

**City of Sun Prairie
Tax Incremental Districts
No. 8, No. 9, No. 11, No. 12,
No. 13 and No. 14**

Financial Statements

December 31, 2021

City of Sun Prairie
Tax Incremental Districts No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14

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City of Sun Prairie
Tax Incremental Districts No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14

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Accountants' Compilation Report

To the Common Council of
City of Sun Prairie

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses and Status of Funds of the City of Sun Prairie's Tax Incremental District No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14 as of and for the year ended December 31, 2021 and from the dates of creation to December 31, 2021, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the Districts and do not purport to and do not, present fairly, the financial position of the City of Sun Prairie as of December 31, 2021 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical or historical context.

Baker Tilly US, LLP

Madison, Wisconsin
June 29, 2022

City of Sun Prairie Tax Incremental District No. 8

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Taxes receivable	\$ 2,488,030
Accounts receivable	6,639
	<hr/>
Total assets	\$ 2,494,669
	<hr/> <hr/>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	\$ 80,493
Advance from other funds	875,377
	<hr/>
Total liabilities	955,870
	<hr/>
Deferred Inflows of Resources	
Unearned revenue	2,487,847
Unavailable revenue	987
	<hr/>
Total deferred inflows of resources	2,488,834
	<hr/>
Fund Balance	
Unassigned (deficit)	(950,035)
	<hr/>
Total fund balance (deficit)	(950,035)
	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 2,494,669
	<hr/> <hr/>

City of Sun Prairie Tax Incremental District No. 8

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Project costs	\$ 65,276	\$ 21,165,848
Developer incentives	253,352	1,644,916
Professional services	42,678	262,918
Administration	-	42,061
Interest and fiscal charges	151,938	9,301,967
Discount and issuance costs on long-term debt	-	525,679
	<u>513,244</u>	<u>32,943,389</u>
Project Revenues		
Tax increments	2,077,457	23,852,067
Intergovernmental	-	1,226,387
Exempt computer and personal property aid	22,865	132,870
State grants	-	40,000
Investment income	762	321,510
Developer agreement revenues	-	132,272
Miscellaneous	25,580	417,745
Sale of property	-	328,882
Transfer from general fund	-	101,631
Premium on long-term debt	-	92,568
	<u>2,126,664</u>	<u>26,645,932</u>
Net cost recoverable (recovered) through tax increments, December 31, 2021	<u>\$ (1,613,420)</u>	<u>\$ 6,297,457</u>
Reconciliation of Recoverable Costs		
Capital lease and G.O. debt outstanding		\$ 5,347,422
Add fund balance deficit		<u>950,035</u>
Net cost recoverable through tax increments, December 31, 2021		<u>\$ 6,297,457</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 8

Historical Summary of Sources, Uses and Status Funds

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 2,077,457	\$ 23,852,067
Intergovernmental	-	1,226,387
Exempt computer and personal property aid	22,865	132,870
State grants	-	40,000
Investment income	762	321,510
Sale of property	-	328,882
Developer agreement revenues	-	132,272
Miscellaneous	25,580	417,745
Proceeds from long-term debt	-	11,256,725
Premium on long-term debt	-	92,568
Proceeds from capital lease	-	28,566,410
Transfer from general fund	-	101,631
	<hr/>	<hr/>
Total sources of funds	2,126,664	66,469,067
Uses of Funds		
Project costs	65,276	21,165,848
Developer incentives	253,352	1,644,916
Professional services	42,678	262,918
Administration	-	42,061
Principal on long-term debt	1,658,988	34,475,713
Interest and fiscal charges	151,938	9,301,967
Discount and issuance costs on long-term debt	-	525,679
	<hr/>	<hr/>
Total uses of funds	2,172,232	67,419,102
Excess (deficiency) of sources of funds over uses of funds	(45,568)	(950,035)
Fund Balance (Deficit), Beginning	<hr/> (904,467)	<hr/> -
Fund Balance (Deficit), Ending	<hr/> <u>\$ (950,035)</u>	<hr/> <u>\$ (950,035)</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District 9

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 2,356
Taxes receivable	2,007,229
Due from other funds	<u>281,706</u>
Total assets	<u><u>\$ 2,291,291</u></u>
Deferred Inflows of Resources and Fund Balance	
Deferred Inflows of Resources	
Unearned revenue	<u>\$ 2,007,229</u>
Total deferred inflows of resources	<u>2,007,229</u>
Fund Balance	
Restricted	<u>284,062</u>
Total fund balance	<u>284,062</u>
Total deferred inflows of resources and fund balance	<u><u>\$ 2,291,291</u></u>

City of Sun Prairie Tax Incremental District No. 9

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Project costs	\$ -	\$ 9,369,103
Developer incentives	300,000	6,461,985
Professional services	3,731	41,927
Administration	-	87,265
Interest and fiscal charges	233,332	3,204,053
Discount and issuance costs on long-term debt	-	189,164
	<u>537,063</u>	<u>19,353,497</u>
Project Revenues		
Tax increments	2,000,173	7,805,656
Exempt computer and personal property aid	100,791	294,183
Investment income	268	62,402
Miscellaneous	12,500	45,189
Sale of property	-	4,521,054
Premium on long-term debt	10,654	49,075
	<u>2,124,386</u>	<u>12,777,559</u>
Net cost recoverable (recovered) through tax increments, December 31, 2021	<u>\$ (1,587,323)</u>	<u>\$ 6,575,938</u>
Reconciliation of Recoverable Costs		
G.O. debt outstanding		\$ 6,860,000
Less fund balance		<u>(284,062)</u>
Net cost recoverable through tax increments, December 31, 2021		<u>\$ 6,575,938</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 9

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 2,000,173	\$ 7,805,656
Exempt computer and personal property aid	100,791	294,183
Investment income	268	62,402
Miscellaneous	12,500	45,189
Sale of property	-	4,521,054
Proceeds from long-term debt	350,000	23,320,000
Premium on long-term debt	10,654	49,075
	<u>2,474,386</u>	<u>36,097,559</u>
Uses of Funds		
Project costs	-	9,369,103
Developer incentives	300,000	6,461,985
Professional services	3,731	41,927
Administration	-	87,265
Principal on long-term debt	1,485,000	16,460,000
Interest and fiscal charges	233,332	3,204,053
Discount and issuance costs on long-term debt	-	189,164
	<u>2,022,063</u>	<u>35,813,497</u>
Excess (deficiency) of sources of funds over uses of funds	452,323	284,062
Fund Balance (Deficit), Beginning	<u>(168,261)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 284,062</u>	<u>\$ 284,062</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 11

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 561,604
Taxes receivable	<u>1,187,722</u>
Total assets	<u><u>\$ 1,749,326</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Advances from other funds	<u>\$ 15,705</u>
Total liabilities	<u>15,705</u>
Deferred Inflows of Resources	
Unearned revenue	<u>1,187,722</u>
Total deferred inflows of resources	<u>1,187,722</u>
Fund Balance	
Restricted	<u>545,899</u>
Total fund balance	<u>545,899</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 1,749,326</u></u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 11

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Project costs	\$ -	\$ 557,577
Professional services	32,416	150,521
Administration	-	77,423
Developer incentives	637,595	1,176,978
Interest and fiscal charges	14,738	49,187
	<u>684,749</u>	<u>2,011,686</u>
Project Revenues		
Tax increments	871,263	2,009,527
Exempt computer and personal property aid	24,203	48,380
Investment income	401	15,995
Miscellaneous	12,501	28,683
	<u>908,368</u>	<u>2,102,585</u>
Net costs recoverable through tax increments, December 31, 2021	<u>\$ (223,619)</u>	<u>\$ (90,899)</u>
Reconciliation of Recoverable Costs		
G.O. debt outstanding		\$ 455,000
Less fund balance		<u>(545,899)</u>
Net cost recoverable through tax increments, December 31, 2021		<u>\$ (90,899)</u>

City of Sun Prairie Tax Incremental District No. 11

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 871,263	\$ 2,009,527
Exempt computer and personal property aid	24,203	48,380
Investment income	401	15,995
Miscellaneous	12,501	28,683
Proceeds from long-term debt	-	555,000
	<u>908,368</u>	<u>2,657,585</u>
Uses of Funds		
Project costs	-	557,577
Professional services	32,416	150,521
Administration	-	77,423
Developer incentives	637,595	1,176,978
Principal on long-term debt	50,000	100,000
Interest and fiscal charges	14,738	49,187
	<u>734,749</u>	<u>2,111,686</u>
Total uses of funds	<u>734,749</u>	<u>2,111,686</u>
Excess (deficiency) of sources over uses of funds	173,619	545,899
Fund Balance, Beginning	<u>372,280</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 545,899</u>	<u>\$ 545,899</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 12

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Taxes receivable	\$ 281,098
Total assets	<u>\$ 281,098</u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	\$ 20,006
Advance from other funds	766,539
Total liabilities	<u>786,545</u>
Deferred Inflows of Resources	
Unearned revenue	<u>281,098</u>
Total deferred inflows of resources	<u>281,098</u>
Fund Balance	
Unassigned (deficit)	<u>(786,545)</u>
Total fund balance (deficit)	<u>(786,545)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 281,098</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 12

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments

Year Ended December 31, 2021 and From Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Project costs	\$ -	\$ 4,052,012
Developer incentives	432,903	639,284
Administration	-	36,195
Professional services	50,734	114,761
Interest and fiscal charges	132,323	642,268
	<u>615,960</u>	<u>5,484,520</u>
Project Revenues		
Property taxes	233,229	818,738
Personal property aid	(282)	-
Investment income	-	4,753
Miscellaneous	69,133	79,004
Premium on long-term debt	-	10,480
	<u>302,080</u>	<u>912,975</u>
Total project costs	<u>615,960</u>	<u>5,484,520</u>
Total project revenues	<u>302,080</u>	<u>912,975</u>
Net cost recoverable (recovered) through tax increments, December 31, 2021	<u>\$ 313,880</u>	<u>\$ 4,571,545</u>
Reconciliation of Recoverable Costs		
G.O. debt outstanding		\$ 3,785,000
Add fund balance deficit		<u>786,545</u>
Net cost recoverable through tax increments, December 31, 2021		<u>\$ 4,571,545</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 12

Historical Summary of Sources, Uses and Status Funds

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 233,229	\$ 818,738
Personal property aid	(282)	-
Investment income	-	4,753
Miscellaneous	69,133	79,004
Proceeds from long-term debt	-	7,789,536
Premium on long-term debt	-	10,480
	<u>302,080</u>	<u>8,702,511</u>
Uses of Funds		
Project costs	-	4,052,012
Developer incentives	432,903	639,284
Administration	-	36,195
Professional services	50,734	114,761
Principal on long-term debt	20,000	4,004,536
Interest and fiscal charges	132,323	642,268
	<u>635,960</u>	<u>9,489,056</u>
Excess (deficiency) of sources of funds over uses of funds	(333,880)	(786,545)
Fund Balance (Deficit), Beginning	<u>(452,665)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (786,545)</u>	<u>\$ (786,545)</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 13

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 275,144
Taxes receivable	<u>234,038</u>
Total assets	<u><u>\$ 509,182</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Advance from other funds	<u>\$ 590,228</u>
Total liabilities	<u>590,228</u>
Deferred Inflows of Resources	
Unearned revenue	<u>234,038</u>
Total deferred inflows of resources	<u>234,038</u>
Fund Balance	
Unassigned (deficit)	<u>(315,084)</u>
Total fund balance (deficit)	<u>(315,084)</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 509,182</u></u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 13

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments
Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Project costs	\$ -	\$ 3,581,794
Developer incentives	-	500,000
Administration	-	18,299
Professional services	4,093	45,568
Interest and fiscal charges	102,623	458,422
	<u>106,716</u>	<u>4,604,083</u>
Project Revenues		
Tax increments	604,664	1,072,703
Investment income	222	73,020
Miscellaneous	-	779
Premium on long-term debt	-	162,497
	<u>604,886</u>	<u>1,308,999</u>
Net cost recoverable through tax increments, December, 31, 2021	<u>\$ (498,170)</u>	<u>\$ 3,295,084</u>
Reconciliation of Recoverable Costs		
G.O. debt outstanding		\$ 2,980,000
Add fund balance deficit		<u>315,084</u>
Net cost recoverable through tax increments, December, 31, 2021		<u>\$ 3,295,084</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 13

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 604,664	\$ 1,072,703
Investment income	222	73,020
Miscellaneous	-	779
Proceeds from long-term debt	-	7,115,000
Premium on long-term debt	-	162,497
	<u>604,886</u>	<u>8,423,999</u>
Uses of Funds		
Project costs	-	3,581,794
Developer incentives	-	500,000
Administration	-	18,299
Professional services	4,093	45,568
Principal on long-term debt	220,000	4,135,000
Interest and fiscal charges	102,623	458,422
	<u>326,716</u>	<u>8,739,083</u>
Total uses of funds		
Excess (deficiency) of sources of funds over uses of funds	278,170	(315,084)
Fund Balance, (Deficit) Beginning	<u>(593,254)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u><u>\$ (315,084)</u></u>	<u><u>\$ (315,084)</u></u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 14

Balance Sheet
December 31, 2021

	Assets	Capital Projects Fund
Due from General Fund		\$ 34,837
Total assets		<u>\$ 34,837</u>
	Liabilities and Fund Balance	
Liabilities		
Accounts payable		\$ 6,568
Advance from other funds		<u>170,500</u>
Total liabilities		<u>177,068</u>
Fund Balance		
Unassigned (deficit)		<u>(142,231)</u>
Total fund balance (deficit)		<u>(142,231)</u>
Total liabilities and fund balance		<u>\$ 34,837</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 14

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Developer incentives	\$ -	\$ 94,500
Professional services	22,854	44,676
Interest and fiscal charges	<u>3,158</u>	<u>3,158</u>
Total project costs	<u>26,012</u>	<u>142,334</u>
Project Revenue		
Investment income	52	52
Miscellaneous	<u>16</u>	<u>51</u>
Total project revenues	<u>68</u>	<u>103</u>
Net cost recoverable through tax increments, December 31, 2021	<u>\$ 25,944</u>	<u>\$ 142,231</u>

See notes to financial statements

City of Sun Prairie Tax Incremental District No. 14

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021 and From the Date of Creation to December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Investment income	\$ 52	\$ 52
Miscellaneous	16	51
	<u>68</u>	<u>103</u>
Uses of Funds		
Developer incentives	-	94,500
Professional services	22,854	44,676
Interest and fiscal charges	3,158	3,158
	<u>26,012</u>	<u>142,334</u>
Excess (deficiency) of sources of funds over uses of funds	(25,944)	(142,231)
Fund Balance (Deficit), Beginning	<u>(116,287)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (142,231)</u>	<u>\$ (142,231)</u>

See notes to financial statements

City of Sun Prairie
Tax Incremental Districts No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14

Notes to Compiled Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the City of Sun Prairie, Wisconsin's Tax Incremental Districts (TID) No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14 (the Districts) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Sun Prairie has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental Districts No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14. The accompanying financial statements reflect all the significant operations of the City of Sun Prairie's Tax Incremental Districts No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14. The accompanying financial statements do not include the full presentation of the City of Sun Prairie.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the City of Sun Prairie's Tax Incremental Districts No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14. The summary statements were prepared from data recorded in the following funds and the City's long-term debt.

Tax Incremental District No. 8 - Capital Projects Fund
Tax Incremental District No. 9 - Capital Projects Fund
Tax Incremental District No. 11 - Capital Projects Fund
Tax Incremental District No. 12 - Capital Projects Fund
Tax Incremental District No. 13 - Capital Projects Fund
Tax Incremental District No. 14 - Capital Projects Fund

Detailed descriptions of the purpose of these funds can be found in the City of Sun Prairie's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements will not directly correlate with amounts shown in the basic financial statements.

The Districts were created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the Districts to collect tax increments until the net project cost has been fully recovered or until a certain number of years after the creation date, whichever occurs first. The life of the Districts varies from 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. Project costs uncollected at the dissolution date are absorbed by the City of Sun Prairie. Project costs may be incurred up to five years before the unextended termination date of the District.

**City of Sun Prairie
Tax Incremental Districts No. 8, No. 9, No. 11, No. 12, No. 13 and No. 14**

Notes to Compiled Financial Statements
December 31, 2021

Original Project Plan

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 8	December 27, 2001	December 27, 2023	2029
TID No. 9	March 28, 2007	March 28, 2022	2027
TID No. 11	December 2, 2014	December 2, 2036	2042
TID No. 12	August 2, 2016	August 2, 2031	2037
TID No. 13	September 26, 2017	September 26, 2032	2038
TID No. 14	September 1, 2020	September 1, 2042	2048

Plan Amendments

	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>
TID No. 8	August 18, 2004	December 27, 2023
TID No. 9	August 20, 2013	March 28, 2022
TID No. 12	April 18, 2017	August 2, 2031
TID No. 12	July 20, 2021	August 2, 2031

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. 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. Project costs, other than interest on long-term debt, are recorded when expenditures are incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable or when the City is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

Use of Estimates

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of Sun Prairie
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Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or as nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

Project Plan Budgets

The estimated revenues and expenditures of the Districts are adopted in the project plans. Those estimates are for the entire life of the Districts and may not be comparable to interim results presented in this report.

Long-Term Debt

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Claims and Judgments

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 is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

2. Cash and Temporary Investments

The Districts invest funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

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 quoted market prices. 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.

The Districts, as funds of the City, maintain separate and common cash and investment accounts at the same financial institutions utilized by the City. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Sun Prairie as an individual municipality and, accordingly, the amount of insured funds is not determinable for the Districts.

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3. Long-Term Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City of Sun Prairie. Notes, bonds and capital leases issued to finance the Districts' expenditures will be retired by tax increments accumulated by the debt service and capital project funds. If those revenues are not sufficient, payments will be made by future tax levies.

	<u>Borrowed</u>	<u>Repaid</u>	<u>Balance December 31, 2021</u>
TID No. 8:			
2001 bond anticipation note dated December 28, 2001. This note was paid off.	\$ 263,700	\$ 263,700	\$ -
2001 promissory note dated December 28, 2001. This note was paid off.	1,418,025	1,418,025	-
2002 bond anticipation notes dated June 24, 2002. Final maturity was August 1, 2005.	4,755,000	4,755,000	-
2003 capital lease dated December 22, 2003. Final maturity is August 1, 2023.	2,500,000	2,500,000	-
2005 capital lease dated March 23, 2005. Final maturity was August 1, 2015.	10,965,000	10,965,000	-
2006 capital lease dated Mach 28, 2006. Final maturity was August 1, 2016.	3,865,000	3,865,000	-
2008 general obligation bonds dated November 6, 2008 with interest from 4.00% to 4.125%. Final maturity was October 1, 2018. The TID No. 8 share of the total original proceeds of \$5,500,000 was \$505,000.	505,000	505,000	-
2009 general obligation bonds dated July 15, 2009 with interest from 2.0% to 4.25%. Final maturity is April 1, 2024. The TID No. 8 share of the total original proceeds of \$8,735,000 was \$875,000.	875,000	875,000	-
2013 general obligation bonds dated July 2, 2013 with interest from 1.5% to 2.0%. Final maturity is February 1, 2023. The TID No. 8 share of the total original proceeds of \$8,945,000 was \$265,000.	265,000	265,000	-
2014 capital lease dated June 24, 2014. Final maturity is August 1, 2024.	11,236,410	8,355,000	2,881,410
2016 general obligation bonds dated October 26, 2016 with interest from 2.0% to 3.0%. Final maturity is April 1, 2026. The TID No. 8 share of the total original proceeds of \$11,285,000 was \$1,375,000.	1,375,000	650,000	725,000

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	<u>Borrowed</u>	<u>Repaid</u>	<u>Balance December 31, 2021</u>
2019 State Trust Fund Loan dated December 20, 2019 with interest of 3.25%. Final maturity is March 15, 2029.	\$ 650,000	\$ 58,988	\$ 591,012
2020 State Trust Fund Loan dated December 22, 2020 with interest of 3.00%. Final maturity is March 15, 2030.	1,150,000	-	1,150,000
Total	<u>\$ 39,823,135</u>	<u>\$ 34,475,713</u>	<u>\$ 5,347,422</u>
TID No. 9:			
2007 general obligation corporate purpose bonds dated October 2, 2007 with interest from 3.75% to 3.90%. Final maturity is April 1, 2022. TID No. 9's share of original proceeds of \$4,165,000 was \$1,000,000.	\$ 1,000,000	\$ 1,000,000	\$ -
2007 taxable note anticipation note dated March 27, 2007 with interest rate of 5.375%. Final maturity was April 1, 2009.	7,700,000	7,700,000	-
2009 taxable general obligation note dated March 24, 2009 with interest rate of 3.875%. Final maturity was April 1, 2015.	4,200,000	4,200,000	-
2013 general obligation bonds dated July 2, 2013 with interest from 1.5% to 2.0%. Final maturity is February 1, 2023. The TID No. 9 share of the total original proceeds of \$8,945,000 was \$1,045,000.	1,045,000	800,000	245,000
2014B general obligation promissory note dated July 8, 2014 with interest from 1.5% to 2.3%. Final maturity is February 1, 2024. The TID No. 9 share of the total original proceeds of \$5,970,000 was \$555,000.	555,000	555,000	-
2014C general obligation bonds dated July 8, 2014 with interest from 1.5% to 2.3%. Final maturity is February 1, 2027.	4,315,000	1,255,000	3,060,000
2019A taxable general obligation bonds dated February 7, 2019 with interest from 2.7% to 4.0%. Final maturity is April 1, 2027.	4,155,000	950,000	3,205,000
2021C refunding notes dated August 10, 2021 with interest from 1.5% to 2.0%. Final maturity is April 1, 2031.	350,000	-	350,000
Total	<u>\$ 23,320,000</u>	<u>\$ 16,460,000</u>	<u>\$ 6,860,000</u>

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Notes to Compiled Financial Statements
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	<u>Borrowed</u>	<u>Repaid</u>	<u>Balance December 31, 2021</u>
TID No. 11:			
2019A taxable general obligation bonds dated February 7, 2019 with interest from 2.7% to 4.0%. Final maturity is April 1, 2029.	\$ 555,000	\$ 100,000	\$ 455,000
TID No. 12:			
2016 general obligation bonds dated October 26, 2016 with interest from 2.0% to 3.0%. Final maturity is April 1, 2026. The TID No. 12 share of the total original proceeds of \$11,285,000 was \$200,000.	\$ 200,000	\$ 100,000	\$ 100,000
2017 State Trust Fund Loan dated August 9, 2017 with interest of 3.5%. Final maturity is March 15, 2027. The TID No. 12 share of the total original proceeds of \$4,931,000 was \$3,904,536.	3,904,536	3,904,536	-
2019A taxable general obligation bonds dated February 7, 2019 with interest from 2.7% to 4.0%. Final maturity is April 1, 2037.	3,685,000	-	3,685,000
Total	<u>\$ 7,789,536</u>	<u>\$ 4,004,536</u>	<u>\$ 3,785,000</u>
TID No. 13:			
2018 State Trust Fund Loan dated March 29, 2018 with interest of 3.0%. Final maturity was March 15, 2020.	\$ 3,700,000	\$ 3,700,000	\$ -
2019A taxable general obligation bonds dated February 7, 2019 with interest from 2.7% to 4.0%. Final maturity is April 1, 2023.	860,000	435,000	425,000
2019B refunding general obligations bonds dated February 7, 2019 with interest from 3.0% to 4.0%. Final maturity is April 1, 2032.	2,555,000	-	2,555,000
Total	<u>\$ 7,115,000</u>	<u>\$ 4,135,000</u>	<u>\$ 2,980,000</u>

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Calendar Year	TID No. 8			TID No. 9		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,812,228	\$ 176,721	\$ 1,988,948	\$ 1,305,000	\$ 193,494	\$ 1,498,494
2023	1,860,404	128,024	1,988,428	1,120,000	159,621	1,279,621
2024	362,429	84,171	446,600	1,150,000	126,720	1,276,720
2025	257,042	38,838	295,880	1,055,000	92,743	1,147,743
2026	263,135	31,246	294,380	1,095,000	57,436	1,152,436
2027-2030	792,184	57,846	850,031	1,135,000	19,560	1,154,560
Total	<u>\$ 5,347,422</u>	<u>\$ 516,846</u>	<u>\$ 5,864,269</u>	<u>\$ 6,860,000</u>	<u>\$ 649,574</u>	<u>\$ 7,509,574</u>

Calendar Year	TID No. 11			TID No. 12		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 50,000	\$ 13,350	\$ 63,350	\$ 20,000	\$ 131,723	\$ 151,723
2023	55,000	11,866	66,866	20,000	131,123	151,123
2024	55,000	10,285	65,285	230,000	127,578	357,578
2025	55,000	8,649	63,649	235,000	120,754	355,754
2026	55,000	6,944	61,944	245,000	113,431	358,431
2027-2031	185,000	9,374	194,374	1,230,000	449,823	1,679,823
2032-2036	-	-	-	1,475,000	209,689	1,684,689
2037	-	-	-	330,000	6,600	336,600
Total	<u>\$ 455,000</u>	<u>\$ 60,468</u>	<u>\$ 515,468</u>	<u>\$ 3,785,000</u>	<u>\$ 1,290,721</u>	<u>\$ 5,075,721</u>

Calendar Year	TID No. 13		
	Principal	Interest	Total
2022	\$ 230,000	\$ 96,378	\$ 326,378
2023	235,000	89,779	324,779
2024	240,000	82,800	322,800
2025	250,000	75,450	325,450
2026	255,000	66,600	321,600
2027-2031	1,450,000	172,550	1,622,550
2032	320,000	4,800	324,800
Total	<u>\$ 2,980,000</u>	<u>\$ 588,357</u>	<u>\$ 3,568,357</u>

City of Sun Prairie
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Notes to Compiled Financial Statements
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4. Advances From Other Funds

The City of Sun Prairie's general fund advanced funds to TID Nos. 8, 11, 12 and 13. The wastewater utility advanced funds to TID No. 14. No repayment schedules have been determined for the advances. No interest is being charged. The advance balances at year end are as follows:

Receivable Fund	Payable Fund	Amount
General	TID No. 8	\$ 875,377
General	TID No. 11	15,705
General	TID No. 12	766,539
General	TID No. 13	590,228
Wastewater utility	TID No. 14	170,500

In addition, there are interfund receivables/payables due within one year as follows:

Receivable Interfund	Payable Fund	Amount
TID No. 9	General	\$ 281,706
TID No. 14	General	34,837

5. Transfers

In 2003, the City's general fund transferred funds to TID No. 8 to fund the amount of City engineering costs charged to TID projects.

In 2019, the City's general fund transferred \$30,000 to TID No. 8 for the City's share of a TID project.

6. Developer Agreements

TID No. 8

The City of Sun Prairie entered into a development agreement with Great Neighborhoods East, LLC (subdivider). In the event the subdivider does not construct the agreed upon building improvements within the established time period, the subdivider agrees to make, for any year between 2005 through 2008, a payment to the City, (a shortfall payment(s)) equal to the difference in the actual substantiated construction costs and the required minimum cumulative construction cost times a rate of \$23.47 per \$1,000 of construction cost shortfall. If, for any year between 2005 through 2008, the actual construction costs for improvements within TID No. 8 exceeds the minimum costs for the period in question, the excess value of such excess costs (computed at the same \$23.47 per \$1,000 of construction cost) will be tracked and shall be paid to subdivider and applied as a retroactive credit against shortfall payments already made by the subdivider or credited against future payments otherwise required by the subdivider. The agreement covered construction guarantees through 2008. They have exceeded their minimum construction values and no additional payments are due. Cumulative shortfall payments imposed and collected as of December 31, 2021 were \$132,272.

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The City of Sun Prairie entered into a developer agreement with GenCap, LLC for Phase IV of TID No. 8 redevelopment. In addition to the potential shortfall payments due, the City agreed to pay the developer an economic incentive payment should the developer construct agreed upon building improvements on a specific lot by December 31, 2011. During 2012, the City paid the developer for the economic incentive related to the improvements; however, the payment was offset by shortfall payments due from 2010 and 2011. No payments were made during 2021. As of December 31, 2021, the cumulative net payments made to the developer were \$125,000.

The City of Sun Prairie entered into a development agreement with Lighthouse Acquisition Group, LLC for Phase III of TID No. 8 redevelopment. In the event that the developer does not construct the agreed upon building improvements within the established time period, the developer agrees to make, for any year between 2015 through 2025, a payment to the City (shortfall payment) equal to the difference in the actual substantiated construction costs and the required minimum cumulative construction costs times a rate of \$22.50 per \$1,000 of construction cost shortfall. If the assessed value of the property exceeds a minimum value defined in the development agreement for the tax collection years between 2013 through 2024, the City agrees to provide the developer with an economic incentive payment equal to the property taxes paid on the value in excess of the minimum value defined in the agreement. As of December 31, 2021, no shortfall payments have been assessed. \$253,352 in economic development incentives were expended for the year ended December 31, 2021. As of December 31, 2021, the cumulative payments made to the developer were \$1,247,857.

The City of Sun Prairie entered into a developer agreement with 132 Market Street, Co. for assistance related to environmental remediation within TID No. 8. The developer agreed to guarantee an increased minimum assessed valuation on the property for the tax years 2019 through 2029 or until the closure of the District, if sooner. The City agreed to reimburse the developer for environmental assessment and remediation up to \$159,500. An amendment to the original developer agreement allowed for an additional remediation reimbursement from the City in an amount not to exceed \$65,789. Upon completion of all defined performance deadlines, the City agreed to provide an additional one-time development incentive of \$50,000, which was paid in 2019. As of December 31, 2021, the cumulative payments made to the developer were \$272,059.

TID No. 9

A developer agreement exists between the City of Sun Prairie and 2G Engineering. Incentive payments totaling \$138,000 were made during 2015. No developer payments were made during the current year.

The City of Sun Prairie entered into a developer agreement with B&G Realty, LLC (Prairie Lakes-Marcus Theater) for development incentives and land division improvements in TID No. 9. The City made annual incentive payments from 2016 through 2018 totaling \$212,385. No incentive payments were made during the current year.

The City entered into an agreement with Prairie Lakes to expand TID No. 9. Upon certain conditions, the City is to pay up to \$1.65 million over five years beginning in 2017. The City made a payment of \$300,000 in 2021. Cumulative payments related to this agreement total \$1,650,000 as of December 31, 2021.

The City entered into an agreement with Cabela's Wholesale, Inc. Upon certain conditions, the City is to pay up to \$260,000 over three years based on assessed value beginning in 2017. No developer payments were made during the current year. Cumulative payments related to this agreement of \$249,600 as of December 31, 2021.

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A developer agreement exists between the City and G & C Holdings. Incentive payment is based on project costs and job metrics. No developer payments were made during the year. Cumulative payments related to this agreement total \$112,000 as of December 31, 2021.

The City entered into an agreement with Iowa Machine Shed Co. Upon certain conditions, the City is to pay a one-time incentive payment of \$4,100,000. The one-time incentive payment of \$4,100,000 was paid during 2019.

TID No. 11

The City of Sun Prairie entered into an agreement with Jennings & Woldt Remodeling. Upon certain conditions, the City is to pay incentive payments for a total of twelve years or up to a maximum of \$181,500. The incentive payment is calculated based on 90% of real property tax increment. The City made a payment of \$13,327 in 2021 with cumulative payments related to this agreement of \$39,485 as of December 31, 2021.

The City entered into an agreement with TMA Land, Inc. Upon certain conditions, the City is to pay an annual incentive payment of \$225,000, which is not to exceed \$2,500,000 or 12 payments. If the assessed value for real property is between \$8,000,000 and \$10,000,000, the incentive payment will be prorated. The City made a payment of \$222,656 in 2021 with cumulative payments related to this agreement of \$649,871 as of December 31, 2021.

The City entered into an agreement with Patio Pleasures LLC. The incentive payment is calculated based on 80% of real property tax increment up to \$92,556. The City made a payment of \$6,204 in 2021 with cumulative payments related to this agreement of \$12,336 as of December 31, 2021.

The City entered into an agreement with Catalyst on Main. The incentive payment is calculated based on 85.5% of real property tax increment up to \$5,000,000 based on the assessed value from 2020-2037. The City made a payment of \$282,292 in 2021 with cumulative payments related to this agreement of \$362,170 as of December 31, 2021.

The City entered into a developer agreement with Cohen-Esrey Development Group LLC. Upon completion of the project, the developer may request the City to issue a Municipal Revenue Obligation of \$2,100,000, with interest thereon at a rate of 0%. Any payments due on the Municipal Revenue Obligation shall be payable only to the extent the City has received actual tax increment.

The City of Sun Prairie entered into an agreement with SP Main Street Apartments LLC. Provided that the developer meets the minimum assessed valuation or makes a shortfall payment necessary to reach minimum real estate tax payment and meets the performance standards under Article I, D of this agreement, the City shall provide an annual economic incentive payment. The City made a payment of \$113,117 in 2021 with cumulative payments related to this agreement of \$113,117 as of December 31, 2021.

TID No. 12

The City of Sun Prairie entered into an agreement with All American Sports Corp (formerly known as Riddell Sports Group, Inc.). Upon certain conditions, the City is to pay up to \$1,300,000 over eight years beginning in 2017. The City made a payment of \$171,017 in 2021 with cumulative payments related to this agreement of \$377,398 as of December 31, 2021.

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The City of Sun Prairie entered into a development agreement with Quarra Stone Company, LLC. Subject to certain conditions, the City shall provide development incentive grant funding to Argus in an amount up to \$975,000. Such grant funding will be used to pay project costs that exceed \$13,025,000 for a total amount of \$14,000,000. An incentive payment of \$261,886 was paid in 2021. Cumulative payments related to this agreement total \$261,886.

TID No. 13

The City of Sun Prairie entered into a developer agreement with Park 151 LLC. Upon certain conditions, the City is to pay a one-time incentive payment of \$500,000. The one-time incentive payment of \$500,000 was paid during 2020.

TID No. 14

The City of Sun Prairie entered into a developer agreement with BD One LLC. The City provided a financial grant in the amount of \$94,500 to the developer in 2020. Upon completion of the project, the developer may request the City to issue a Municipal Revenue Obligation of \$94,500, with interest thereon at a rate of 0%. Any payments due on the Municipal Revenue Obligation shall be payable only to the extent the City has received actual tax increment.