The initial investment is being amortized over a 10-year period. The remaining balance of \$206,244 is reported in the general fund.

The city pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$50,000 per occurrence and an annual aggregate limit of \$200,000. An actuarially determined estimate for this liability, as well as for claims incurred but not reported at December 31, 2019, has been determined not to be significant and is not recorded. Changes in the fund's claims loss liability follow:

	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Claims Paid/ Settled</u>	<u>Ending Balance</u>
2019	\$ -	\$ 471,404	\$ 471,404	\$ -

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. COMMITMENTS AND CONTINGENCIES

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

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

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

Long-Term Contracts - WPPI Energy

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

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

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

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$324 million as of December 31, 2019.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. JOINT VENTURES

Multijurisdictional Public Safety Information System Commission (MPSISC)

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

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

Cooperative Boundary Plan

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

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

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

F. TAX ABATEMENT

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

The city is disclosing all abatement agreements individually.

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

F. TAX ABATEMENT (cont.)

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	2019 Payments
11/009 Downtown Phase III - New Perspective Senior Living	Excess property taxes over assessed value from 2014 - 2025	\$ 172,078
13/158 G&C Holdings LLC - 2G Engineering Firm	Set dollar amount of \$112,000	-
14/009 - Prairie Lakes - TID No. 9 Expansion	Up to \$1.5 million over 5 years	300,000
14/049 - Cabela's Wholesale, Inc.	Up to \$260,000 paid over three years based on assessed value	93,600
15/187 - Equity Resources and Investments (Madison-Kipp)	Qualified expenses not to exceed \$274,000	-
16/041 - Jennings and Woldt Remodeling, Inc.	90% of tax increment up to \$181,500 over 12 years	12,528
16/147 - All American Sports Corp (Formerly Riddell, Inc. / Scannell Properties #279 LLC)	100% of tax increment up to \$1.3 million from 2017 - 2024	206,381
16/212 - Iowa Machine Shed Co.	One-time payment of \$4,100,000 based on assessed value	4,100,000
16/247 - TMA Lands, Inc.	\$225,000 for 12 years not to exceed \$2.5 million based on assessed value.	211,138
17/057 132 Market Street Co.	One-time payment of \$50,000 based on assessed value.	50,000
17/182 - Park 151, LLC	One-time payment of \$500,000 based on assessed value.	-
17/215 - SP Main Street Apartments, LLC	\$83,333 for 15 years not to exceed \$1,250,000	-
17/253 - Patio Pleasures, LLC	80% of tax increment up to \$92,556	-
18/070 - Catalyst Developer LLC	85.5% of tax increment up to \$5 million based on assessed value from 2020-2037.	-
18/170 - Palmer-Johnson	Incentive loan of \$254,826 for value of land. Loan forgiveness after 7 years.	-
18/162 - SP Main Street Apartments, LLC	\$108,464 annually for 15 years beginning in 2020 not to exceed \$1,250,000.	-
19/2017 - Imperial Blades	100% of tax increment up to \$536,338 from 2021-2027	-

CITY OF SUN PRAIRIE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

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

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

- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
General property taxes	\$ 16,911,461	\$ 16,911,461	\$ 16,824,052	\$ (87,409)
Room taxes	98,000	98,000	108,338	10,338
Payments in lieu of taxes	105,410	105,410	66,950	(38,460)
Interest and penalties on taxes	1,800	1,800	2,094	294
Other taxes	-	-	32,943	32,943
Total Taxes	<u>17,116,671</u>	<u>17,116,671</u>	<u>17,034,377</u>	<u>(82,294)</u>
INTERGOVERNMENTAL				
Police school liaison	144,870	144,870	144,317	(553)
State shared revenues	812,994	812,994	813,448	454
Fire insurance tax (2% fire dues)	120,000	120,000	139,736	19,736
State aid - general transportation aids	1,361,239	1,361,239	1,360,615	(624)
State aid - connecting streets	54,939	54,939	54,939	-
Other state shared taxes	253,770	253,770	291,415	37,645
State aid - police	-	-	10,663	10,663
Total Intergovernmental	<u>2,747,812</u>	<u>2,747,812</u>	<u>2,815,133</u>	<u>67,321</u>
LICENSES AND PERMITS				
Liquor and malt beverage licenses	57,000	57,000	44,819	(12,181)
Operators' license	15,000	15,000	25,084	10,084
Cigarette licenses	2,600	2,600	2,725	125
Dog and cat licenses	10,000	10,000	11,917	1,917
Building permits	192,000	192,000	171,583	(20,417)
Occupancy permits	15,000	15,000	15,500	500
Plumbing permits	104,000	104,000	138,224	34,224
Electrical permits	112,000	112,000	106,798	(5,202)
Heating and air conditioning permits	112,000	112,000	137,902	25,902
Street opening permits	41,000	41,000	21,480	(19,520)
Zoning permits and fees	41,000	41,000	48,775	7,775
Other permits	77,000	77,000	76,103	(897)
Other business and occupational licenses	11,300	11,300	10,175	(1,125)
Plan review fees	78,950	78,950	115,623	36,673
Other nonbusiness licenses	45	45	115	70
Total Licenses and Permits	<u>868,895</u>	<u>868,895</u>	<u>926,823</u>	<u>57,928</u>
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	126,000	126,000	164,283	38,283
Parking violations	46,000	46,000	68,516	22,516
Total Fines, Forfeitures and Penalties	<u>172,000</u>	<u>172,000</u>	<u>232,799</u>	<u>60,799</u>

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

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
Clerk's fees	\$ 40,000	\$ 40,000	\$ 41,628	\$ 1,628
Police department fees	17,000	17,000	27,297	10,297
Miscellaneous public works	16,675	16,675	10,424	(6,251)
Ambulance fees	1,234,000	1,234,000	1,473,013	239,013
Sewage inspection	4,000	4,000	4,170	170
Animal pound	-	-	120	120
Engineer review fees	15,000	15,000	16,356	1,356
Family aquatic center	205,000	205,000	177,534	(27,466)
Township EMS fees	64,820	64,820	70,304	5,484
Miscellaneous building inspection	500	500	1,875	1,375
Miscellaneous park fees	43,500	43,500	61,536	18,036
Recreation fees	183,579	183,579	122,737	(60,842)
Total Public Charges for Services	<u>1,824,074</u>	<u>1,824,074</u>	<u>2,006,994</u>	<u>182,920</u>
SPECIAL ASSESSMENTS				
Interest on special assessments	500	500	480	(20)
Other	3,000	3,000	1,561	(1,439)
Total Special Assessments	<u>3,500</u>	<u>3,500</u>	<u>2,041</u>	<u>(1,459)</u>
INVESTMENT INCOME				
Investment income	<u>140,000</u>	<u>140,000</u>	<u>342,454</u>	<u>202,454</u>
MISCELLANEOUS				
Sale of materials and equipment	35,000	35,000	56,945	21,945
Insurance dividends	57,828	57,828	151,004	93,176
Human resources chargebacks	20,000	20,000	20,000	-
Engineering chargebacks	303,870	303,870	374,000	70,130
Other miscellaneous	212,452	212,452	416,571	204,119
Total Miscellaneous	<u>629,150</u>	<u>629,150</u>	<u>1,018,520</u>	<u>389,370</u>
Total Revenues	<u>23,502,102</u>	<u>23,502,102</u>	<u>24,379,141</u>	<u>877,039</u>

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

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor	\$ 41,633	\$ 41,633	\$ 40,813	\$ 820
Council	72,092	72,092	68,116	3,976
Municipal court	110,359	110,359	107,832	2,527
City attorney	231,597	231,597	238,785	(7,188)
Clerk	377,462	377,462	381,142	(3,680)
Elections	53,125	71,414	61,867	9,547
Administrator	355,486	347,986	327,000	20,986
Human resources	368,819	368,819	350,960	17,859
Finance	942,534	667,136	599,049	68,087
Building maintenance	784,054	826,505	722,789	103,716
Information technology	1,091,175	1,248,207	1,296,385	(48,178)
Risk management	172,375	172,375	163,541	8,834
Assessment of property	414,217	408,765	321,297	87,468
Total General Government	5,014,928	4,944,350	4,679,576	264,774
PUBLIC SAFETY				
Building inspection	616,829	641,829	642,483	(654)
Police	8,517,976	8,765,629	8,582,832	182,797
Crossing guards	135,892	135,892	135,258	634
Emergency medical services	2,111,861	2,158,861	2,125,183	33,678
Fire protection	1,399,977	1,452,977	1,437,557	15,420
Emergency government	7,500	10,000	2,682	7,318
Total Public Safety	12,790,035	13,165,188	12,925,995	239,193
PUBLIC WORKS				
Public works	2,546,175	2,663,705	2,659,875	3,830
Engineering	657,859	657,859	653,707	4,152
Graphic information systems	120,213	120,213	106,306	13,907
Total Public Works	3,324,247	3,441,777	3,419,888	21,889
HEALTH AND HUMAN SERVICES				
Social services	115,000	145,000	106,050	38,950
Cemetery	9,500	9,500	9,500	-
Total Health and Human Services	124,500	154,500	115,550	38,950
CULTURE, RECREATION, AND EDUCATION				
Museum administration	100,638	122,541	107,932	14,609
Senior services	200,000	200,000	200,000	-
Youth and family commission	7,832	16,832	8,142	8,690
Parks and recreation	1,674,586	1,700,136	1,570,838	129,298
Family aquatic center	326,218	326,218	327,822	(1,604)
Total Culture, Recreation, and Education	2,309,274	2,365,727	2,214,734	150,993

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

CITY OF SUN PRAIRIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CONSERVATION AND DEVELOPMENT				
Planning	\$ 520,090	\$ 538,390	\$ 526,414	\$ 11,976
Forestry	94,283	94,283	81,821	12,462
Economic development	326,937	326,937	321,072	5,865
Total Conservation and Development	941,310	959,610	929,307	30,303
DEBT SERVICE				
Principal	-	-	36,895	(36,895)
Total Expenditures	24,504,294	25,031,152	24,321,945	709,207
Excess (deficiency) of revenues over (under) expenditures	(1,002,192)	(1,529,050)	57,196	1,586,246
OTHER FINANCING SOURCES (USES)				
Capital leases issued	-	-	168,172	168,172
Transfer in - tax equivalent	1,804,627	1,804,627	2,007,112	202,485
Transfers in	347,260	349,116	349,116	-
Transfers out	(1,947,896)	(2,007,896)	(2,007,896)	-
Total Other Financing Sources (Uses)	203,991	145,847	516,504	370,657
Net Change in Fund Balance	(798,201)	(1,383,203)	573,700	1,956,903
FUND BALANCE - Beginning of Year	11,576,263	11,576,263	11,576,263	-
FUND BALANCE - END OF YEAR	<u>\$ 10,778,062</u>	<u>\$ 10,193,060</u>	<u>\$ 12,149,963</u>	<u>\$ 1,956,903</u>

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

CITY OF SUN PRAIRIE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

<u>Fiscal Year Ended</u>	<u>Proportion of the Net Pension Liability/ (Asset)</u>	<u>Proportionate Share of the Net Pension Liability/(Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/19	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%
12/31/15	0.03648441%	(896,157)	3,544,279	25.28%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

<u>Fiscal Year Ended</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/19	\$ 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%
12/31/15	360,240	360,240	-	3,791,999	9.50%

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

CITY OF SUN PRAIRIE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SUN PRAIRIE UTILITIES PENSION TRUST FUND
For the Year Ended December 31, 2019 and Prior Ten Years*

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 117,882	\$ 82,103	\$ 90,483	\$ 99,255	\$ 112,240	\$ 119,397
Interest	154,581	122,802	139,143	150,912	165,812	176,220
Differences between expected and actual experience	(244,628)	31,946	(82,473)	21,145	(56,342)	(153,688)
Benefit payments, including refunds of member contributions	-	(129,686)	(749,802)	(284,856)	(694,422)	(45,496)
Net Change in Total Pension Liability	<u>27,835</u>	<u>107,165</u>	<u>(602,649)</u>	<u>(13,544)</u>	<u>(472,712)</u>	<u>96,433</u>
Total pension liability - beginning	<u>2,540,543</u>	<u>2,433,378</u>	<u>3,036,027</u>	<u>3,049,571</u>	<u>3,522,283</u>	<u>3,425,850</u>
Total pension liability - ending (a)	<u>\$ 2,568,378</u>	<u>\$ 2,540,543</u>	<u>\$ 2,433,378</u>	<u>\$ 3,036,027</u>	<u>\$ 3,049,571</u>	<u>\$ 3,522,283</u>
Plan fiduciary net position						
Employer contributions	\$ 169,679	\$ 121,818	\$ 144,493	\$ 201,596	\$ 285,586	\$ 281,155
Net investment income (loss)	499,616	(206,350)	370,447	223,358	(115,100)	117,384
Benefit payments, including refunds of member contributions	-	(129,686)	(749,802)	(284,856)	(694,422)	(45,496)
Administration	(23,042)	(20,204)	(20,452)	(22,084)	(26,118)	(24,766)
Net change in plan fiduciary net position	<u>646,253</u>	<u>(234,422)</u>	<u>(255,314)</u>	<u>118,014</u>	<u>(550,054)</u>	<u>328,277</u>
Plan fiduciary net position - beginning	<u>2,445,364</u>	<u>2,679,786</u>	<u>2,935,100</u>	<u>2,817,086</u>	<u>3,367,140</u>	<u>3,038,863</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,091,617</u>	<u>\$ 2,445,364</u>	<u>\$ 2,679,786</u>	<u>\$ 2,935,100</u>	<u>\$ 2,817,086</u>	<u>\$ 3,367,140</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (523,239)</u>	<u>\$ 95,179</u>	<u>\$ (246,408)</u>	<u>\$ 100,927</u>	<u>\$ 232,485</u>	<u>\$ 155,143</u>
Plan fiduciary net position as a percentage of the total pension liability	120.37%	96.25%	110.13%	96.68%	92.38%	95.60%
Covered-employee payroll	\$ 1,434,573	\$ 1,306,010	\$ 1,325,082	\$ 1,398,380	\$ 1,488,604	\$ 1,753,037
Net pension liability (asset) as a percentage of covered-employee payroll	-36.47%	7.29%	-18.60%	7.22%	15.62%	8.85%

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

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

*Information is provided since the implementation of GASB 67 and 68.

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

CITY OF SUN PRAIRIE

SCHEDULE OF EMPLOYER CONTRIBUTIONS SUN PRAIRIE UTILITIES PENSION TRUST FUND For the Year Ended December 31, 2019 and Prior Ten Years*

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 169,679	\$ 121,818	\$ 144,493	\$ 201,596	\$ 285,586	\$ 281,155
Contributions in relation to the actuarially determined contribution	<u>169,679</u>	<u>121,818</u>	<u>144,493</u>	<u>201,596</u>	<u>285,586</u>	<u>281,155</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,434,573	\$ 1,306,010	\$ 1,325,082	\$ 1,398,380	\$ 1,488,604	\$ 1,753,037
Contributions as a percentage of covered-employee payroll	11.83%	9.33%	10.90%	14.42%	19.18%	16.04%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of December 31, 2019.

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	0.00%	
Investment rate of return	<u>Segmented as follows:</u>	
	Segment 1	0 - 5 years 2.77%
	Segment 2	6 - 10 years 3.83%
	Segment 3	>20 years 4.28%
Retirement age	See Note IV.A in the Notes to Financial Statements	
Mortality	Applicable Mortality Table for 417(e) (unisex)	

*Information is provided since the implementation of GASB 67 and 68.

CITY OF SUN PRAIRIE

SCHEDULE OF INVESTMENT RETURNS SUN PRAIRIE UTILITIES PENSION TRUST FUND For the Year Ended December 31, 2018 and Prior Ten Year*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	18.75%	-7.98%	15.10%	7.42%	-4.78%	2.85%

*Information is provided since the implementation of GASB 67 and 68.

CITY OF SUN PRAIRIE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

BUDGETARY INFORMATION

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

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

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$431,396. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

SUPPLEMENTARY INFORMATION

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - GENERAL DEBT SERVICE FUND (MAJOR FUND) For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 6,449,889	\$ 6,449,889	\$ 6,449,889	\$ -
Investment income	1,000	1,000	20,261	19,261
Miscellaneous	42,320	42,320	50,944	8,624
Total Revenues	<u>6,493,209</u>	<u>6,493,209</u>	<u>6,521,094</u>	<u>27,885</u>
EXPENDITURES				
Debt service				
Principal	5,814,499	5,814,499	5,569,017	245,482
Interest and fiscal charges	949,232	956,232	875,160	81,072
Total Expenditures	<u>6,763,731</u>	<u>6,770,731</u>	<u>6,444,177</u>	<u>326,554</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(270,522)</u>	<u>(277,522)</u>	<u>76,917</u>	<u>354,439</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	729,253	729,253
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>729,253</u>	<u>729,253</u>
Net Change in Fund Balance	(270,522)	(277,522)	806,170	1,083,692
FUND BALANCE - Beginning	<u>43,412</u>	<u>43,412</u>	<u>43,412</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (227,110)</u>	<u>\$ (234,110)</u>	<u>\$ 849,582</u>	<u>\$ 1,083,692</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND (MAJOR FUND) For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 74,017	\$ (185,983)
Licenses and permits	-	-	19,190	19,190
Special assessments	-	-	76,743	76,743
Investment income	-	-	104,461	104,461
Miscellaneous	2,312,000	2,335,500	101,243	(2,234,257)
Total Revenues	2,572,000	2,595,500	375,654	(2,219,846)
EXPENDITURES				
Capital Outlay	12,563,926	15,878,972	12,499,057	3,379,915
Debt service				
Interest and fiscal charges	192,100	192,100	175,639	16,461
Total Expenditures	12,756,026	16,071,072	12,674,696	3,396,376
Excess (Deficiency) of Revenues Over Expenditures	(10,184,026)	(13,475,572)	(12,299,042)	1,176,530
OTHER FINANCING SOURCES (USES)				
Debt issued	9,998,933	12,319,693	12,695,000	375,307
Premium on debt issued	-	-	817,893	817,893
Transfers in	185,093	215,093	428,970	213,877
Transfers out	(347,260)	(347,260)	(1,076,513)	(729,253)
Total Other Financing Sources (Uses)	9,836,766	12,187,526	12,865,350	677,824
Net Change in Fund Balance	(347,260)	(1,288,046)	566,308	1,854,354
FUND BALANCE - Beginning	6,850,413	6,850,413	6,850,413	-
FUND BALANCE - ENDING	\$ 6,503,153	\$ 5,562,367	\$ 7,416,721	\$ 1,854,354

CITY OF SUN PRAIRIE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Special Revenue Funds			
	Park Improvement Fund	Wisconsin Development Fund	Transporta- tion Impact Fee Fund	Grant Funds
ASSETS				
Cash and investments	\$ 1,796,713	\$ -	\$ 1,712,584	\$ -
Receivables				
Taxes	-	-	-	-
Accounts	77,422	-	-	4,362
Accrued interest	981	-	2,733	-
Delinquent special assessments	-	-	-	-
Due from other funds	-	2	-	331,462
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 1,875,116</u>	<u>\$ 2</u>	<u>\$ 1,715,317</u>	<u>\$ 335,824</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 13,200	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	319
Deposits	5,000	-	-	-
Due to other funds	69,673	-	326,055	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>87,873</u>	<u>-</u>	<u>326,055</u>	<u>319</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	78,353	-	242	-
Total Deferred Inflows of Resources	<u>78,353</u>	<u>-</u>	<u>242</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	1,708,890	2	1,389,020	335,505
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	<u>1,708,890</u>	<u>2</u>	<u>1,389,020</u>	<u>335,505</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,875,116</u>	<u>\$ 2</u>	<u>\$ 1,715,317</u>	<u>\$ 335,824</u>

Special Revenue Funds

<u>Library</u>	<u>Sun Prairie Media Center</u>	<u>Refuse and Recycling</u>	<u>Street Trees</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Recreation</u>
\$ 119,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,242,079	-	-	-	-
764	107,985	-	-	60,400	-	-
-	-	-	-	-	-	-
-	-	4,853	-	-	-	-
395,433	151,607	428,447	315,262	404,680	329,540	-
<u>1,140</u>	<u>6,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,716</u>
<u>\$ 516,858</u>	<u>\$ 265,972</u>	<u>\$ 1,675,379</u>	<u>\$ 315,262</u>	<u>\$ 465,080</u>	<u>\$ 329,540</u>	<u>\$ 1,716</u>
\$ 39,143	\$ 6,986	\$ 47,517	\$ -	\$ -	\$ 74,162	\$ 25
35,127	8,554	-	-	-	-	76
-	-	-	-	-	-	-
-	-	-	-	-	-	209
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>74,270</u>	<u>15,540</u>	<u>47,517</u>	<u>-</u>	<u>-</u>	<u>74,162</u>	<u>310</u>
-	-	1,242,039	-	-	-	-
-	7,500	4,853	-	-	-	-
-	7,500	1,246,892	-	-	-	-
1,140	6,380	-	-	-	-	-
441,448	-	-	-	465,080	255,378	-
-	236,552	380,970	315,262	-	-	1,406
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>442,588</u>	<u>242,932</u>	<u>380,970</u>	<u>315,262</u>	<u>465,080</u>	<u>255,378</u>	<u>1,406</u>
<u>\$ 516,858</u>	<u>\$ 265,972</u>	<u>\$ 1,675,379</u>	<u>\$ 315,262</u>	<u>\$ 465,080</u>	<u>\$ 329,540</u>	<u>\$ 1,716</u>

CITY OF SUN PRAIRIE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Debt Service Funds	Capital Projects Funds		
	TID No. 6	TID No. 8	TID No. 9	TID No. 11
ASSETS				
Cash and investments	\$ -	\$ 71,437	\$ 2,342	\$ 558,412
Receivables				
Taxes	165,788	2,224,512	1,903,463	585,819
Accounts	798	45,720	-	-
Accrued interest	-	-	-	-
Delinquent special assessments	-	-	-	-
Due from other funds	28,556	-	-	152,119
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 195,142</u>	<u>\$ 2,341,669</u>	<u>\$ 1,905,805</u>	<u>\$ 1,296,350</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 4,519	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	145,000	1,422,499	466,633	-
Total Liabilities	<u>145,000</u>	<u>1,427,018</u>	<u>466,633</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	165,788	2,224,512	1,903,463	585,819
Unavailable revenues	798	-	-	-
Total Deferred Inflows of Resources	<u>166,586</u>	<u>2,224,512</u>	<u>1,903,463</u>	<u>585,819</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	-	-	710,531
Committed	-	-	-	-
Unassigned (deficit)	(116,444)	(1,309,861)	(464,291)	-
Total Fund Balances (deficit)	<u>(116,444)</u>	<u>(1,309,861)</u>	<u>(464,291)</u>	<u>710,531</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 195,142</u>	<u>\$ 2,341,669</u>	<u>\$ 1,905,805</u>	<u>\$ 1,296,350</u>

Capital Projects Funds			Permanent Funds		Total Nonmajor Governmental Funds
TID No. 12	TID No. 13	Development Projects	Ashley Trust Fund	Library Trust Fund	
\$ -	\$ 333,863	\$ -	\$ 1,000	\$ 402,834	\$ 4,998,706
234,003	408,511	-	-	-	6,764,175
-	-	170,832	-	-	468,283
-	-	-	-	-	3,714
-	-	-	-	-	4,853
-	-	49,416	-	-	2,586,524
-	-	-	-	-	9,236
<u>\$ 234,003</u>	<u>\$ 742,374</u>	<u>\$ 220,248</u>	<u>\$ 1,000</u>	<u>\$ 402,834</u>	<u>\$ 14,835,491</u>
\$ -	\$ 65,623	\$ 102,564	\$ -	\$ -	\$ 353,739
-	-	-	-	-	44,076
-	-	79,535	-	-	84,535
-	-	-	-	-	395,937
527,631	395,573	-	-	-	2,957,336
<u>527,631</u>	<u>461,196</u>	<u>182,099</u>	<u>-</u>	<u>-</u>	<u>3,835,623</u>
234,003	408,511	-	-	-	6,764,135
-	-	157,504	-	-	249,250
<u>234,003</u>	<u>408,511</u>	<u>157,504</u>	<u>-</u>	<u>-</u>	<u>7,013,385</u>
-	-	-	1,000	402,834	411,354
-	-	-	-	-	5,305,854
-	-	-	-	-	934,190
(527,631)	(127,333)	(119,355)	-	-	(2,664,915)
<u>(527,631)</u>	<u>(127,333)</u>	<u>(119,355)</u>	<u>1,000</u>	<u>402,834</u>	<u>3,986,483</u>
<u>\$ 234,003</u>	<u>\$ 742,374</u>	<u>\$ 220,248</u>	<u>\$ 1,000</u>	<u>\$ 402,834</u>	<u>\$ 14,835,491</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds			
	Park Improvement Fund	Wisconsin Development Fund	Transporta- tion Impact Fee Fund	Grant Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	34,107
Licenses and permits	29,889	-	-	-
Public charges for services	299,220	-	474,002	3,085
Special assessments	-	-	-	-
Investment income	35,456	827	41,913	3,077
Miscellaneous	1,104	-	-	249,142
Total Revenues	<u>365,669</u>	<u>827</u>	<u>515,915</u>	<u>289,411</u>
EXPENDITURES				
Current				
Public safety	-	-	-	36,332
Public works	-	-	-	3,854
Culture, recreation and education	341,407	-	-	14,291
Conservation and development	-	155,466	-	21,714
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>341,407</u>	<u>155,466</u>	<u>-</u>	<u>76,191</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>24,262</u>	<u>(154,639)</u>	<u>515,915</u>	<u>213,220</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	-
Refunding debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	7,000
Transfers out	(70,450)	-	(327,257)	(297,999)
Total Other Financing Sources (Uses)	<u>(70,450)</u>	<u>-</u>	<u>(327,257)</u>	<u>(290,999)</u>
Net Change in Fund Balances	(46,188)	(154,639)	188,658	(77,779)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>1,755,078</u>	<u>154,641</u>	<u>1,200,362</u>	<u>413,284</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,708,890</u>	<u>\$ 2</u>	<u>\$ 1,389,020</u>	<u>\$ 335,505</u>

Special Revenue Funds

<u>Library</u>	<u>Sun Prairie Media Center</u>	<u>Refuse and Recycling</u>	<u>Street Trees</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Recreation</u>
\$ -	\$ -	\$ -	\$ -	\$ 254,484	\$ -	\$ -
534,430	-	47,743	-	-	663,753	-
-	382,146	-	-	-	-	-
82,436	-	1,246,977	93,275	-	268,243	37,637
-	-	2,773	-	-	-	-
6,767	2,456	14,279	4,670	4,265	3,670	76
30,900	36,848	27,623	890	-	265	32
<u>654,533</u>	<u>421,450</u>	<u>1,339,395</u>	<u>98,835</u>	<u>258,749</u>	<u>935,931</u>	<u>37,745</u>
-	-	-	-	-	-	-
-	-	1,402,957	-	-	978,603	-
2,237,219	499,172	-	-	79,355	-	36,339
-	-	-	100,823	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,237,219</u>	<u>499,172</u>	<u>1,402,957</u>	<u>100,823</u>	<u>79,355</u>	<u>978,603</u>	<u>36,339</u>
<u>(1,582,686)</u>	<u>(77,722)</u>	<u>(63,562)</u>	<u>(1,988)</u>	<u>179,394</u>	<u>(42,672)</u>	<u>1,406</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,605,159	-	-	-	285,686	298,050	-
-	-	(1,856)	-	-	-	-
<u>1,605,159</u>	<u>-</u>	<u>(1,856)</u>	<u>-</u>	<u>285,686</u>	<u>298,050</u>	<u>-</u>
22,473	(77,722)	(65,418)	(1,988)	465,080	255,378	1,406
<u>420,115</u>	<u>320,654</u>	<u>446,388</u>	<u>317,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 442,588</u>	<u>\$ 242,932</u>	<u>\$ 380,970</u>	<u>\$ 315,262</u>	<u>\$ 465,080</u>	<u>\$ 255,378</u>	<u>\$ 1,406</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Debt Service Fund	Capital Projects Funds			
	TID No. 6	TID No. 8	TID No. 9	TID No. 11	
REVENUES					
Taxes	\$ 134,104	\$ 1,978,116	\$ 1,295,818	\$ 382,167	
Intergovernmental	1,554	74,299	38,039	3,870	
Licenses and permits	-	-	-	-	
Public charges for services	-	20,400	-	-	
Special assessments	-	-	-	-	
Investment income	199	950	3,079	12,585	
Miscellaneous	9,290	1,365	-	4	
Total Revenues	<u>145,147</u>	<u>2,075,130</u>	<u>1,336,936</u>	<u>398,626</u>	
EXPENDITURES					
Current					
Public safety	-	-	-	-	
Public works	-	1,100	-	-	
Culture, recreation and education	-	-	-	-	
Conservation and development	-	-	4,493,600	223,666	
Capital Outlay	2,233	944,689	13,993	16,554	
Debt Service					
Principal	-	1,560,000	430,000	-	
Interest and fiscal charges	5,203	172,290	283,500	18,349	
Total Expenditures	<u>7,436</u>	<u>2,678,079</u>	<u>5,221,093</u>	<u>258,569</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>137,711</u>	<u>(602,949)</u>	<u>(3,884,157)</u>	<u>140,057</u>	
OTHER FINANCING SOURCES (USES)					
Debt issued	-	650,000	4,155,000	555,000	
Refunding debt issued	-	-	-	-	
Premium on debt issued	-	-	-	-	
Transfers in	-	30,000	-	-	
Transfers out	-	-	(20,592)	-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>680,000</u>	<u>4,134,408</u>	<u>555,000</u>	
Net Change in Fund Balances	137,711	77,051	250,251	695,057	
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(254,155)</u>	<u>(1,386,912)</u>	<u>(714,542)</u>	<u>15,474</u>	
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (116,444)</u>	<u>\$ (1,309,861)</u>	<u>\$ (464,291)</u>	<u>\$ 710,531</u>	

Capital Projects Funds			Permanent Funds		Total Nonmajor Governmental Funds
TID No. 12	TID No. 13	Development Projects	Ashley Trust Fund	Library Trust Fund	
\$ 298,589	\$ 59,528	\$ -	\$ -	\$ -	\$ 4,402,806
282	-	-	-	-	1,398,077
-	-	-	-	-	412,035
-	-	627,026	-	-	3,152,301
-	-	-	-	-	2,773
2,942	29,386	86	-	45,788	212,471
5	13	3,565	-	-	361,046
<u>301,818</u>	<u>88,927</u>	<u>630,677</u>	<u>-</u>	<u>45,788</u>	<u>9,941,509</u>
-	-	-	-	-	36,332
-	-	423,234	-	-	2,809,748
-	-	-	-	4,250	3,212,033
224,522	17,859	-	-	-	5,237,650
-	822,001	-	-	-	1,799,470
3,543,016	3,700,000	-	-	-	9,233,016
283,565	247,249	-	-	-	1,010,156
<u>4,051,103</u>	<u>4,787,109</u>	<u>423,234</u>	<u>-</u>	<u>4,250</u>	<u>23,338,405</u>
<u>(3,749,285)</u>	<u>(4,698,182)</u>	<u>207,443</u>	<u>-</u>	<u>41,538</u>	<u>(13,396,896)</u>
-	-	-	-	-	5,360,000
3,685,000	3,415,000	-	-	-	7,100,000
-	162,497	-	-	-	162,497
-	-	-	-	-	2,225,895
-	-	-	-	-	(718,154)
<u>3,685,000</u>	<u>3,577,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,130,238</u>
(64,285)	(1,120,685)	207,443	-	41,538	733,342
<u>(463,346)</u>	<u>993,352</u>	<u>(326,798)</u>	<u>1,000</u>	<u>361,296</u>	<u>3,253,141</u>
<u>\$ (527,631)</u>	<u>\$ (127,333)</u>	<u>\$ (119,355)</u>	<u>\$ 1,000</u>	<u>\$ 402,834</u>	<u>\$ 3,986,483</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARK IMPROVEMENT FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	\$ 50,000	\$ 50,000	\$ 29,889	\$ (20,111)
Public charges for services	169,000	169,000	299,220	130,220
Investment income	12,000	12,000	35,456	23,456
Miscellaneous	100	100	1,104	1,004
Total Revenues	<u>231,100</u>	<u>231,100</u>	<u>365,669</u>	<u>134,569</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>203,000</u>	<u>466,500</u>	<u>341,407</u>	<u>125,093</u>
Total Expenditures	<u>203,000</u>	<u>466,500</u>	<u>341,407</u>	<u>125,093</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>28,100</u>	<u>(235,400)</u>	<u>24,262</u>	<u>259,662</u>
OTHER FINANCING USES				
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(70,450)</u>	<u>4,550</u>
Total Other Financing Uses	<u>(75,000)</u>	<u>(75,000)</u>	<u>(70,450)</u>	<u>4,550</u>
Net Change in Fund Balance	(46,900)	(310,400)	(46,188)	264,212
FUND BALANCE - Beginning	<u>1,755,078</u>	<u>1,755,078</u>	<u>1,755,078</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,708,178</u>	<u>\$ 1,444,678</u>	<u>\$ 1,708,890</u>	<u>\$ 264,212</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - WISCONSIN DEVELOPMENT FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 827	\$ 827
Total Revenues	-	-	827	827
EXPENDITURES				
Current				
Conservation and development	-	-	155,466	(155,466)
Total Expenditures	-	-	155,466	(155,466)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(154,639)	(154,639)
Net Change in Fund Balance	-	-	(154,639)	(154,639)
FUND BALANCE - Beginning	154,641	154,641	154,641	-
FUND BALANCE - ENDING	\$ 154,641	\$ 154,641	\$ 2	\$ (154,639)

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TRANSPORTATION IMPACT FEE FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ 305,000	\$ 305,000	\$ 474,002	\$ 169,002
Investment income	15,000	15,000	41,913	26,913
Total Revenues	<u>320,000</u>	<u>320,000</u>	<u>515,915</u>	<u>195,915</u>
OTHER FINANCING USES				
Transfers out	<u>(110,093)</u>	<u>(110,093)</u>	<u>(327,257)</u>	<u>(217,164)</u>
Net Change in Fund Balance	209,907	209,907	188,658	(21,249)
FUND BALANCE - Beginning	<u>1,200,362</u>	<u>1,200,362</u>	<u>1,200,362</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,410,269</u>	<u>\$ 1,410,269</u>	<u>\$ 1,389,020</u>	<u>\$ (21,249)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GRANT FUNDS For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 34,822	\$ 34,822	\$ 34,107	\$ (715)
Public charges for services	-	-	3,085	3,085
Investment income	-	-	3,077	3,077
Miscellaneous	15,355	15,355	249,142	233,787
Total Revenues	50,177	50,177	289,411	239,234
EXPENDITURES				
Current				
Public safety	29,355	29,355	36,332	(6,977)
Public works	-	-	3,854	(3,854)
Culture, recreation, and education	9,839	9,839	14,291	(4,452)
Conservation and development	17,983	17,983	21,714	(3,731)
Total Expenditures	57,177	57,177	76,191	(19,014)
Excess (Deficiency) of Revenues Over Expenditures	(7,000)	(7,000)	213,220	220,220
OTHER FINANCING SOURCES (USES)				
Transfers in	7,000	7,000	7,000	-
Transfers out	(245,426)	(245,426)	(297,999)	(52,573)
Total Other Financing Sources (Uses)	(238,426)	(238,426)	(290,999)	(52,573)
Net Change in Fund Balance	(245,426)	(245,426)	(77,779)	167,647
FUND BALANCE - Beginning	413,284	413,284	413,284	-
FUND BALANCE - ENDING	\$ 167,858	\$ 167,858	\$ 335,505	\$ 167,647

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 535,272	\$ 535,272	\$ 534,430	\$ (842)
Public charges for services	29,500	29,500	82,436	52,936
Investment income	3,000	3,000	6,767	3,767
Miscellaneous	-	-	30,900	30,900
Total Revenues	<u>567,772</u>	<u>567,772</u>	<u>654,533</u>	<u>86,761</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>2,212,931</u>	<u>2,212,931</u>	<u>2,237,219</u>	<u>(24,288)</u>
Total Expenditures	<u>2,212,931</u>	<u>2,212,931</u>	<u>2,237,219</u>	<u>(24,288)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,645,159)</u>	<u>(1,645,159)</u>	<u>(1,582,686)</u>	<u>62,473</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,605,159</u>	<u>1,605,159</u>	<u>1,605,159</u>	<u>-</u>
Total Other Financing Sources	<u>1,605,159</u>	<u>1,605,159</u>	<u>1,605,159</u>	<u>-</u>
Net Change in Fund Balance	(40,000)	(40,000)	22,473	62,473
FUND BALANCE - Beginning	<u>420,115</u>	<u>420,115</u>	<u>420,115</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 380,115</u>	<u>\$ 380,115</u>	<u>\$ 442,588</u>	<u>\$ 62,473</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SUN PRAIRIE MEDIA CENTER For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	\$ 368,906	\$ 368,906	\$ 382,146	\$ 13,240
Investment income	2,000	2,000	2,456	456
Miscellaneous	33,619	33,619	36,848	3,229
Total Revenues	<u>404,525</u>	<u>404,525</u>	<u>421,450</u>	<u>16,925</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>440,828</u>	<u>557,620</u>	<u>499,172</u>	<u>58,448</u>
Total Expenditures	<u>440,828</u>	<u>557,620</u>	<u>499,172</u>	<u>58,448</u>
Net Change in Fund Balance	(36,303)	(153,095)	(77,722)	75,373
FUND BALANCE - Beginning	<u>320,654</u>	<u>320,654</u>	<u>320,654</u>	-
FUND BALANCE - ENDING	<u>\$ 284,351</u>	<u>\$ 167,559</u>	<u>\$ 242,932</u>	<u>\$ 75,373</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - REFUSE AND RECYCLING For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 47,000	\$ 47,000	\$ 47,743	\$ 743
Public charges for services	1,244,718	1,244,718	1,246,977	2,259
Special assessments	1,000	1,000	2,773	1,773
Investment income	5,100	5,100	14,279	9,179
Miscellaneous	15,000	15,000	27,623	12,623
Total Revenues	<u>1,312,818</u>	<u>1,312,818</u>	<u>1,339,395</u>	<u>26,577</u>
EXPENDITURES				
Current				
Public works	<u>1,438,463</u>	<u>1,438,463</u>	<u>1,402,957</u>	<u>35,506</u>
Total Expenditures	<u>1,438,463</u>	<u>1,438,463</u>	<u>1,402,957</u>	<u>35,506</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(125,645)</u>	<u>(125,645)</u>	<u>(63,562)</u>	<u>62,083</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(1,856)</u>	<u>(1,856)</u>	<u>-</u>
Net Change in Fund Balance	(125,645)	(127,501)	(65,418)	62,083
FUND BALANCE - Beginning	<u>446,388</u>	<u>446,388</u>	<u>446,388</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 320,743</u>	<u>\$ 318,887</u>	<u>\$ 380,970</u>	<u>\$ 62,083</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STREET TREES For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ 69,000	\$ 69,000	\$ 93,275	\$ 24,275
Investment income	1,000	1,000	4,670	3,670
Miscellaneous	-	-	890	890
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>98,835</u>	<u>28,835</u>
EXPENDITURES				
Current				
Conservation and development	<u>150,000</u>	<u>150,000</u>	<u>100,823</u>	<u>49,177</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>100,823</u>	<u>49,177</u>
Net Change in Fund Balance	(80,000)	(80,000)	(1,988)	78,012
FUND BALANCE - Beginning	<u>317,250</u>	<u>317,250</u>	<u>317,250</u>	-
FUND BALANCE - ENDING	<u>\$ 237,250</u>	<u>\$ 237,250</u>	<u>\$ 315,262</u>	<u>\$ 78,012</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TOURISM FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 228,665	\$ 228,665	\$ 254,484	\$ 25,819
Investment income	1,000	1,000	4,265	3,265
Total Revenues	<u>229,665</u>	<u>229,665</u>	<u>258,749</u>	<u>29,084</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>43,500</u>	<u>113,738</u>	<u>79,355</u>	<u>34,383</u>
Total Expenditures	<u>43,500</u>	<u>113,738</u>	<u>79,355</u>	<u>34,383</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>186,165</u>	<u>115,927</u>	<u>179,394</u>	<u>63,467</u>
OTHER FINANCING SOURCES				
Transfers in	<u>242,367</u>	<u>242,367</u>	<u>285,686</u>	<u>43,319</u>
Net Change in Fund Balance	428,532	358,294	465,080	106,786
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE - ENDING	<u>\$ 428,532</u>	<u>\$ 358,294</u>	<u>\$ 465,080</u>	<u>\$ 106,786</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TRANSPORTATION FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 606,708	\$ 606,708	\$ 663,753	\$ 57,045
Public charges for services	255,908	255,908	268,243	12,335
Investment income	-	-	3,670	3,670
Miscellaneous	1,500	1,500	265	(1,235)
Total Revenues	<u>864,116</u>	<u>864,116</u>	<u>935,931</u>	<u>71,815</u>
EXPENDITURES				
Current				
Public works	<u>1,149,853</u>	<u>1,149,853</u>	<u>978,603</u>	<u>171,250</u>
Total Expenditures	<u>1,149,853</u>	<u>1,149,853</u>	<u>978,603</u>	<u>171,250</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(285,737)</u>	<u>(285,737)</u>	<u>(42,672)</u>	<u>243,065</u>
OTHER FINANCING SOURCES				
Transfers in	<u>288,796</u>	<u>288,796</u>	<u>298,050</u>	<u>9,254</u>
Total Other Financing Sources	<u>288,796</u>	<u>288,796</u>	<u>298,050</u>	<u>9,254</u>
Net Change in Fund Balance	3,059	3,059	255,378	252,319
FUND BALANCE - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 3,059</u>	<u>\$ 3,059</u>	<u>\$ 255,378</u>	<u>\$ 252,319</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RECREATION FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	\$ 69,506	\$ 69,506	\$ 37,637	\$ (31,869)
Investment income	-	-	76	76
Miscellaneous	-	-	32	32
Total Revenues	69,506	69,506	37,745	(31,761)
EXPENDITURES				
Current				
Culture, recreation, and education	63,939	63,939	36,339	27,600
Total Expenditures	63,939	63,939	36,339	27,600
Net Change in Fund Balance	5,567	5,567	1,406	(4,161)
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE - ENDING	\$ 5,567	\$ 5,567	\$ 1,406	\$ (4,161)

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 6 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 127,635	\$ 127,635	\$ 134,104	\$ 6,469
Intergovernmental	800	800	1,554	754
Investment income	-	-	199	199
Miscellaneous	18,605	18,605	9,290	(9,315)
Total Revenues	<u>147,040</u>	<u>147,040</u>	<u>145,147</u>	<u>(1,893)</u>
EXPENDITURES				
Capital Outlay	2,875	2,875	2,233	642
Debt Service				
Principal	140,000	140,000	-	140,000
Interest and fiscal charges	5,203	5,203	5,203	-
Total Expenditures	<u>148,078</u>	<u>148,078</u>	<u>7,436</u>	<u>140,642</u>
Net Change in Fund Balance	(1,038)	(1,038)	137,711	138,749
FUND BALANCE (DEFICIT) - Beginning	<u>(254,155)</u>	<u>(254,155)</u>	<u>(254,155)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (255,193)</u>	<u>\$ (255,193)</u>	<u>\$ (116,444)</u>	<u>\$ 138,749</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 8 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 1,882,709	\$ 1,882,709	\$ 1,978,116	\$ 95,407
Intergovernmental	31,990	41,990	74,299	32,309
Public charges for services	14,500	14,500	20,400	5,900
Investment income	1,000	1,000	950	(50)
Miscellaneous	-	-	1,365	1,365
Total Revenues	<u>1,930,199</u>	<u>1,940,199</u>	<u>2,075,130</u>	<u>134,931</u>
EXPENDITURES				
Current				
Public works	-	-	1,100	(1,100)
Capital Outlay	195,619	318,977	944,689	(625,712)
Debt Service				
Principal	1,560,000	1,560,000	1,560,000	-
Interest and fiscal charges	<u>198,253</u>	<u>198,253</u>	<u>172,290</u>	<u>25,963</u>
Total Expenditures	<u>1,953,872</u>	<u>2,077,230</u>	<u>2,678,079</u>	<u>(600,849)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,673)</u>	<u>(137,031)</u>	<u>(602,949)</u>	<u>(465,918)</u>
OTHER FINANCING SOURCES				
Debt issued	-	-	650,000	650,000
Transfers in	-	30,000	30,000	-
Total Other Financing Sources	<u>-</u>	<u>30,000</u>	<u>680,000</u>	<u>650,000</u>
Net Change in Fund Balance	(23,673)	(107,031)	77,051	184,082
FUND BALANCE (DEFICIT) - Beginning	<u>(1,386,912)</u>	<u>(1,386,912)</u>	<u>(1,386,912)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (1,410,585)</u>	<u>\$ (1,493,943)</u>	<u>\$ (1,309,861)</u>	<u>\$ 184,082</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 9 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 1,233,319	\$ 1,233,319	\$ 1,295,818	\$ 62,499
Intergovernmental	35,625	35,625	38,039	2,414
Investment income	-	-	3,079	3,079
Total Revenues	<u>1,268,944</u>	<u>1,268,944</u>	<u>1,336,936</u>	<u>67,992</u>
EXPENDITURES				
Current				
Conservation and development	4,504,000	4,504,000	4,493,600	10,400
Capital Outlay	16,734	16,734	13,993	2,741
Debt Service				
Principal	430,000	430,000	430,000	-
Interest and fiscal charges	<u>189,450</u>	<u>189,450</u>	<u>283,500</u>	<u>(94,050)</u>
Total Expenditures	<u>5,140,184</u>	<u>5,140,184</u>	<u>5,221,093</u>	<u>(80,909)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,871,240)</u>	<u>(3,871,240)</u>	<u>(3,884,157)</u>	<u>(12,917)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	4,141,000	4,141,000	4,155,000	14,000
Transfers out	-	-	(20,592)	(20,592)
Total Other Financing Sources (Uses)	<u>4,141,000</u>	<u>4,141,000</u>	<u>4,134,408</u>	<u>(6,592)</u>
Net Change in Fund Balance	269,760	269,760	250,251	(19,509)
FUND BALANCE (DEFICIT) - Beginning	<u>(714,542)</u>	<u>(714,542)</u>	<u>(714,542)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (444,782)</u>	<u>\$ (444,782)</u>	<u>\$ (464,291)</u>	<u>\$ (19,509)</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 11 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 363,735	\$ 363,735	\$ 382,167	\$ 18,432
Intergovernmental	3,636	3,636	3,870	234
Investment income	-	-	12,585	12,585
Miscellaneous	-	-	4	4
Total Revenues	<u>367,371</u>	<u>367,371</u>	<u>398,626</u>	<u>31,255</u>
EXPENDITURES				
Current				
Conservation and development	223,224	223,224	223,666	(442)
Capital Outlay	19,295	19,295	16,554	2,741
Debt Service				
Interest and fiscal charges	-	-	18,349	(18,349)
Total Expenditures	<u>242,519</u>	<u>242,519</u>	<u>258,569</u>	<u>(16,050)</u>
Excess of Revenues Over Expenditures	<u>124,852</u>	<u>124,852</u>	<u>140,057</u>	<u>15,205</u>
OTHER FINANCING SOURCES				
Debt issued	-	-	555,000	555,000
Net Change in Fund Balance	124,852	124,852	695,057	570,205
FUND BALANCE (DEFICIT) - Beginning	<u>15,474</u>	<u>15,474</u>	<u>15,474</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 140,326</u>	<u>\$ 140,326</u>	<u>\$ 710,531</u>	<u>\$ 570,205</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 12 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 284,188	\$ 284,188	\$ 298,589	\$ 14,401
Intergovernmental	281	281	282	1
Investment income	-	-	2,942	2,942
Miscellaneous	-	-	5	5
Total Revenues	<u>284,469</u>	<u>284,469</u>	<u>301,818</u>	<u>17,349</u>
EXPENDITURES				
Current				
Conservation and development	290,740	310,180	224,522	85,658
Debt Service				
Principal	359,836	359,836	3,543,016	-
Interest and fiscal charges	<u>182,406</u>	<u>182,406</u>	<u>283,565</u>	<u>(101,159)</u>
Total Expenditures	<u>832,982</u>	<u>852,422</u>	<u>4,051,103</u>	<u>(3,198,681)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(548,513)</u>	<u>(567,953)</u>	<u>(3,749,285)</u>	<u>(3,181,332)</u>
OTHER FINANCING SOURCES (USES)				
Refunding debt issued	3,702,000	3,702,000	3,685,000	(17,000)
Payment to escrow agent	<u>(3,646,322)</u>	<u>(3,646,322)</u>	<u>-</u>	<u>3,646,322</u>
Total Other Financing Sources (Uses)	<u>55,678</u>	<u>55,678</u>	<u>3,685,000</u>	<u>3,629,322</u>
Net Change in Fund Balance	(492,835)	(512,275)	(64,285)	447,990
FUND BALANCE (DEFICIT) - Beginning	<u>(463,346)</u>	<u>(463,346)</u>	<u>(463,346)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (956,181)</u>	<u>\$ (975,621)</u>	<u>\$ (527,631)</u>	<u>\$ 447,990</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TID NO. 13 For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 56,657	\$ 56,657	\$ 59,528	\$ 2,871
Investment income	-	-	29,386	29,386
Miscellaneous	-	-	13	13
Total Revenues	<u>56,657</u>	<u>56,657</u>	<u>88,927</u>	<u>32,270</u>
EXPENDITURES				
Current				
Conservation and development	13,884	13,884	17,859	(3,975)
Capital Outlay	-	1,286,821	822,001	464,820
Debt Service				
Principal	-	-	3,700,000	(3,700,000)
Interest and fiscal charges	<u>180,742</u>	<u>180,742</u>	<u>247,249</u>	<u>(66,507)</u>
Total Expenditures	<u>194,626</u>	<u>1,481,447</u>	<u>4,787,109</u>	<u>(3,305,662)</u>
Deficiency of revenues over expenditures	<u>(137,969)</u>	<u>(1,424,790)</u>	<u>(4,698,182)</u>	<u>(3,273,392)</u>
OTHER FINANCING SOURCES (USES)				
Refunding debt issued	3,880,742	3,880,742	3,415,000	(465,742)
Premium on debt issued	-	-	162,497	162,497
Payment to escrow agent	<u>(3,700,000)</u>	<u>(3,700,000)</u>	<u>-</u>	<u>3,700,000</u>
Total Other Financing Sources (Uses)	<u>180,742</u>	<u>180,742</u>	<u>3,577,497</u>	<u>3,396,755</u>
Net Change in Fund Balance	42,773	(1,244,048)	(1,120,685)	123,363
FUND BALANCE - Beginning	<u>993,352</u>	<u>993,352</u>	<u>993,352</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 1,036,125</u>	<u>\$ (250,696)</u>	<u>\$ (127,333)</u>	<u>\$ 123,363</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - DEVELOPMENT PROJECTS For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ 300,000	\$ 450,000	\$ 627,026	\$ 177,026
Investment income	-	-	86	86
Miscellaneous	-	-	3,565	3,565
Total Revenues	<u>300,000</u>	<u>450,000</u>	<u>630,677</u>	<u>180,677</u>
EXPENDITURES				
Current				
Public works	<u>300,000</u>	<u>465,502</u>	<u>423,234</u>	<u>42,268</u>
Net Change in Fund Balance	-	(15,502)	207,443	222,945
FUND BALANCE (DEFICIT) - Beginning	<u>(326,798)</u>	<u>(326,798)</u>	<u>(326,798)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (326,798)</u>	<u>\$ (342,300)</u>	<u>\$ (119,355)</u>	<u>\$ 222,945</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ASHLEY TRUST FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	\$ 2	\$ 2	\$ -	\$ (2)
Total Revenues	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
Total Expenditures	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - Beginning	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

CITY OF SUN PRAIRIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY TRUST FUND For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	\$ 14,447	\$ 14,447	\$ 45,788	\$ 31,341
Total Revenues	<u>14,447</u>	<u>14,447</u>	<u>45,788</u>	<u>31,341</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>14,445</u>	<u>14,445</u>	<u>4,250</u>	<u>10,195</u>
Total Expenditures	<u>14,445</u>	<u>14,445</u>	<u>4,250</u>	<u>10,195</u>
Net Change in Fund Balance	2	2	41,538	41,536
FUND BALANCE - Beginning	<u>361,296</u>	<u>361,296</u>	<u>361,296</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 361,298</u>	<u>\$ 361,298</u>	<u>\$ 402,834</u>	<u>\$ 41,536</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2019

	Fleet	Health Insurance	Totals
ASSETS			
Current Assets			
Restricted cash and investments	\$ 431,567	\$ -	\$ 431,567
Receivables			
Accounts	581	-	581
Due from other funds	726,834	348,399	1,075,233
Total Current Assets	<u>1,158,982</u>	<u>348,399</u>	<u>1,507,381</u>
Noncurrent Assets			
Capital assets			
Other capital assets	11,032,178	-	11,032,178
Construction in progress	124,708	-	124,708
Less: Accumulated depreciation	<u>(4,513,947)</u>	<u>-</u>	<u>(4,513,947)</u>
Total Noncurrent Assets	<u>6,642,939</u>	<u>-</u>	<u>6,642,939</u>
Total Assets	<u>7,801,921</u>	<u>348,399</u>	<u>8,150,320</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>46,323</u>	<u>-</u>	<u>46,323</u>
Total Deferred Outflows of Resources	<u>46,323</u>	<u>-</u>	<u>46,323</u>
LIABILITIES			
Current Liabilities			
Accounts payable	64,931	-	64,931
Accrued liabilities	30,915	1,190	32,105
Current portion of general obligation debt	<u>310,000</u>	<u>-</u>	<u>310,000</u>
Total Current Liabilities	<u>405,846</u>	<u>1,190</u>	<u>407,036</u>
Noncurrent Liabilities			
Unused sick leave	46,650	-	46,650
General obligation debt	2,335,000	-	2,335,000
Unamortized premium	105,458	-	105,458
Net pension liability	<u>23,709</u>	<u>-</u>	<u>23,709</u>
Total Noncurrent Liabilities	<u>2,510,817</u>	<u>-</u>	<u>2,510,817</u>
Total Liabilities	<u>2,916,663</u>	<u>1,190</u>	<u>2,917,853</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	<u>24,482</u>	<u>-</u>	<u>24,482</u>
NET POSITION			
Net investment in capital assets	4,421,293	-	4,421,293
Unrestricted	<u>485,806</u>	<u>347,209</u>	<u>833,015</u>
TOTAL NET POSITION	<u>\$ 4,907,099</u>	<u>\$ 347,209</u>	<u>\$ 5,254,308</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2019

	Fleet	Health Insurance	Totals
OPERATING REVENUES			
Public charges for services	\$ 1,480,819	\$ 2,801,480	\$ 4,282,299
Total Operating Revenues	<u>1,480,819</u>	<u>2,801,480</u>	<u>4,282,299</u>
OPERATING EXPENSES			
Operation and maintenance	826,150	2,454,271	3,280,421
Depreciation expense	<u>701,148</u>	<u>-</u>	<u>701,148</u>
Total Operating Expenses	<u>1,527,298</u>	<u>2,454,271</u>	<u>3,981,569</u>
Operating Income (Loss)	<u>(46,479)</u>	<u>347,209</u>	<u>300,730</u>
NONOPERATING REVENUES (EXPENSES)			
Interest on investments	13,311	-	13,311
Interest and fiscal charges	(55,778)	-	(55,778)
Intergovernmental	31,200	-	31,200
Miscellaneous revenues	<u>86,645</u>	<u>-</u>	<u>86,645</u>
Total Nonoperating Revenues (Expenses)	<u>75,378</u>	<u>-</u>	<u>75,378</u>
Income Before Transfers	<u>28,899</u>	<u>347,209</u>	<u>376,108</u>
TRANSFERS			
Transfers in	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Transfers	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Change in Net Position	78,899	347,209	426,108
NET POSITION - Beginning of Year	<u>4,828,200</u>	<u>-</u>	<u>4,828,200</u>
NET POSITION - END OF YEAR	<u>\$ 4,907,099</u>	<u>\$ 347,209</u>	<u>\$ 5,254,308</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2019

	Fleet	Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,324,334	\$ 2,453,081	\$ 3,777,415
Paid to suppliers for goods and services	(425,985)	(2,453,081)	(2,879,066)
Paid to employees for services	(329,936)	-	(329,936)
Net Cash Flows From Operating Activities	<u>568,413</u>	<u>-</u>	<u>568,413</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>13,311</u>	<u>-</u>	<u>13,311</u>
Net Cash Flows From Investing Activities	<u>13,311</u>	<u>-</u>	<u>13,311</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net Cash Flows From Noncapital Financing Activities	<u>50,000</u>	<u>-</u>	<u>50,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt issued	805,000	-	805,000
Debt retired	(225,000)	-	(225,000)
Interest paid	(61,496)	-	(61,496)
Debt issuance costs	37,711	-	37,711
Acquisition and construction of capital assets	(756,941)	-	(756,941)
Net Cash Flows From Capital and Related Financing Activities	<u>(200,726)</u>	<u>-</u>	<u>(200,726)</u>
Net Change in Cash and Cash Equivalents	430,998	-	430,998
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>569</u>	<u>-</u>	<u>569</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 431,567</u>	<u>\$ -</u>	<u>\$ 431,567</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (46,479)	\$ 347,209	\$ 300,730
Nonoperating revenue	70,374	-	70,374
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	701,148	-	701,148
Changes in assets and liabilities			
Other accounts receivable	1,420	-	1,420
Due to/from other funds	(228,279)	(348,399)	(576,678)
Compensated absences	6,392	-	6,392
Accounts payable	44,149	-	44,149
Other current liabilities	10,907	1,190	12,097
Pension related amounts	<u>8,781</u>	<u>-</u>	<u>8,781</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 568,413</u>	<u>\$ -</u>	<u>\$ 568,413</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amortization	<u>\$ 16,575</u>	<u>\$ -</u>	

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS As of December 31, 2019

	Tax Collection Fund	MPSISC	Total Custodial Funds
CURRENT ASSETS			
Cash and investments	\$ 43,372,094	\$ -	\$ 43,372,094
Taxes receivable	14,076,992	-	14,076,992
Due from other governments	-	284,531	284,531
Prepaid items	-	9,509	9,509
	<u>57,449,086</u>	<u>294,040</u>	<u>57,743,126</u>
TOTAL ASSETS			
	<u>57,449,086</u>	<u>294,040</u>	<u>57,743,126</u>
LIABILITIES			
Due to other governments	57,375,981	60,382	57,436,363
Other accounts payable	73,105	-	73,105
Total Liabilities	<u>57,449,086</u>	<u>60,382</u>	<u>57,509,468</u>
NET POSITION			
RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	<u>\$ -</u>	<u>\$ 233,658</u>	<u>\$ 233,658</u>

CITY OF SUN PRAIRIE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended December 31, 2019

	Tax Collection Fund	MPSISC	Total Custodial Funds
ADDITIONS			
Contributions			
Member	\$ -	\$ 849,518	\$ 849,518
Investment income	-	5,514	5,514
Property taxes collected for other governments	37,058,135	-	37,058,135
Miscellaneous	-	240,027	240,027
Total Additions	<u>37,058,135</u>	<u>1,095,059</u>	<u>38,153,194</u>
DEDUCTIONS			
Public safety expense	-	861,401	861,401
Property taxes distributed to other governments	<u>37,058,135</u>	-	<u>37,058,135</u>
Total Deductions	<u>37,058,135</u>	<u>861,401</u>	<u>37,919,536</u>
CHANGE IN NET POSITION	-	233,658	233,658
NET POSITION - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 233,658</u>	<u>\$ 233,658</u>

CITY OF SUN PRAIRIE

**STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2019**

	<u>Community Development Authority</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
RELATED FINANCING ACTIVITIES	
Debt retired	\$ (1,370,000)
Interest paid	(165,202)
Received from primary government	(13)
Capital lease payments received	<u>1,370,000</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(165,215)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>167,550</u>
Net Change in Cash and Cash Equivalents	2,335
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,565,412</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,567,747</u>
NONCASH ACTIVITIES	
Amortization of deferred charge on debt	<u>\$ 81,921</u>

CITY OF SUN PRAIRIE, WISCONSIN

Introduction to the Statistical Section

December 31, 2019

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends – Schedules 1-5 These schedules contain trends information to help the reader understand how the City's financial performance and wellbeing have changed over time.	122 - 128
Revenue Capacity – Schedules 6 – 9 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.	129 - 132
Debt Capacity – Schedules 10 - 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.	133 - 137
Demographic and Economic Information – Schedules 15 - 17 These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	138 – 140
Operating Information – Schedule 18 This schedule contains information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	141

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities										
Net investment in capital assets	\$ 96,950,125	\$ 91,668,381	\$ 92,056,269	\$ 81,638,011	\$ 82,157,158	\$ 73,592,674	\$ 67,381,966	\$ 61,862,029	\$ 56,188,533	\$ 51,249,013
Restricted	5,926,657	7,463,027	5,836,997	7,346,609	7,325,552	5,918,918	9,236,302	5,646,556	5,284,114	5,458,596
Unrestricted (deficit)	<u>10,934,889</u>	<u>10,552,537</u>	<u>5,049,968</u>	<u>1,815,833</u>	<u>(5,401,666)</u>	<u>(6,985,148)</u>	<u>(9,936,972)</u>	<u>(4,684,083)</u>	<u>(8,632,515)</u>	<u>(5,756,470)</u>
Total governmental activities net position	113,811,671	109,683,945	102,943,234	90,800,453	84,081,044	72,526,444	66,681,296	62,824,502	52,840,132	50,951,139
Business-Type Activities										
Net investment in capital assets	145,728,006	139,352,187	131,184,254	125,335,883	124,869,023	121,342,794	116,921,998	118,394,172	116,526,970	115,039,700
Restricted	4,849,510	4,365,726	4,490,512	3,983,396	3,846,256	3,520,744	3,535,722	3,109,415	2,974,650	2,524,634
Unrestricted (deficit)	<u>31,471,824</u>	<u>28,890,534</u>	<u>26,682,513</u>	<u>22,949,218</u>	<u>19,261,881</u>	<u>18,264,906</u>	<u>18,035,454</u>	<u>14,966,284</u>	<u>14,391,500</u>	<u>12,672,275</u>
Total business-type activities net position	182,049,340	172,608,447	162,357,279	152,268,497	147,977,160	143,128,444	138,493,174	136,469,871	133,893,120	130,236,609
Primary Government										
Net investment in capital assets	242,678,131	231,020,568	223,240,523	206,973,894	207,026,181	194,935,468	184,303,964	180,256,201	172,715,503	166,288,713
Restricted	10,776,167	11,828,753	10,327,509	11,330,005	11,171,808	9,439,662	12,772,024	8,755,971	8,258,764	7,983,230
Unrestricted (deficit)	<u>42,406,713</u>	<u>39,443,071</u>	<u>31,732,481</u>	<u>24,765,051</u>	<u>13,860,215</u>	<u>11,279,758</u>	<u>8,098,482</u>	<u>10,282,201</u>	<u>5,758,985</u>	<u>6,915,805</u>
Total primary government activities net position	<u>\$ 295,861,011</u>	<u>\$ 282,292,392</u>	<u>\$ 265,300,513</u>	<u>\$ 243,068,950</u>	<u>\$ 232,058,204</u>	<u>\$ 215,654,888</u>	<u>\$ 205,174,470</u>	<u>\$ 199,294,373</u>	<u>\$ 186,733,252</u>	<u>\$ 181,187,748</u>

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

<u>PRIMARY GOVERNMENT</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
EXPENSES										
Governmental activities										
General government	\$ 4,754,741	\$ 4,882,014	\$ 4,550,418	\$ 4,403,914	\$ 3,767,680	\$ 3,676,622	\$ 3,869,075	\$ 3,875,278	\$ 4,363,279	\$ 4,557,089
Public safety	13,613,011	12,397,125	11,509,960	11,119,610	8,463,874	9,492,560	9,554,009	9,240,152	9,384,120	9,597,113
Public works	6,665,610	7,794,538	7,780,380	8,290,581	7,404,845	8,473,109	7,687,487	6,382,496	7,134,201	6,778,695
Health and human services	115,550	54,500	84,500	54,500	23,500	-	-	-	-	-
Culture, recreation, and education	5,357,998	4,439,250	4,805,082	4,121,380	4,034,270	4,107,120	3,692,024	3,720,586	3,969,135	4,057,376
Conservation and development	7,462,982	2,825,225	2,624,698	1,120,518	1,052,201	747,165	637,646	1,167,660	2,242,615	663,866
Interest and fiscal charges	<u>1,725,371</u>	<u>1,369,108</u>	<u>1,014,225</u>	<u>1,553,363</u>	<u>930,621</u>	<u>3,005,014</u>	<u>2,570,548</u>	<u>2,537,354</u>	<u>2,802,054</u>	<u>3,026,544</u>
Total governmental activities expenses	39,695,263	33,761,760	32,369,263	30,663,866	25,676,991	29,501,590	28,010,789	26,923,526	29,895,404	28,680,683
Business-type activities										
Electric	25,572,370	26,379,948	26,230,091	25,644,447	25,129,204	25,011,083	24,453,874	23,794,207	22,656,851	22,002,501
Water	3,094,137	3,137,098	2,448,396	2,295,240	2,345,040	2,370,944	2,343,216	2,234,925	2,247,054	2,122,292
Telecommunications	-	-	178,809	451,698	374,325	443,138	353,206	342,225	340,771	375,055
Wastewater	3,929,728	3,784,864	3,614,247	3,657,592	3,457,368	3,310,861	3,285,324	3,156,687	3,270,402	3,356,293
Stormwater	<u>2,594,629</u>	<u>2,259,576</u>	<u>2,061,123</u>	<u>2,086,266</u>	<u>1,652,579</u>	<u>1,599,257</u>	<u>1,504,995</u>	<u>1,423,332</u>	<u>1,455,234</u>	<u>1,420,257</u>
Total business-type activities expenses	35,190,864	35,561,486	34,532,666	34,135,243	32,958,516	32,735,283	31,940,615	30,951,376	29,970,312	29,276,398
Total primary government expenses	<u>\$ 74,886,127</u>	<u>\$ 69,323,246</u>	<u>\$ 66,901,929</u>	<u>\$ 64,799,109</u>	<u>\$ 58,635,507</u>	<u>\$ 62,236,873</u>	<u>\$ 59,951,404</u>	<u>\$ 57,874,902</u>	<u>\$ 59,865,716</u>	<u>\$ 57,957,081</u>
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	\$ 311,826	\$ 310,051	\$ 183,983	\$ 157,680	\$ 124,009	\$ 119,593	\$ 118,037	\$ 191,015	\$ 130,075	\$ 92,509
Public safety	2,499,997	2,189,314	2,031,787	1,549,065	1,584,080	1,597,663	1,464,975	1,239,082	1,194,024	1,107,838
Public works	2,215,142	1,979,335	2,079,582	1,907,877	1,770,128	1,350,868	634,758	513,772	453,740	500,734
Health and human services	-	-	-	-	-	-	-	-	-	-
Culture, recreation, and education	1,199,525	1,195,259	1,638,801	933,945	888,192	900,544	865,096	833,364	864,681	815,104
Conservation and development	142,050	154,845	163,235	109,763	93,076	40,605	13,492	14,968	8,585	42,683
Operating grants and contributions	3,757,657	3,259,208	3,029,758	3,093,256	3,309,096	2,930,092	2,783,205	3,143,746	3,111,724	3,043,490
Capital grants and contributions	<u>2,504,207</u>	<u>1,915,006</u>	<u>5,973,701</u>	<u>1,847,780</u>	<u>3,376,106</u>	<u>2,314,034</u>	<u>703,799</u>	<u>5,492,320</u>	<u>830,512</u>	<u>323,762</u>
Total governmental activities program revenues	12,630,404	11,003,018	15,100,847	9,599,366	11,144,687	9,253,399	6,583,362	11,428,267	6,593,341	5,926,120
Business-type activities										
Charges for services										
Electric	27,186,116	27,934,255	27,856,646	27,390,414	26,741,334	26,245,287	25,049,749	24,438,763	23,431,527	22,971,221
Water	3,712,882	3,687,699	3,600,488	3,495,738	3,259,410	3,135,457	3,083,889	3,158,039	2,980,431	2,682,003
Telecommunications	-	-	202,653	609,350	512,036	450,214	454,866	435,669	461,290	489,873
Wastewater	4,621,775	4,296,400	3,972,177	3,891,120	3,771,488	3,762,049	3,617,686	3,463,542	3,206,451	2,909,750
Stormwater	2,450,728	2,533,236	2,398,670	1,808,596	1,680,540	1,616,450	1,472,646	1,394,284	1,260,168	1,120,966
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	<u>5,421,986</u>	<u>7,483,835</u>	<u>6,942,761</u>	<u>2,088,199</u>	<u>2,947,172</u>	<u>2,540,194</u>	<u>1,111,652</u>	<u>1,445,721</u>	<u>2,403,411</u>	<u>229,842</u>
Total business-type activities program revenues	43,393,487	45,935,425	44,973,395	39,283,417	38,911,980	37,749,651	34,790,488	34,336,018	33,743,278	30,403,655
Total primary government program revenues	<u>\$ 56,023,891</u>	<u>\$ 56,938,443</u>	<u>\$ 60,074,242</u>	<u>\$ 48,882,783</u>	<u>\$ 50,056,667</u>	<u>\$ 47,003,050</u>	<u>\$ 41,373,850</u>	<u>\$ 45,764,285</u>	<u>\$ 40,336,619</u>	<u>\$ 36,329,775</u>

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

<u>PRIMARY GOVERNMENT</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (27,064,859)	\$ (22,758,742)	\$ (17,268,416)	\$ (21,064,500)	\$ (14,532,304)	\$ (20,248,191)	\$ (21,427,427)	\$ (15,495,259)	\$ (23,302,063)	\$ (22,754,563)
Business-type activities	<u>8,202,623</u>	<u>10,373,939</u>	<u>10,440,729</u>	<u>5,148,174</u>	<u>5,953,464</u>	<u>5,014,368</u>	<u>2,849,873</u>	<u>3,384,642</u>	<u>3,772,966</u>	<u>1,127,257</u>
Total primary government net (expense)/revenue	<u>\$ (18,862,236)</u>	<u>\$ (12,384,803)</u>	<u>\$ (6,827,687)</u>	<u>\$ (15,916,326)</u>	<u>\$ (8,578,840)</u>	<u>\$ (15,233,823)</u>	<u>\$ (18,577,554)</u>	<u>\$ (12,110,617)</u>	<u>\$ (19,529,097)</u>	<u>\$ (21,627,306)</u>
GENERAL REVENUES										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	\$ 16,911,464	\$ 15,715,346	\$ 14,299,795	\$ 13,546,267	\$ 13,008,194	\$ 12,741,648	\$ 12,675,499	\$ 12,515,534	\$ 12,493,861	\$ 12,447,883
Property taxes, levied for debt service	6,449,889	6,460,924	6,619,638	6,648,847	6,574,270	6,326,108	6,399,403	6,559,367	6,581,043	6,620,000
Property taxes, levied for TIF districts	4,148,322	3,240,567	3,902,118	3,196,475	2,699,069	2,787,227	2,303,381	2,611,460	2,545,947	2,264,016
Other taxes	344,454	257,499	215,972	172,708	62,636	172,644	160,760	160,657	150,458	170,333
Intergovernmental revenues not restricted	1,222,907	1,599,388	1,622,912	1,694,011	1,722,939	1,751,499	1,559,097	1,554,397	1,682,139	1,687,575
Public gifts and grants	-	-	-	9,966	-	709	-	7,328	36,006	54,455
Investment income	693,438	405,872	216,797	123,106	51,176	39,120	96,153	75,263	99,367	137,353
Miscellaneous	868,839	355,844	782,270	604,457	252,350	984,037	428,288	325,530	655,074	604,303
Transfers, internal	<u>553,272</u>	<u>1,464,013</u>	<u>1,751,695</u>	<u>1,788,072</u>	<u>1,716,270</u>	<u>1,290,347</u>	<u>1,661,640</u>	<u>1,670,093</u>	<u>947,161</u>	<u>537,397</u>
Total governmental activities general revenues	<u>31,192,585</u>	<u>29,499,453</u>	<u>29,411,197</u>	<u>27,783,909</u>	<u>26,086,904</u>	<u>26,093,339</u>	<u>25,284,221</u>	<u>25,479,629</u>	<u>25,191,056</u>	<u>24,523,315</u>
Business-type activities										
Intergovernmental revenues not restricted	-	-	-	50,000	-	-	-	-	-	-
Investment income	1,731,341	1,321,631	1,026,191	859,735	674,625	783,757	825,150	813,149	769,772	781,259
Miscellaneous	60,201	19,611	89,644	21,497	92,040	127,492	9,920	49,053	60,934	51,874
Gain on disposal of telecommunications operations	-	-	283,913	-	-	-	-	-	-	-
Transfers, internal	<u>(553,272)</u>	<u>(1,464,013)</u>	<u>(1,751,695)</u>	<u>(1,788,072)</u>	<u>(1,716,270)</u>	<u>(1,290,347)</u>	<u>(1,661,640)</u>	<u>(1,670,093)</u>	<u>(947,161)</u>	<u>(537,397)</u>
Total business-type activities general revenues	<u>1,238,270</u>	<u>(122,771)</u>	<u>(351,947)</u>	<u>(856,840)</u>	<u>(949,605)</u>	<u>(379,098)</u>	<u>(826,570)</u>	<u>(807,891)</u>	<u>(116,455)</u>	<u>295,736</u>
Total primary government general revenue	<u>\$ 32,430,855</u>	<u>\$ 29,376,682</u>	<u>\$ 29,059,250</u>	<u>\$ 26,927,069</u>	<u>\$ 25,137,299</u>	<u>\$ 25,714,241</u>	<u>\$ 24,457,651</u>	<u>\$ 24,671,738</u>	<u>\$ 25,074,601</u>	<u>\$ 24,819,051</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 4,127,726	\$ 6,740,711	\$ 12,142,781	\$ 6,719,409	\$ 11,554,600	\$ 5,845,148	\$ 3,856,794	\$ 9,984,370	\$ 1,888,993	\$ 1,768,752
Business-type activities	<u>9,440,893</u>	<u>10,251,168</u>	<u>10,088,782</u>	<u>4,291,334</u>	<u>5,003,859</u>	<u>4,635,270</u>	<u>2,023,303</u>	<u>2,576,751</u>	<u>3,656,511</u>	<u>1,422,993</u>
Total primary government change in net position	<u>\$ 13,568,619</u>	<u>\$ 16,991,879</u>	<u>\$ 22,231,563</u>	<u>\$ 11,010,743</u>	<u>\$ 16,558,459</u>	<u>\$ 10,480,418</u>	<u>\$ 5,880,097</u>	<u>\$ 12,561,121</u>	<u>\$ 5,545,504</u>	<u>\$ 3,191,745</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General fund										
Nonspendable	\$ 3,776,543	\$ 3,743,664	\$ 2,763,109	\$ 2,936,357	\$ 2,968,901	\$ 2,585,174	\$ 2,296,345	\$ 2,118,128	\$ 1,417,862	\$ -
Restricted	663,665	587,226	510,786	434,645	142,000	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,775,937	4,167,316	3,602,423	3,513,829	3,066,431	3,198,837	3,481,595	3,267,320	3,333,027	-
Unassigned (deficit)	3,933,818	3,078,057	4,599,141	4,292,708	4,352,338	3,710,361	3,182,687	3,241,713	2,460,710	-
Reserved	-	-	-	-	-	-	-	-	-	3,013,471
Unreserved	-	-	-	-	-	-	-	-	-	3,705,651
Total general fund	<u>\$ 12,149,963</u>	<u>\$ 11,576,263</u>	<u>\$ 11,475,459</u>	<u>\$ 11,177,539</u>	<u>\$ 10,529,670</u>	<u>\$ 9,494,372</u>	<u>\$ 8,960,627</u>	<u>\$ 8,627,161</u>	<u>\$ 7,211,599</u>	<u>\$ 6,719,122</u>
All other governmental funds										
Nonspendable	\$ 411,354	\$ 365,318	\$ 2,502	\$ 1,250	\$ -	\$ -	\$ -	\$ 849,542	\$ -	\$ -
Restricted	10,583,573	6,808,782	6,775,091	8,215,808	6,531,919	6,308,683	10,517,410	5,889,754	5,882,542	-
Committed	934,190	1,082,428	909,372	738,189	585,008	329,841	-	-	-	-
Assigned	2,988,584	5,036,191	679,096	-	300,290	160,403	-	83,237	-	-
Unassigned (deficit)	(2,664,915)	(3,145,753)	(2,526,725)	(2,384,328)	(2,512,466)	(2,140,815)	(1,274,921)	(589,074)	(1,764,736)	-
Reserved	-	-	-	-	-	-	-	-	-	7,706,660
Unreserved	-	-	-	-	-	-	-	-	-	2,044,236
Total all other governmental funds	<u>\$ 12,252,786</u>	<u>\$ 10,146,966</u>	<u>\$ 5,839,336</u>	<u>\$ 6,570,919</u>	<u>\$ 4,904,751</u>	<u>\$ 4,658,112</u>	<u>\$ 9,242,489</u>	<u>\$ 6,233,459</u>	<u>\$ 4,117,806</u>	<u>\$ 9,750,896</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues						
Taxes	\$ 27,887,072	\$ 25,682,992	\$ 25,053,436	\$ 23,582,959	\$ 22,365,360	\$ 22,039,519
Intergovernmental	4,287,227	4,465,539	4,356,485	4,462,003	4,954,446	4,252,248
Licenses and permits	1,358,048	1,484,314	1,425,461	982,893	995,345	1,062,011
Fines, forfeitures, and penalties	232,799	174,635	171,172	191,014	192,788	212,879
Public charges for services	5,159,295	4,474,267	5,559,842	3,483,334	3,556,437	3,185,151
Special assessments	81,557	381,443	167,470	48,518	29,443	258,902
Investment income	679,647	396,457	211,613	121,991	50,301	37,841
Miscellaneous	<u>1,531,753</u>	<u>978,424</u>	<u>779,169</u>	<u>1,002,421</u>	<u>1,394,910</u>	<u>1,123,649</u>
Total Revenues	<u>41,217,398</u>	<u>38,038,071</u>	<u>37,724,648</u>	<u>33,875,133</u>	<u>33,539,030</u>	<u>32,172,200</u>
Expenditures						
Current						
General government	4,679,576	5,070,753	4,218,868	4,299,408	3,610,525	3,892,660
Public safety	12,962,327	11,895,893	10,876,119	10,300,366	9,800,779	9,172,518
Public works	6,229,636	5,532,837	5,594,354	4,870,425	5,454,197	5,564,755
Health and human services	115,550	54,500	84,500	54,500	23,500	-
Culture, recreation, and education	5,426,767	4,604,107	4,437,151	3,817,338	3,766,523	3,590,057
Conservation and development	6,166,957	1,471,993	6,440,647	962,655	889,837	521,258
Capital outlay	14,298,527	12,592,102	5,870,406	4,882,661	3,442,178	4,015,917
Debt service						
Principal	14,838,927	8,183,060	10,421,524	8,041,540	8,147,175	25,984,528
Interest and fiscal charges	<u>2,060,956</u>	<u>1,214,770</u>	<u>1,136,798</u>	<u>1,334,654</u>	<u>1,464,947</u>	<u>2,389,089</u>
Total expenditures	<u>66,779,223</u>	<u>50,620,015</u>	<u>49,080,367</u>	<u>38,563,547</u>	<u>36,599,661</u>	<u>55,130,782</u>
Excess(deficiency) of revenues over expenditures	<u>(25,561,825)</u>	<u>(12,581,944)</u>	<u>(11,355,719)</u>	<u>(4,688,414)</u>	<u>(3,060,631)</u>	<u>(22,958,582)</u>
Other financing sources						
Sale of property	-	3,250	300,000	201,325	-	188,660
Long-term debt issued	18,055,000	14,979,000	8,871,000	4,395,000	2,815,000	19,991,705
Refunding Debt Issued	7,100,000	-	-	5,110,000	-	-
Capital leases issued	168,172	-	-	-	-	-
Payments to escrow agent	-	-	-	(5,059,923)	-	-
Premium on debt issued	980,390	413,748	141,354	567,977	35,530	128,348
Debt issuance costs	-	-	-	-	-	(413,954)
Transfers in	5,740,346	5,727,145	5,151,766	2,606,731	3,015,099	2,605,974
Transfers out	<u>(3,802,563)</u>	<u>(4,132,765)</u>	<u>(3,542,064)</u>	<u>(818,659)</u>	<u>(1,523,061)</u>	<u>(1,163,461)</u>
Total other financing sources (uses)	<u>28,241,345</u>	<u>16,990,378</u>	<u>10,922,056</u>	<u>7,002,451</u>	<u>4,342,568</u>	<u>21,337,272</u>
Net change in fund balances*	2,679,520	4,408,434	(433,663)	2,314,037	1,281,937	(1,621,310)
Ratio of total debt service expenditures to total noncapital expenditures	32.20%	24.71%	26.75%	27.84%	28.99%	55.51%

* Total noncapital expenditures includes reconciling items found on page 10 of CAFR.

a) For 2014, total Debt Service Principal Retirement and corresponding calculation of Ratio of Total Debt Service Expenditures to Non Capital Expenditures includes a one-time Capital Lease refunding of \$10,582,110. If that amount is excluded, Debt Service Principal Retirement totals \$15,402,418, with the corresponding Ratio to Total Debt Service Expenditures to Non Capital Expenditures recalculated to 34.81%.

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 21,560,595	\$ 21,852,526	\$ 21,787,728	\$ 21,516,604
4,149,542	4,656,266	4,648,414	4,682,143
1,029,664	788,163	695,076	567,365
214,561	171,760	182,241	180,286
2,169,162	2,560,042	2,646,705	1,722,939
14,539	33,194	49,836	32,264
85,329	60,841	86,692	133,587
<u>742,515</u>	<u>771,470</u>	<u>705,889</u>	<u>759,635</u>
<u>29,965,907</u>	<u>30,894,262</u>	<u>30,802,581</u>	<u>29,594,823</u>
3,753,525	3,795,349	4,016,718	3,861,624
8,631,991	8,525,872	8,674,597	8,872,437
5,520,561	5,120,995	5,230,598	4,832,927
-	-	-	-
3,356,418	3,344,759	3,776,128	3,661,678
616,640	542,336	654,263	617,861
3,221,947	2,381,139	2,790,721	2,914,804
6,601,458	12,792,367	9,447,810	6,341,267
<u>2,170,462</u>	<u>2,497,627</u>	<u>2,875,571</u>	<u>3,157,940</u>
<u>33,873,002</u>	<u>39,000,444</u>	<u>37,466,406</u>	<u>34,260,538</u>
<u>(3,907,095)</u>	<u>(8,106,182)</u>	<u>(6,663,825)</u>	<u>(4,665,715)</u>
-	-	31,000	-
12,715,000	12,310,000	-	4,700,000
-	-	-	-
(7,319,761)	(2,322,044)	-	-
371,755	190,329	-	-
(179,043)	(112,395)	-	(16,851)
1,881,987	2,865,469	2,252,060	1,536,486
<u>(220,347)</u>	<u>(1,293,962)</u>	<u>(759,848)</u>	<u>(147,813)</u>
<u>7,249,591</u>	<u>11,637,397</u>	<u>1,523,212</u>	<u>6,071,822</u>
3,342,496	3,531,215	(5,140,613)	1,406,107
28.62%	41.75%	35.54%	30.30%

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					
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%
2015	2016	1,772,455	660,085	53,479	222	240	60,348	2,546,829	2,566,184	8.3437	99.23%
2014	2015	1,681,513	623,248	54,822	235	443	53,562	2,413,823	2,413,489	8.4869	99.60%
2013	2014	1,655,163	607,151	53,407	246	473	53,772	2,370,212	2,368,669	8.4182	100.82%
2012	2013	1,717,453	594,293	54,751	253	459	43,942	2,411,151	2,353,843	8.2202	102.13%
2011	2012	1,709,388	585,652	54,264	256	613	48,198	2,398,371	2,455,734	8.3022	97.49%
2010	2011	1,771,335	618,921	51,062	264	567	53,852	2,496,001	2,475,211	7.9791	99.18%

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.

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

Levy Year	Budget Year	City Direct Rates						Overlapping Rates					Net Tax Rate
		General Fund	Debt Service Fund	Capital Projects Fund	TIF Districts	County Specials	Total Direct	Sun Prairie School District ¹	Dane County	State of Wisconsin	Madison College	State School Credit	
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
2015	2016	5.3189	2.6106	-	0.4141	-	8.3436	12.8377	3.1710	0.1710	0.9344	(2.0901)	23.3676
2014	2015	5.3889	2.7236	-	0.3745	-	8.4870	12.8035	3.1166	0.1697	0.9336	(1.9503)	23.5601
2013	2014	5.3757	2.6690	-	0.3734	-	8.4181	13.1369	3.1149	0.1696	1.8400	(1.9632)	24.7163
2012	2013	5.1741	2.6541	0.0829	0.3091	-	8.2202	12.4712	2.9331	0.1657	1.7725	(1.9299)	23.6328
2011	2012	5.1053	2.7349	0.1130	0.3489	-	8.3021	12.9202	2.9372	0.1738	1.7503	(1.9163)	24.1673
2010	2011	5.0055	2.6366	-	0.3369	-	7.9790	12.0214	2.6930	0.1683	1.4623	(1.8852)	22.4388

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
2019 and Nine Years Prior

Taxpayer	2019			2010		
	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value
Fedler Connery Umbrella	\$ 191,892,000	1	5.92%			
General Casualty Co of WI	31,875,000	2	0.98%	39,769,400	1	1.55%
Menard Inc.	20,864,800	3	0.64%			
Iowa Machine Shed	18,182,300	4	0.56%			
Marcus Theatres Corp.	16,430,000	5	0.51%			
Woodman's Food Market	13,715,100	6	0.42%			
Costco Wholesale Corporation	11,652,900	7	0.36%			
Hunters Creek LLC	10,438,600	8	0.32%	8,742,600	10	0.34%
Tma Land Inc	10,043,800	9	0.31%			
Wal-Mart Realty Co	9,081,400	10	0.28%			
Kraus Companies				24,061,600	2	0.94%
Grosso Investment Properties LLC				14,075,700	3	0.55%
Hickory Grove IV LLC				12,134,400	4	0.47%
Stag IV Sun Prairie LLC				11,275,000	5	0.44%
Cannery Square LLC				10,991,600	6	0.43%
200 East LLC				10,938,900	7	0.43%
Target Corporation				10,204,200	8	0.40%
The Crossing East LLC				10,174,200	9	0.40%
Total	\$ 334,175,900		10.30%	\$ 152,367,600		5.95%

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
2018	2019	\$ 27,509,672	\$ 27,490,411	99.93%	\$ -	\$ 27,490,411	99.93%
2017	2018	25,416,838	25,408,421	99.97%	1,039	25,409,459	99.97%
2016	2017	24,832,640	24,816,395	99.93%	7,401	24,825,239	99.97%
2015	2016	23,391,590	23,382,328	99.96%	6,952	23,384,639	99.97%
2014	2015	20,485,969	20,460,372	99.88%	24,088	20,461,881	99.88%
2013	2014	19,952,811	19,931,026	99.89%	16,230	19,936,580	99.92%
2012	2013	19,820,155	19,814,376	99.97%	2,833	19,817,322	99.99%
2011	2012	19,911,656	19,889,219	99.89%	11,426	19,900,230	99.94%
2010	2011	19,915,893	19,891,705	99.88%	6,166	19,915,893	100.00%
2009	2010	19,837,543	19,792,690	99.77%	22,676	19,837,543	100.00%

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

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes ¹	Capital Leases ¹	General Obligation Bonds/Notes ¹	Sun Prairie Utility Revenue Bonds/Notes ¹	Wastewater Revenue Bonds			
2019	\$ 64,329,518	\$ 5,809,506	\$ 29,141,139	\$ 5,925,000	\$ 5,789,822	\$ 110,994,985	8.61%	\$ 3,186
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
2015	39,790,945	14,223,562	4,366,777	9,325,000	9,222,387	76,928,671	7.14%	2,418
2014	43,337,938	15,990,695	3,178,763	10,412,944	10,031,542	82,951,882	8.25%	2,658
2013	48,389,345	18,865,000	1,659,630	8,074,045	10,822,003	87,810,023	9.20%	2,888
2012	48,089,901	20,130,000	1,485,000	8,820,418	11,594,201	90,119,520	10.00%	3,020
2011	49,537,332	21,300,000	1,680,000	6,639,077	12,348,559	91,504,968	10.95%	3,109
2010	57,786,978	22,540,000	1,875,000	7,342,720	13,085,488	102,630,186	12.63%	3,902

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
2019	\$ 93,470,657	\$ 849,582	\$ 92,501,670	\$ 3,634,094,300	2.55%	34,840	2,683
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
2015	44,157,722	10,332	44,147,390	2,566,183,900	1.72%	31,810	1,388
2014	46,516,701	31,614	46,485,087	2,413,488,900	1.93%	31,210	1,490
2013	50,048,975	4,234,362	45,814,613	2,368,668,500	1.93%	30,400	1,646
2012	49,574,901	-	49,574,901	2,353,842,900	2.11%	29,840	1,661
2011	51,217,332	865,680	50,351,652	2,455,733,700	2.05%	29,430	1,740
2010	59,661,978	3,932,195	55,729,783	2,475,211,200	2.25%	26,300	2,269

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, 2019

<u>Jurisdiction</u>	<u>Debt¹ Outstanding</u>	<u>Percent Applicable to City of Sun Prairie²</u>	<u>Amount Applicable to City of Sun Prairie</u>
Direct Debt			
City of Sun Prairie	\$ 70,139,024	100%	\$ 70,139,024
Overlapping Debt			
Sun Prairie School District	277,230,000	64.04%	177,532,159
DeForest School District	121,380,000	0.13%	158,056
Madison College	180,411,058	3.76%	6,792,350
Dane County	<u>405,410,000</u>	5.20%	<u>21,068,771</u>
Total Overlapping Debt			<u>205,551,337</u>
Total Direct and Overlapping Debt			<u>\$ 275,690,361</u>

¹ Does not include assets in Debt Service Funds.

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Equalized Value ¹	\$ 3,634,094,300	\$ 3,310,111,700	\$ 2,984,707,700	\$ 2,772,245,800	\$ 2,566,183,900	\$ 2,413,488,900	\$ 2,368,668,500	\$ 2,353,842,900	\$ 2,455,733,700	\$ 2,475,211,200
Debt Limit ²	181,704,715	165,505,585	149,235,385	138,612,290	128,309,195	120,674,445	118,433,425	117,692,145	122,786,685	123,760,560
Total General Obligation Debt	90,620,827	72,772,859	58,836,919	53,112,875	43,012,649	45,958,690	50,039,345	49,295,803	51,038,170	59,440,980
Amount of Debt Applicable to Debt Limitation										
Total Debt Applicable to Debt Limit	90,620,827	72,772,859	58,836,919	53,112,875	43,012,649	45,958,690	50,039,345	49,295,803	51,038,170	59,440,980
Less: Assets in Debt Service Fund Available for Payment of Principal	849,582	43,412	133,729	10,723	-	30	4,192,304	-	858,698	3,931,035
Net Debt Applicable to Debt Limit	89,771,245	72,729,447	58,703,190	53,102,152	43,012,649	45,958,660	45,847,041	49,295,803	50,179,472	55,509,945
Remaining Legal Debt Margin	91,933,470	92,776,138	90,532,195	85,510,138	85,296,546	74,715,785	72,586,384	68,396,342	72,607,213	68,250,615
Total Debt Applicable to the Limit as a Percentage of Debt Limit	49.41%	43.94%	39.34%	38.31%	33.52%	38.08%	38.71%	41.89%	40.87%	44.85%

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
2019	\$ 30,898,998	\$ 25,359,775	\$ 5,539,223	\$ 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
2015	30,512,780	25,277,906	5,234,874	920,000	325,970	1,245,970	4.20
2014	29,830,958	25,043,349	4,787,609	935,000	266,853	1,201,853	3.98
2013	28,588,504	24,383,439	4,205,065	800,000	247,311	1,047,311	4.02
2012	28,032,471	23,750,861	4,281,610	725,000	295,327	1,020,327	4.20
2011	26,873,248	22,919,699	3,953,549	695,000	311,262	1,006,262	3.93
2010	26,143,097	22,209,538	3,933,559	665,000	343,236	1,008,236	3.90

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
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
2015	3,771,488	1,851,183	1,920,305	809,155	227,678	1,036,833	1.85
2014	3,762,049	1,703,770	2,058,279	790,461	246,593	1,037,054	1.98
2013	3,617,686	1,660,267	1,957,419	772,198	265,072	1,037,270	1.89
2012	3,463,542	1,524,816	1,938,726	754,358	283,123	1,037,481	1.87
2011	3,206,451	1,622,152	1,584,299	736,930	300,758	1,037,688	1.53
2010	2,909,750	1,689,646	1,220,104	719,904	317,985	1,037,889	1.18

Source: City of Sun Prairie Finance Department

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

Water Pollution Control Facility Revenue Bonds are backed by wastewater rates.

¹ - Includes total operating expenses less depreciation.

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

Year	Sun Prairie		Per Capita Personal Income			Unemployment Rates ³		
	Population ¹	Personal Income ²	City of Sun Prairie	Dane County	State of Wisconsin	City of Sun Prairie	Dane County	State of Wisconsin
2019 [*]	34,840	\$ 1,288,992,986	\$ 36,998	\$ 41,217	\$ 32,911	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%
2015	31,810	1,077,214,189	33,864	36,614	29,145	3.20%	3.20%	4.60%
2014	31,210	1,005,420,020	32,215	34,798	27,624	3.90%	3.80%	5.50%
2013	30,400	954,451,850	31,396	33,920	26,963	5.50%	4.70%	6.80%
2012	29,840	900,876,400	30,190	32,091	26,271	5.60%	4.90%	7.00%
2011	29,430	835,963,540	28,405	30,294	24,942	6.40%	5.30%	7.80%
2010	26,300	812,643,537	30,899	29,506	24,218	7.00%	5.90%	8.70%

*For 2019, City of Sun Prairie, Dane County and State of Wisconsin are estimates based on the prior nine years of growth.

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
2019 and Nine Years Prior

Taxpayer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sun Prairie School District	1,501	1	7.67%	949	1	5.74%
Colony Brands	505	2	2.58%			
QBE Insurance	450	3	2.30%			
City of Sun Prairie	384	4	1.96%	474	2	2.87%
Prairie Athletic Club	330	5	1.69%	270	3	1.63%
Wisconsin Distributors	310	6	1.58%	145	6	0.88%
Royle Printing	274	7	1.40%			
Target	274	7	1.40%			
Continental ContiTech (Veyance Tech)	264	8	1.35%			
Frontier	250	9	1.28%			
Walmart	250	9	1.28%			
Pan-O-Gold Baking Co.	243	10	1.24%	158	4	0.96%
Town & Country Electric/Faith Tech				152	5	0.92%
Famous Footwear				140	7	0.85%
Sentry Foods Store				124	8	0.75%
Walmart				118	9	0.71%
Trachte Building Systems Inc.				116	10	0.70%
Total	<u>5,035</u>		<u>25.72%</u>	<u>2,646</u>		<u>16.00%</u>

Source: City Economic Development Division

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

Function/ program	Full Time Equivalent Employees									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Public Safety										
*Fire	14.0	14.0	14.0	9.0	7.0	6.0	2.0	2.0	2.0	2.0
Police	76.0	76.0	73.4	73.4	72.4	72.8	71.8	70.4	73.0	73.0
EMS	14.0	14.0	13.0	13.5	14.5	14.5	14.5	14.5	14.5	14.5
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	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Attorney	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor	4.0	4.0	5.0	4.8	4.3	4.3	4.5	4.5	4.9	4.9
Clerk	4.6	4.6	3.3	3.3	3.0	3.0	3.0	3.0	3.0	3.0
Finance	6.0	5.1	4.6	4.6	4.5	4.5	4.5	4.5	4.5	5.0
Information technology	5.0	7.0	5.7	5.5	4.6	4.8	4.0	4.0	4.0	4.0
Human resources	3.5	3.5	3.5	2.8	2.5	2.5	2.5	2.5	2.5	2.5
Building maintenance	3.0	2.5	2.0	2.0	2.0	1.5	1.0	1.0	2.0	2.0
Planning/ Community Dev.	4.8	4.8	3.8	3.8	3.8	3.8	4.0	4.3	5.0	5.0
Economic development	3.0	3.0	3.0	2.0	2.0	1.0	1.5	1.5	1.0	1.0
Building inspection	6.0	5.6	5.3	4.0	3.9	3.9	3.9	3.9	5.0	5.0
Public works										
Public works	10.1	9.1	10.0	10.0	10.0	14.5	14.5	14.5	14.5	14.5
Refuse & recycling	0.5	0.5	0.5	0.5	0.5	-	-	-	-	-
Fleet in-service fund***	3.6	3.6	3.6	4.0	4.0	-	-	-	-	-
Parks and forestry	9.0	7.0	7.5	7.0	6.5	6.5	6.5	6.5	-	-
Stormwater utility	6.3	6.3	6.3	4.3	4.3	4.0	4.0	4.0	3.0	3.0
**Parks, rec, and forestry	-	-	-	-	-	-	-	-	11.0	10.9
Engineering	7.3	7.3	6.3	6.3	6.3	6.3	6.5	6.5	6.5	6.5
WWTP	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Sun prairie utilities	31.9	32.3	30.3	30.3	30.8	31.9	30.9	30.4	30.8	31.5
Recreation programs	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-	-
Historical museum	1.0	1.0	-	-	-	-	-	-	-	-
Library	24.1	23.5	23.0	22.6	23.0	23.8	22.7	22.4	22.4	22.2
Media center	3.9	3.9	5.2	4.7	4.7	4.7	4.7	3.8	3.8	4.6
Total	256.1	252.4	242.1	236.2	234.4	235.1	232.0	229.2	236.4	238.1

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

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

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police										
Arrests	792	1,121	645	641	509	548	686	773	781	627
Citations ²	3,282	2,707	2,914	2,680	2,385	2,452	2,635	2,217	2,303	2,588
Warnings	2,671	2,788	3,042	3,420	2,863	3,596	3,465	3,816	4,118	4,581
Fire Department										
Total Calls	1,970	1,917	1,373	1,120	1,020	1,003	815	809	635	725
Fire Calls	1,018	945	652	59	64	103	54	81	64	43
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Apparatus	11	12	12	11	11	11	11	11	11	11
EMS										
Calls	3,165	2,839	2,828	2,467	2,391	2,205	2,096	2,070	1,998	2,009
En route Time (minutes)	6.38	1.87	1.45	1.25	1.22	1.25	1.35	2.21	2.13	2.19
To Scene (minutes)	6.5	6.27	6.12	4.21	4.20	4.41	4.35	4.32	5.57	5.24
Public Works										
Refuse/ Recycling ¹										
Units Collected	10,326	10,163	9,917	9,743/9,820	9,627	9,519	9,451	9,356	9,249	9,223
Recycle Cost per Unit	\$ 2.55	\$ 2.40	\$ 2.25	\$3.32/\$2.10	\$ 3.32	\$ 3.25	\$ 3.17	\$ 3.10	\$ 3.00	\$ 2.92
Recycling Tonnage	2,815	2,726	2,578	2,737	2,763	2,758	2,834	2,382	2,646	2,759
Refuse Tonnage	7,677	7,327	7,494	7,255	7,250	6,736	6,628	5,818	6,444	6,483
Refuse Cost per Unit	\$ 7.25	\$ 7.10	\$ 6.95	\$8.13/\$6.80	\$ 8.13	\$ 7.94	\$ 7.73	\$ 7.58	\$ 7.43	\$ 6.63
Recreation										
Shelter/ Gazebo Reservations	302	372	168	363	401	301	309	321	345	N/A
Athletic Field Reservations	426	429	500	572	593	621	894	866	451	N/A
Program Enrollments ³	3,111	4,661	4,898	7,906	7,400	8,196	9,296	8,825	8,978	N/A
Open Swim Attendance	18,840	22,426	26,353	31,316	30,051	23,281	29,484	39,480	38,971	37,991
Library										
Circulation	684,407	635,368	648,172	643,423	634,628	644,178	684,622	670,133	634,924	625,052
Visits	225,660	232,931	231,554	236,526	219,893	221,615	276,068	306,592	289,380	295,620
Registered Borrowers	23,616	23,156	23,830	23,455	22,921	22,649	22,282	25,945	23,578	19,500
Internet/ Computer Use	19,671	304,737	286,763	261,504	218,385	185,909	180,436	84,866	121,418	88,937
Volumes	141,755	138,464	134,186	133,955	130,286	112,962	110,310	107,562	102,921	98,308
WWTP										
Wastewater Treatment (thousand)	1,532,270	1,431,837	1,485,512	1,394,968	1,093,819	1,228,833	1,352,134	946,102	1,287,546	1,374,796
Sun Prairie Utilities										
Water Main Breaks	5	16.0	19.0	12.0	12	15	12	7	14	23
Water Mains Added (miles)	9.78	3.8	4.1	0.7	2.9	2.2	0.3	1.0	1.3	0.0
Water Mains Replaced (miles)	2.29	2.4	1.5	0.9	1.3	1.7	0.8	0.7	0.3	1.2
Pumpage (Gallons) (thousands)	915,696	976,463	987,169	970,006	923,654	894,825	865,997	921,000	848,303	848,632
Electric Customers	16,400	15,951	15,351	14,955	14,660	14,733	13,960	13,779	13,652	13,528
Electric Meters	16,399	16,103	16,555	15,505	15,014	15,304	15,127	14,793	14,573	14,461
Electric Meters Added	296	749	1,050	491	146	177	334	220	112	9
Current Distribution (miles)	299	287	280	286	282	200	198	215	209	209
Miles Added	12	7	-	4	7	4	1	8	-	3
Miles Retired	-	-	6	-	1	-	1	2	-	3
Energy Used (kWh)	294,093,056	299,902,450	283,216,940	282,102,714	269,676,644	264,912,000	261,123,000	255,757,000	248,594,000	248,504,000
Peak Demand (kW)	66,783	65,160	60,742	62,481	57,530	58,125	6,082	62,770	60,603	56,617

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