



CITY OF SUN PRAIRIE
Wisconsin

2023 Popular Annual
Financial Report

For the Year Ended
December 31, 2023

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POPULAR ANNUAL FINANCIAL REPORT

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Instructions for Navigating the PAFR PDF document:

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Click the **Page Number** located in the upper right corner of any page to return to the Table of Contents at any time

TO OUR SUN PRAIRIE RESIDENTS

Thank you for your interest in the City's finances.

The report you are reading is the Popular Annual Financial Report (PAFR) for the 2023 fiscal year. The PAFR summarizes the City's financial information and operations in a concise and easily understood format, providing interested residents with information on the current state of the City.

Each year, the City provides a significant amount of financial detail in its [Annual Comprehensive Financial Report \(ACFR\)](#). For those without an accounting background, the Annual Comprehensive Financial Report can be daunting. In a continuing effort to provide greater transparency for residents and others, the City strives to provide pertinent information in a clear, understandable, and meaningful way.



Financial information in this report is derived from the independently audited financial statements that are part of the City of Sun Prairie's 2023 Annual Comprehensive Financial Report. This report is not intended to be comprehensive, but rather to provide an easier to understand picture of the City's financial condition.

Sun Prairie is a full-service community and provides a foundation for healthy, happy lives for its residents by offering a broad array of social, cultural, community, and recreational opportunities. Sun Prairie offers 43 parks, an aquatic center, a strong school system, and more.

Growth continues to be a constant in Sun Prairie. It was a revaluation year for all properties in the City of Sun Prairie with the last update being in 2020. Changes in assessments were made to reflect market value on all properties as of January 1. Property values rose on average 38% from 2020 to 2023. Sun Prairie's assessed value for 2023 is \$5,480,121,200. Sun Prairie's continued growth resulted in some significant changes and firsts for city services: Expansion of EMS services to the Village of Marshall and the towns of Sun Prairie, Medina, and York, the implementation of local bus service in partnership with Metro Transit, implementation of weekly recycling, and municipal composting at the city's Wastewater Treatment Plant. 2023 also saw the start of consolidation efforts for Sun Prairie EMS and Sun Prairie Fire & Rescue,

Sun Prairie became home to 1,083 new residents in 2023. Several development projects broke ground to bring much needed housing to the community. Some of these projects include a 172-unit multi-family housing development at W Main & Wildwood, a 75-unit housing development on the city's east side at 1050 E. Main Street, and a 105-unit multi-family development at 1250 Cabela Drive. Additionally, Habitat for Humanity began their buildout of 10 Habitat for Humanity homes thanks to Community Development Block Grant funding. We continued to celebrate our Sun Prairie traditions: Groundhog Day Prognostication, Corn Fest, Multicultural Fair, The Fire & Lights Parade, while also welcoming some new ones: Juneteenth and Pride Fest.

Sun Prairie remains an attractive place to live, work, play, or start a business. The enhancements made in 2023 demonstrate that the City is committed and ready to meet the increased service needs of the community as we continue to grow.

Sun Prairie is committed to being an inclusive community, with a focus on resiliency, sustainability, and good governance. As we strive to ensure our community is a welcoming place, we continue to commit ourselves to advancing equity, honoring our diverse identity, and creating an inclusive culture. These serve as guiding principles every day in all that we do.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aaron Oppenheimer'. The signature is fluid and cursive, with a long horizontal stroke at the end.

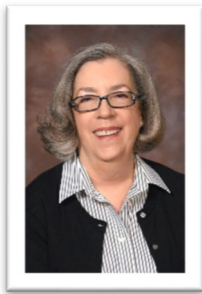
Aaron Oppenheimer
City Administrator

MAYOR AND CITY COUNCIL



Paul T. Esser

Mayor



Theresa McIlroy

Aldermanic District 1



Bob Jokisch

Aldermanic District 2



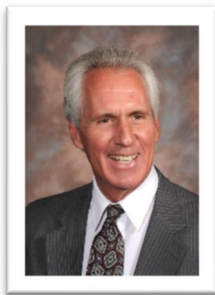
Maureen Crombie

Aldermanic District 3



Faustina Bohling

Aldermanic District 4



Steve Stocker

Aldermanic District 1



Brent Eisberner

Aldermanic District 2



Michael Jacobs

Aldermanic District 3



David Virgell

Aldermanic District 4

AWARDS AND RECOGNITION

Popular Annual Financial Report

The City of Sun Prairie strives to provide useful financial information to our citizens. The Popular Annual Financial Report (PAFR) is designed to provide financial transparency to citizens without the technical details or terms of the Annual Comprehensive Financial Report. The primary purpose of the PAFR is to communicate with our citizens where City dollars come from and how they are spent, in a clear and concise format.

The financial information found in this report is related to the City's major funds and is extracted directly from the City's Annual Comprehensive Financial Report. Containing detailed information regarding the City's financial performance, the Annual Comprehensive Financial Report is a report prepared in accordance with generally accepted accounting principles (GAAP). A copy of the City's annual report is available on the City's website at www.cityofsunprairie.com on the Finance Department's page, under Financial Statements.

Finance and Budget Awards

Sun Prairie's PAFR has won the Government Finance Officers Association of the United States and Canada (GFOA) award for seven consecutive years. The award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of State and Local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial reporting requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Sun Prairie
Wisconsin**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF SUN PRAIRIE, WISCONSIN

SUN PRAIRIE, WI

POPULATION
38,387

MEDIAN AGE
38

MEDIAN HOUSEHOLD INCOME
\$90,384

UNEMPLOYMENT RATE
2.3%

NUMBER OF BUSINESSES
964

MEDIAN HOME VALUE
\$356,600

Growing Community

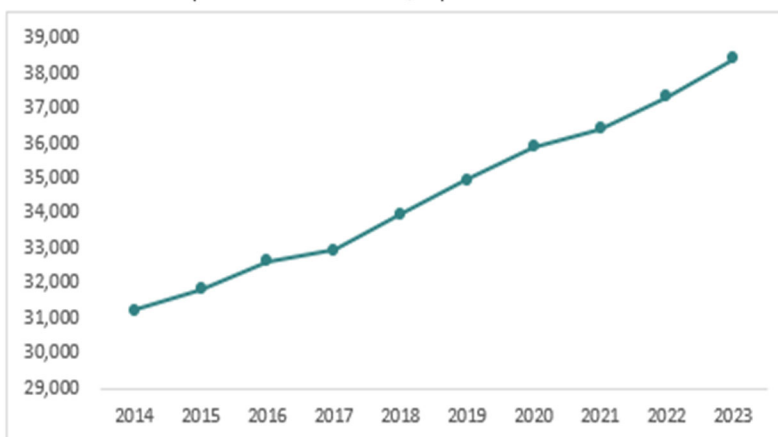
Sun Prairie is a vibrant and thriving community; known in the region for its high quality of life, excellent parks and recreation programs, historic downtown, its exceptional public school system, and progressive approach to the development and redevelopment of the community.

As the City continues to grow, the need and demand for City services will also increase. Documents such as this report are important tools to communicate the City's finances with the public. This document demonstrates the City is responsibly managing public funds to provide service to the community.

Since 2000, Sun Prairie's population has increased 88.5 percent, which translates to a 6.5 percent Compound Annual Growth Rate (CAGR). As a percentage of the State of Wisconsin population, Sun Prairie is one of the fastest growing municipalities in the State. This is also reflected in the fact that the Sun Prairie Area School District is the fastest growing school district in Wisconsin.

City of Sun Prairie, Population

Source: Wisconsin Department of Administration, Population Estimates



Sun Prairie's Population has increased 88.5% since the 2000 census. Whereas Dane County, less Sun Prairie, has grown by 35.8%.



Economy

Sun Prairie also benefits from a strong and diverse local economy.

The City's 2023 unemployment rate¹ of 2.3 percent was equal to Dane County and lower than the State of Wisconsin as a whole (3.0 percent). This shows continued recovery from the job losses caused in part by the COVID-19 pandemic and economic downturn of 2020.

Employers within the City represent a variety of different industries with positions of varying skills and education levels. Some of the industries include advanced manufacturing, finance and insurance, agricultural technology, retail, customized product design, printing, publishing and graphics, warehousing and distribution, and others.

Sun Prairie's Top Ten Employers² account for nearly twenty-five percent of total City employment.

Top Ten Employers

Source: City Economic Development Division

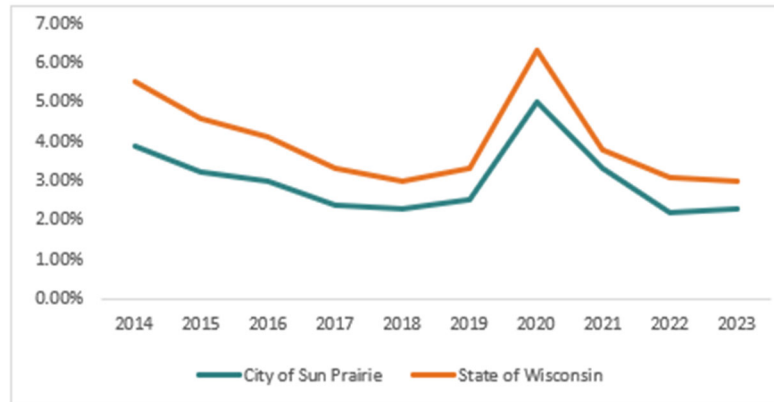
Rank	Employer	Employees	Rank	Employer	Employees
1	Sun Prairie School District	1,501	6	Wisconsin Distributors	377
2	City of Sun Prairie	758	7	Axim Geospatial	350
3	Colony Brands	505	8	Target	274
4	Costco	419	9	Trachte Building Systems, Inc.	270
5-T	QBE Insurance	400	10	Royle Printing	244
5-T	Prairie Athletic Club	400			

Over the last ten years, the City has seen significant increases in its equalized value³. Equalized value increased by 15.0 percent in 2023, growing to over \$5 billion. The City has regained losses sustained during the great recession. Over the long-term, the City is likely to continue to experience significant residential and commercial growth due to its proximity to the city of Madison.

In 2023, the City experienced net new construction⁴ growth of \$147.3 million as reported by the Wisconsin Department of Revenue.

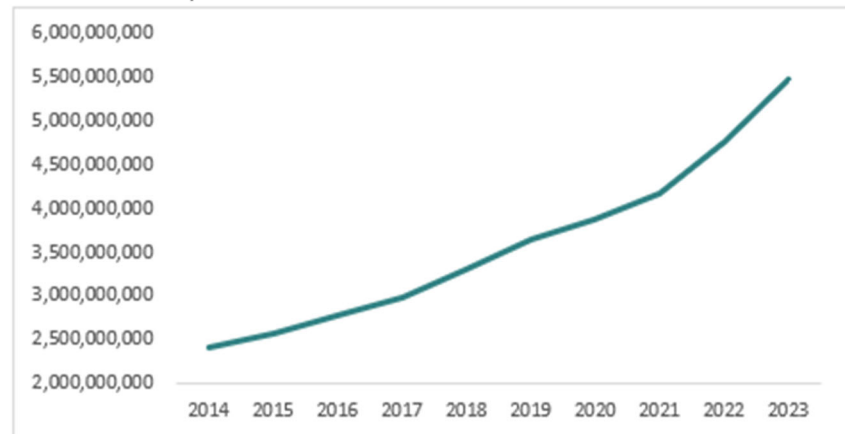
Unemployment Rate

Source: Wisconsin Department of Workforce Development



City of Sun Prairie's Equalized Value

Source: Wisconsin Department of Revenue



Government and Organization

The City operates under a Mayor - Council form of government. The Mayor is elected for two years and eight council members representing four districts are elected for staggered two-year terms. The City Council appoints the City Administrator to carry out council policies and administer City operations. The City Council appoints city department heads as specified in city ordinances.

1 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 15: Demographics and Economic Statistics (Pg. 131)

2 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 16: Principal Employers (Pg. 132)

3 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 12: Computation of Legal Debt Margin (Pg. 128)

4 - State of Wisconsin, Department of Revenue - Report: Net New Construction 2023

COMMUNITY PROFILE

Dane County, Wisconsin

Located in Dane County, Sun Prairie is part of the Madison, Wisconsin Metropolitan Statistical Area (MSA), the political center of the state and the second largest economic and populous MSA in Wisconsin.

Dane County was formed in 1836 as a territorial county and organized in 1839. It was named after Nathan Dane, a Massachusetts delegate to the Congress of the Confederation who helped carve Wisconsin out of the Northwest Territory. Dane County was settled in the 1840's by settlers from New England.

Government

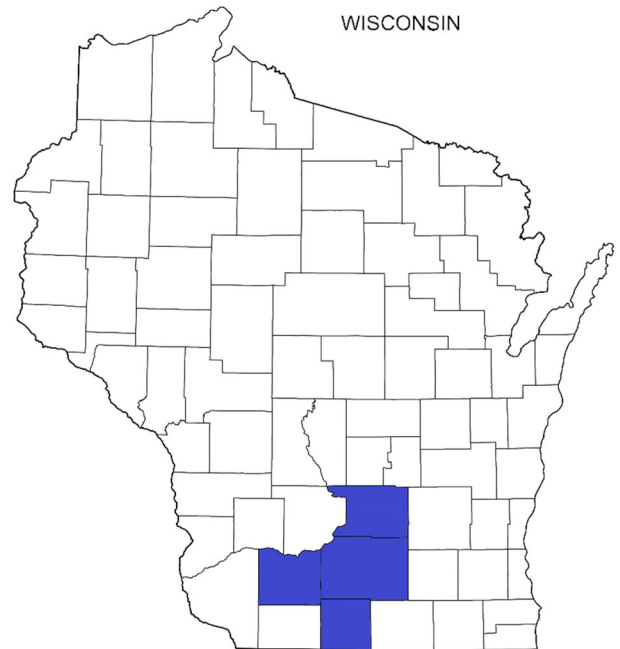
Dane County is governed by a County Executive and a County Board of Supervisors. The County Executive is elected in a countywide vote. The Board of Supervisors consists of 37 members, each elected from single-member districts. As the policy-making body of the county government, the Board of Supervisors enacts county ordinances, levies taxes, and appropriates money for services.

Politics

Dane County has supported the Democratic nominee for United States President all but five times since 1912 (Harding-1920, LaFollette-1924, Hoover-1928, Eisenhower-1952 and 1956), and in every election since 1960. Dane County was one of the few counties in the United States to elect a member of the Green Party into county-level office.

Madison Metropolitan Statistical Area

Source: Wisconsin Department of Workforce Development



Did You Know...



SUN PRAIRIE POLICE
1,136 Arrests³



SUN PRAIRIE FIRE DEPARTMENT
2,679 Total Calls³



SUN PRAIRIE EMS
4,424 Emergency Calls
5.34 Minutes to Scene³

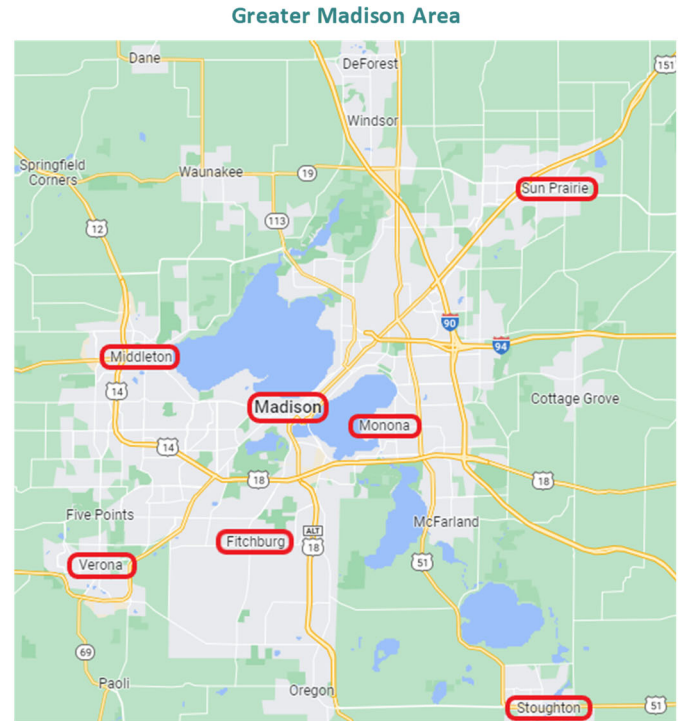
COMMUNITY COMPARISONS

Popularly referred to as the Greater Madison Area (GMA), this area includes several adjacent communities with distinct municipal jurisdictions. The following section provides a perspective on the relative populations of the largest cities in the GMA.

This information was obtained from city Budget Offices, as well as printed and online budget documents.

2023 City Population

Madison	286,785
Sun Prairie	37,304
Fitchburg	34,019
Middleton	23,476
Verona	15,553
Stoughton	13,172
Monona	8,789



Square Miles

Madison	94.03
Fitchburg	35.21
Sun Prairie	13.1
Middleton	9.07
Verona	7.55
Stoughton	6.35
Monona	3.35

Property Tax Rate

per \$1,000 assessed value

Sun Prairie	\$ 22.115
Madison	\$ 19.815
Fitchburg	\$ 19.050
Monona	\$ 18.881
Verona	\$ 18.158
Middleton	\$ 17.840
Stoughton	\$ 17.173

City Rate

Sun Prairie	\$ 7.5101
Madison	\$ 7.6962
Stoughton	\$ 7.2282
Fitchburg	\$ 6.7158
Monona	\$ 6.3622
Middleton	\$ 5.3690
Verona	\$ 4.4787

Did You Know...



SUN PRAIRIE PUBLIC LIBRARY

663,668 Units in Circulation

189,475 Visits

23,553 Registered Borrowers

144,255 Volumes⁶

FINANCIAL STABILITY: KEEPING SUN PRAIRIE'S HOUSE IN ORDER

How do we know Sun Prairie's finances are in good shape? The city is financially healthy because it delivers the services its residents expect with the resources its residents provide. What are the most meaningful financial performance measurements for municipal government? Below are some of the tools the City of Sun Prairie uses to gauge our financial results.

Fund Balance: There is no single number in governmental accounting and financial reporting that attracts more attention than the fund balance. Maintenance of an adequate fund balance is important because it provides a financial "safety net" in the event of emergencies, economic downturns, or other unforeseen circumstances. If there is one thing history can teach us, it is to expect the unexpected. Cities prepare for the unexpected by having savings in the form of fund balance. Fund balance maintenance is also a major factor considered by bond rating agencies when evaluating the city's creditworthiness.

Financial Planning: Sun Prairie has a track record of converting strategic decisions into constructive action and managing its long-term needs in a methodical manner. The city uses historical budget analysis, revenue projections, long range growth models, a five-year Financial Management Plan, and the ten-year Capital Improvement Plan to determine future needs, timing, and acquisition of assets. Understanding long-term needs and obligations is paramount to planning for their impact. Whether accounting for retirement funding, healthcare, or building maintenance, it is important to plan today for tomorrow's needs.

Credit Ratings: Similar to a personal credit score, a municipal credit rating provides information about our ability to pay back debt. External credit ratings are very important and have a direct influence on the city's ability to borrow at a lower interest rate and successfully borrow money to complete the acquisition and construction of capital assets.

Budget: Wisconsin State Statutes require that the city adopt a balanced budget each year. The budget provides the guidance to the city to make sure spending is in line with revenue. Historically, the city's performance versus budget has been sound and often better than projected. As Benjamin Franklin once said, "The way to wealth is as plain as the way to market. It depends chiefly on two words, industry and frugality: that is, waste neither time nor money, but make the best use of both. Without industry and frugality nothing will do, and with them everything."

Debt: Most people don't pay cash for major investments like a home, but instead responsibly use debt to spread the cost of larger purchases over time. Like a household with finances in good shape, the city's debt is moderate. The city's outstanding General Obligation debt is well under the State of Wisconsin's statutory limits.

Fund Definitions

General Fund: The primary fund for general government. This fund includes administration, finance, clerk, public safety, public works, human resources, information technology, assessing, parks and recreation, planning, and economic development.

Debt Service Fund: The fund used to account for long-term debt payments. Debt is used to finance capital projects that cannot be funded with cash reserves.

Capital Projects Fund: The fund used to account for capital acquisitions and projects. This includes land, equipment, and infrastructure with costs greater than \$25,000 and a useful life of 10 years or more.

Enterprise Funds: Service fee revenues and all expenses paid for with the fees are accounted for in an enterprise fund. These funds operate similar to a private business. The city's enterprise funds include the wastewater utility, the stormwater utility, and Sun Prairie Utilities.

FUND ANALYSIS OF THE CITY AS A WHOLE

The City's Governmental Activities and Enterprise Fund net position⁷ increased by \$13.2 million or 3.6 percent during the current fiscal year due to an increase in investments in capital assets such as land, buildings, building improvements, machinery and equipment, and infrastructure. City investments were funded with general obligation notes.

The net investment in capital assets accounts for 79.2 percent of the city's total net position. This represents both the city's investment in capital assets less any related debt used to acquire those assets. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Definition

Net Position represents the difference between assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. When examined over time, an increase in net position measures the City's financial position is improving. Generally speaking, a positive net position is a good thing.

Did You Know...



PARKS AND RECREATION

355 Shelter/Gazebo
Reservations

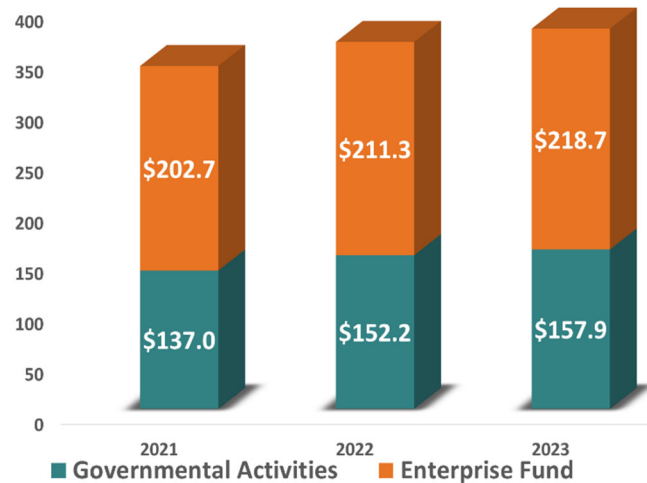
1,399 Athletic Field Reservations

4,036 Program Enrollments

21,998 Open Swim Attendance⁸

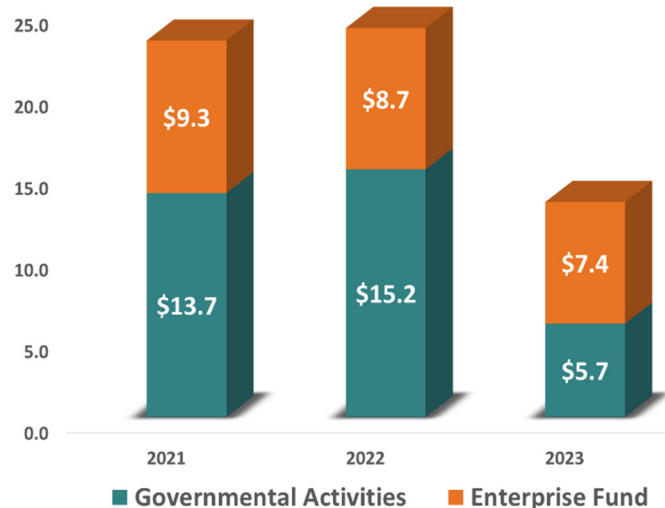
NET POSITION

(IN MILLIONS)



CHANGE IN NET POSITION

(IN MILLIONS)



7 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 1: Net Position by Component (Pg. 115)

8 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 18: Operating Indicators by Function/Program (Pg., 134)

GOVERNMENTAL ACTIVITIES

General Fund

The General Fund is the city's primary operating fund, and accounts for the revenue and expenditures associated with operating traditional local governmental services such as police, fire, and parks and recreation.

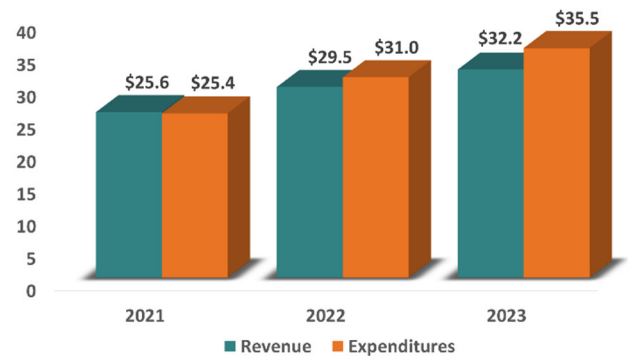
Definitions

Intergovernmental revenue is funds received from another government, either in the form of a grant or as reimbursement.

Charges for Services include items such as ambulance fees, recreational fees, program fees, dog park fees, special events, and other City services.

GENERAL FUND ACTIVITIES

(IN MILLIONS)



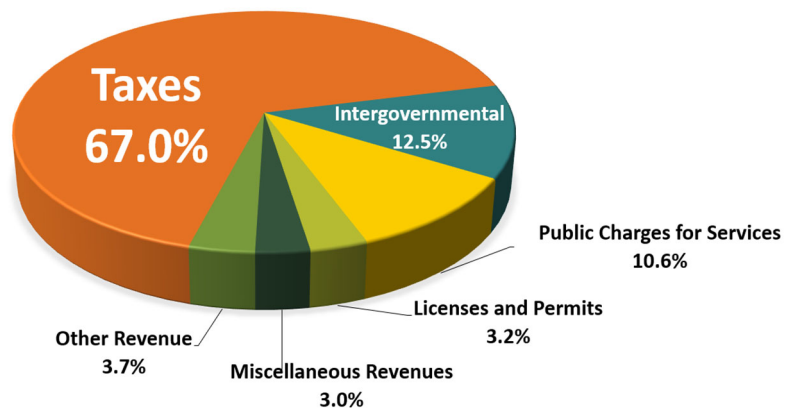
Revenues

In 2023, the city's General Fund received \$32.2 million in revenues⁹, representing 59.1 percent of total Governmental Funds revenues. This was an increase of \$2.7 million from the prior year.

The city is highly dependent upon property taxes for funding and it remains the largest source of revenues representing 67.0 percent of total revenue. Intergovernmental revenues and other operating and capital grants comprise 12.5 percent, while public service charges account for 10.6 percent of total general fund activity resources.

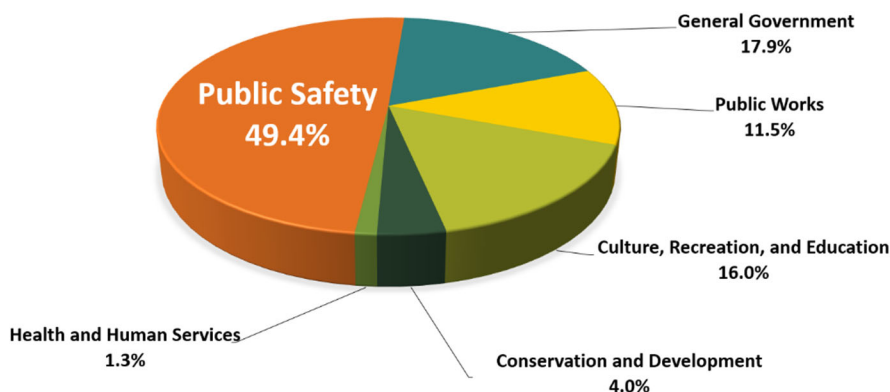
GENERAL FUND REVENUES

(YEAR ENDING DECEMBER 31, 2023)



GENERAL FUND EXPENDITURES

(YEAR ENDING DECEMBER 31, 2023)



Expenditures

Total General Fund expenditures⁹ were \$35.5 million in 2023. Public safety (including police, emergency medical services, building inspection, and fire services) accounts for the largest share of city expenses at 49.4 percent. This is followed by general government with 17.9 percent; culture, recreation, and education with 16.0 percent; public works with 11.5 percent; and conservation and development with 4.0 percent.

PROPERTY TAXES

The 2022/23 mill rate was \$22.1152 per \$1,000 of assessed value¹⁰. This rate is a combination of multiple taxing jurisdictions including Dane County (\$3.2295), Sun Prairie Area School District - SPASD (\$10.5176), Madison College (\$0.8579), and the City of Sun Prairie (\$7.5101).

The average home¹¹ was assessed at \$304,100 and paid \$6,725 in taxes, of this the city's portion was \$2,284 or \$0.34 per property tax dollar.

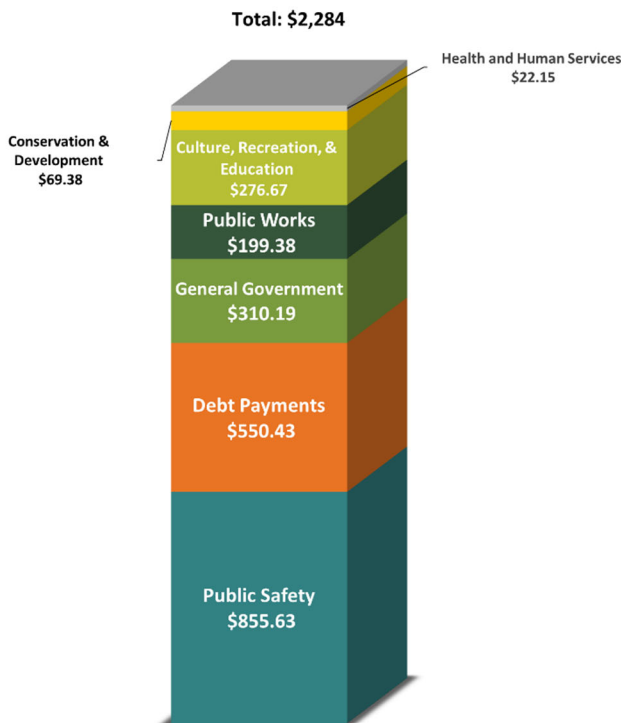
Definition

Mill rate is the amount of tax payable per dollar of the assessed value of the property. The mill rate is based on "mills". It is a figure that represents the amount of \$1,000 of the assessed value of the property, which is used to calculate property tax.

How the City's Portion is Spent

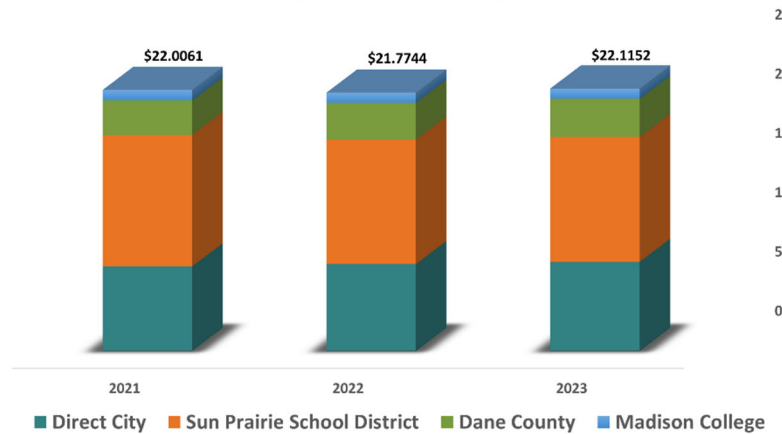
The city's \$2,284 portion on the average household property tax payment covers the Public Services and Debt Payment as indicated by the graph below.

HOW THE CITY SPENDS TAX DOLLARS



Three-Year Property Tax Rate Comparison

(per \$1,000 assessed value)



Did You Know...



DOGS OF SUN PRAIRIE 1,259 Dog Licenses¹²

Top 5 Breeds:
 Labrador (170)
 Golden Retriever (64)
 Goldendoodle (44)
 Terrier (42)
 Beagle (31)

Top 5 Names:
 Cooper (18)
 Bella (15)
 Ruby (15)
 Zoey (14)
 Bailey (11)

10 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 6: Direct and Overlapping Property Tax Rates (Pg. 122)

11 - City of Sun Prairie Assessing Department

12 - OpenGov: Dog Licenses

BUSINESS TYPE ACTIVITIES

Enterprise Fund

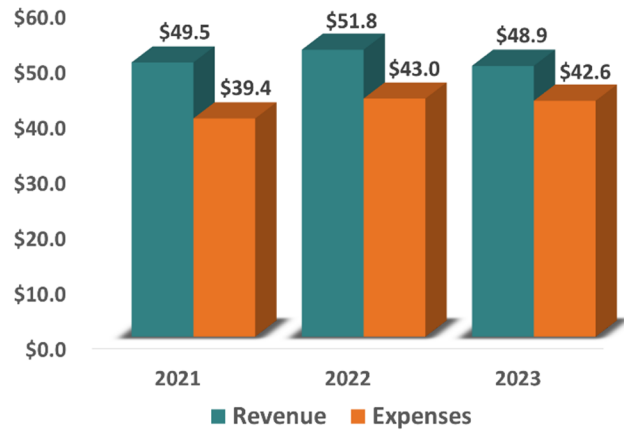
Business-type activities include the city's electric, water, wastewater, and stormwater utilities. The \$7.4 million increase in net position¹³ for the enterprise funds is due to development within the city and investments in capital assets during 2023.

Revenues

In 2023, revenue for business-type activities¹⁴ totaled \$52.0 million, including \$3.0 million of non-operational investment income. Charges for services were the largest revenue source for these operations, representing 87.3 percent of business-type activity revenues, while capital grants and contributions accounted for 6.7 percent of revenues.

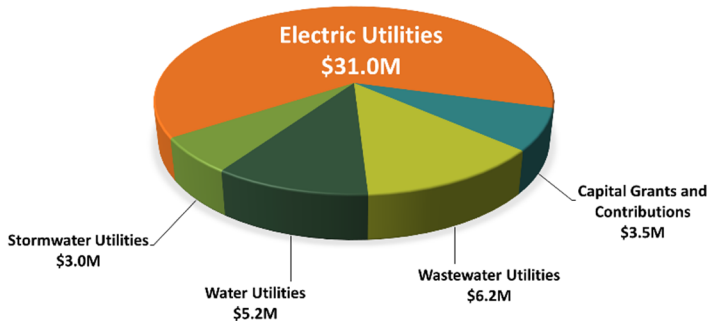
BUSINESS-TYPE ACTIVITIES

EXCLUDES NON-OPERATING REVENUE AND EXPENSE
(IN MILLIONS)



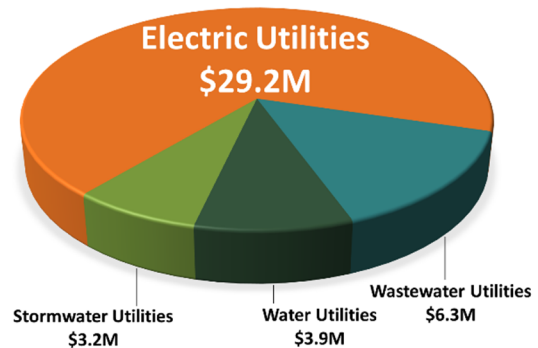
BUSINESS-TYPE REVENUES

(YEAR ENDING DECEMBER 31, 2023)



BUSINESS-TYPE EXPENDITURES

(YEAR ENDING DECEMBER 31, 2023)



Did You Know...



REFUSE & RECYCLING
10,877 Units Collected
2,876 Recycling Tonnage
8,339 Refuse Tonnage¹⁵



SUN PRAIRIE UTILITIES
299 Million Kilowatts of Energy Used¹⁵



SUN PRAIRIE WATER
1.235 Billion Gallons of Wastewater Treated
1.111 Billion Gallons of Water Pumped¹⁵

13 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 1: Net Position by Component (Pg. 115)

14 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Statement of Activities (Pg. 3)

15 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 18: Operating Indicators by Function/Program (Pg. 134)

TREASURY ADMINISTRATION

Debt Management

Sun Prairie's debt policy, approved in October 2019, provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale, and structural features that may be incorporated. One benefit of issuing debt to pay for large projects is to allocate the payment of the project to those that benefit from the project. The debt payments will be made by current and future residents, through property taxes and user fees.

Outstanding Debt by Function	
Year Ended December 31, 2023 (Amounts in Millions)	
General Government GO Bonds/Notes	\$ 60.3
Utilities GO Bonds/Notes	\$ 28.5
Wastewater Revenue Bonds	\$ 16.2
Sun Prairie Utility Revenue Bonds	\$ 9.3
Other Long-Term Debt	\$ 0.4
Total Outstanding Debt	\$ 114.7

Outstanding Debt

At year end, the city had \$114.7 million in outstanding debt¹⁶ compared to \$117.6 million in the prior fiscal year, a decrease of \$2.9 million. The city's outstanding debt by function is displayed in the table above.

Credit Ratings

The city maintains an "Aa2" rating, defined as high quality and very low credit risk, from Moody's Investors Service for general obligation debt. In short, Sun Prairie has sound financial operations and healthy reserve levels to manage current debt payments. This quality of credit rating allows the city to successfully borrow money at a lower interest rate to complete the acquisition and construction of capital assets.

Financial Stability

Wisconsin State Statutes limit general obligation outstanding debt to five percent of a local government's equalized valuation for property tax purposes. As displayed to the right, the city's general obligation debt¹⁷ that applies to the debt limit is \$88.2 million, which is 1.61 percent of equalized valuation and significantly less than the current calculated statutory debt limit of \$274.1 million.

Net General Obligation Debt Ratio			
At Dec 31	GO Debt	Equalized Valuation	Debt Ratio
2023	\$ 88,201,411	\$ 5,481,682,200	1.61%
2022	\$ 87,684,681	\$ 4,767,506,600	1.84%
2021	\$ 88,953,273	\$ 4,176,130,900	2.13%
2020	\$ 87,118,936	\$ 3,864,128,900	2.25%
2019	\$ 92,621,075	\$ 3,634,094,300	2.55%
2018	\$ 74,540,744	\$ 3,310,111,700	2.25%
2017	\$ 60,003,576	\$ 2,984,707,700	2.01%
2016	\$ 54,573,396	\$ 2,772,245,800	1.97%
2015	\$ 44,147,390	\$ 2,566,183,900	1.72%

Definitions

General Obligation Bonds and Notes (GOs): The city may borrow money from lenders, pledging the full faith and credit of the city to pay the loan through tax revenue. The method requires approval by the City Council.

Bonds and Notes: A debt obligation, or a written promise to pay back an amount plus interest by way of periodic payments within a specified period of time. The issuance of all city bonds is made in accordance with the provisions of Wisconsin General Statutes and with the approval of the Local Government Commission (LGC). Bonds mature in 20 years, whereas notes mature in 10 years.

Long-Term Financial Planning

The city actively monitors and manages its debt capacity. Evaluating the impact of new bond programs on future tax rates is an important element of debt management. A capital funding plan is presented to the City Council and is an essential management tool that helps provide a comprehensive assessment of the city's ability to issue debt for its capital needs.

Sun Prairie continues with its forward-looking capital budget, presenting a long-term Capital Improvement Plan (CIP) to Council. This program is developed for a ten-year period and is updated and revised annually. To be included in the CIP, a project requires a total expenditure of at least \$25,000 and to last 10 years or more.

The CIP provides information to clearly identify any deficit faced at the beginning of the budget development process. This is a crucial component of planning for the future. The plan projects the financial impact of achieving the objectives of the city and helps to identify resources needed to fund those objectives.

The capital improvement budget for 2023 included \$22.5 million to complete repairs of existing assets and fund new projects, including solar arrays and biofuel operations at the Water Pollution Control Facility, street reconstruction, park improvements, building improvements, and stormwater improvements. Funding for general government projects is provided through general obligation notes (GOs), grants, and impact fees.

16 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 9: Ratios of Outstanding Debt (Pg. 125)

17 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Schedule 10: Ratios of Outstanding Debt to Equalized Value (Pg. 126)

Fund Balance

The city's Fund Balance Policy is to maintain an unassigned fund balance in the General Fund of 16.0 to 20.0 percent of the prior year general fund revenue budget. For the fiscal year ended December 31, 2023, the city's unassigned fund balance¹⁸ was \$5.8 million, 19.9 percent of the prior year's revenue budget.

Having adequate fund balances provides flexibility to a municipality to address shortfalls and unexpected costs. Fund balance is broken down into five categories:

- **Non-spendable:** Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be intact.
- **Restricted:** Amounts that are restricted by constraints imposed on the use of resources either (a) externally imposed by creditors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** Amounts that can only be used for specific purposes pursuant to constraints imposed by the Common Council.
- **Assigned:** Amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed.
- **Unassigned:** Amounts that are in a spendable form and are not restricted, committed, or assigned to a specific purpose.

General Fund Balances	
Year Ended December 31, 2023 (Amounts in Millions)	
Non Spendable	\$ 1,843,923
Restricted	\$ 1,015,142
Assigned	\$ 3,890,737
Unassigned	\$ 5,821,158
Total General Fund	\$ 12,570,960

CAPITAL ASSETS

At the end of 2023, the City of Sun Prairie has investments in capital assets¹⁹ of \$298.6 million for all governmental and business-type activities. This represents an increase of 2.4 percent from the end of 2022.

Major capital asset improvements within the city's governmental activities included \$4.9 million for street additions and reconstruction. This includes new streets dedicated to the city from developers and the reconstruction of existing streets. Another \$2.3 million was added for the addition and reconstruction of bike paths and sidewalks. The city purchased \$2.2 million in machinery and equipment assets for fleet purposes, park playground equipment, and pedestrian safety equipment.

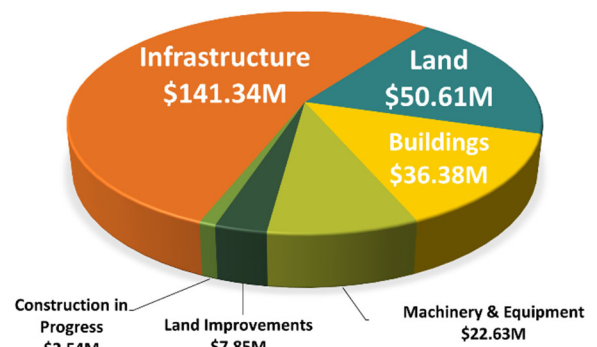
In the city's business-type activities, major capital additions (prior to depreciation) include \$2.2 million for the electric distribution plant, \$2.4 million for water infrastructure²⁰, \$2.5 million for wastewater infrastructure, and \$1.8 million for the stormwater infrastructure. These additions include dedications in new developments across the city.

Definition

Capital assets are assets that have an expected life of more than one year and are not bought and sold in a usual course of business. For the city, this includes land, equipment, and infrastructure with costs greater than \$5,000.

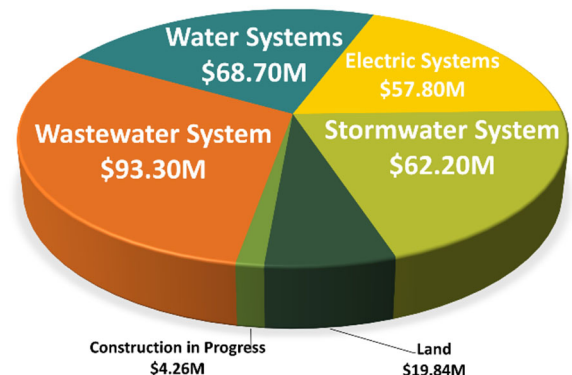
GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS

(YEAR ENDING DECEMBER 31, 2023)



BUSINESS-TYPE ACTIVITIES: CAPITAL ASSETS

(YEAR ENDING DECEMBER 31, 2023)



18 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Balance Sheet - Governmental Funds (Pg. 6)

19 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Statement of Net Position (Pg. 2)

20 - City of Sun Prairie 2023 Annual Comprehensive Financial Report - Notes to Financial Statements - Capital Assets (Pg. 38-39)



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