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April 26, 2017

Ms. Connie DeKemper, Administrative Services Director
City of Sun Prairie
300 E. Main Street
Sun Prairie, WI 53590

Dear Ms. DeKemper:

Please find enclosed nine (9) bound copies of the compiled financial statements of the City of Sun Prairie's Tax Incremental Districts No. 6, No. 7, No. 8, No. 9, No. 11, and No. 12. An Accountants' Compilation Report is included with the financial statements.

The annual reporting requirements have changed since last year. Municipalities must e-file a TID Annual Report (Form PE-300). This is due July 3, 2017 for the 2016 reporting year. Please note that there are penalties for late submissions. Additional information and the online form can be found on the State of Wisconsin Department of Revenue website (www.revenue.wi.gov). You will no longer be required to file the compilation with the overlying districts since they will be able to access the information online.

Please feel free to contact our office should you have any questions regarding the enclosed statements.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in black ink that reads "Carla A. Gogin".

Carla A. Gogin, CPA, Partner

Enclosures

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**
Sun Prairie, Wisconsin

COMPILED FINANCIAL STATEMENTS

Including Accountants' Compilation Report

As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

TABLE OF CONTENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

Accountants' Compilation Report	1
Tax Incremental District No. 6 – Compiled Balance Sheet	2
Tax Incremental District No. 6 – Compiled Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	3
Tax Incremental District No. 6 – Compiled Historical Summary of Sources, Uses, and Status of Funds	4
Tax Incremental District No. 7 – Compiled Balance Sheet	5
Tax Incremental District No. 7 – Compiled Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	6
Tax Incremental District No. 7 – Compiled Historical Summary of Sources, Uses, and Status of Funds	7
Tax Incremental District No. 8 – Compiled Balance Sheet	8
Tax Incremental District No. 8 – Compiled Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	9
Tax Incremental District No. 8 – Compiled Historical Summary of Sources, Uses, and Status of Funds	10
Tax Incremental District No. 9 – Compiled Balance Sheet	11
Tax Incremental District No. 9 – Compiled Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	12
Tax Incremental District No. 9 – Compiled Historical Summary of Sources, Uses, and Status of Funds	13
Tax Incremental District No. 11 – Compiled Balance Sheet	14
Tax Incremental District No. 11 – Compiled Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	15
Tax Incremental District No. 11 – Compiled Historical Summary of Sources, Uses and Status of Funds	16
Tax Incremental District No. 12 – Compiled Balance Sheet	17
Tax Incremental District No. 12 – Compiled Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	18
Tax Incremental District No. 12 – Compiled Historical Summary of Sources, Uses and Status of Funds	19
Compiled Notes to Financial Statements	20 – 31

ACCOUNTANTS' COMPILATION REPORT

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

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. 6, No. 7, No. 8, No. 9, No. 11, and No. 12 as of and for the year ended December 31, 2016 and from the dates of creation through December 31, 2016, 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, 2016, 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 Virchow Krause, LLP

Madison, Wisconsin
April 14, 2017

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED
BALANCE SHEET
As of December 31, 2016

	Debt Service Fund
ASSETS	
Taxes receivable	\$ 139,198
Other receivables	<u>22,998</u>
TOTAL ASSETS	<u>\$ 162,196</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 31
Advances from other funds	<u>106,683</u>
Total Liabilities	<u>106,714</u>
Deferred Inflows of Resources	
Unearned revenue	139,198
Unavailable revenue	<u>22,998</u>
Total Deferred Inflows of Resources	<u>162,196</u>
Fund Balance	
Unassigned (deficit)	<u>(106,714)</u>
Total Fund Balance (Deficit)	<u>(106,714)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 162,196</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	Year Ended	From Date of Creation
PROJECT COSTS		
Project costs	\$ -	\$ 1,816,401
Professional services	3,110	3,110
Administration	400	400
Interest and fiscal charges	24,023	1,276,843
Discount and issuance costs on long-term debt	-	73,300
Payment to escrow agent - fees	-	28,668
Total Project Costs	27,533	3,198,722
PROJECT REVENUES		
Tax increments	135,270	1,848,927
Intergovernmental	1,242	3,905
Investment income	-	68,684
Developer agreement revenues	28,314	527,997
Miscellaneous	-	12,041
Premium on long-term debt	-	5,567
Transfer from general fund	-	505
Transfer from general debt service fund (Note 5)	-	200,000
Total Project Revenues	164,826	2,667,626
NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2016		
	\$ (137,293)	\$ 531,096
RECONCILIATION OF RECOVERABLE COSTS		
Capital lease and G.O. Debt outstanding		\$ 424,382
Add: Fund balance deficit		106,714
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2016		
		\$ 531,096

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 135,270	\$ 1,848,927
Intergovernmental	1,242	3,905
Investment income	-	68,684
Developer agreement revenues	28,314	527,997
Miscellaneous	-	12,041
Transfer from general fund	-	505
Transfer from general debt service fund (Note 5)	-	200,000
Proceeds from long-term debt	-	5,451,468
Premium on long term debt	-	5,567
Total Sources of Funds	<u>164,826</u>	<u>8,119,094</u>
USES OF FUNDS		
Project costs	-	1,816,401
Professional services	3,110	3,110
Administration	400	400
Principal on long-term debt	139,044	5,027,086
Interest and fiscal charges	24,023	1,276,843
Discount and issuance costs on long-term debt	-	73,300
Payment to escrow agent - fees	-	28,668
Total Uses of Funds	<u>166,577</u>	<u>8,225,808</u>
Excess (Deficiency) of Sources of Funds Over Uses of Funds	(1,751)	(106,714)
FUND BALANCE (DEFICIT) - Beginning of Period	<u>(104,963)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF PERIOD	<u>\$ (106,714)</u>	<u>\$ (106,714)</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED
BALANCE SHEET
As of December 31, 2016

	<u>Capital Projects Fund</u>
ASSETS	
Cash and investments	\$ 2,048,675
Taxes receivable	983,771
Note receivable	18,352
Due from other funds	<u>587,289</u>
TOTAL ASSETS	<u>\$ 3,638,087</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	\$ <u>155</u>
Deferred Inflows of Resources	
Unearned revenue	983,771
Unavailable revenue	<u>18,352</u>
Total Deferred Inflows of Resources	<u>1,002,123</u>
Fund Balance	
Unassigned	<u>2,635,809</u>
Total Fund Balance	<u>2,635,809</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 3,638,087</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	Year Ended	From Date of Creation
PROJECT COSTS		
Project costs	\$ -	\$ 8,015,342
Professional services	12,058	12,058
Administration	31,204	31,204
Interest and fiscal charges	122,815	4,953,234
Discount and issuance costs on long-term debt	-	269,082
Payment to escrow agent - fees	-	120,239
Total Project Costs	166,077	13,401,159
PROJECT REVENUES		
Tax increments	864,494	10,386,282
Intergovernmental	37,666	1,191,379
Investment income	8,820	349,177
Miscellaneous	-	895,011
Sale of property	201,325	983,266
Transfer from general fund	-	75
Total Project Revenues	1,112,305	13,805,190
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2016	\$ (946,228)	\$ (404,031)
RECONCILIATION OF RECOVERABLE COSTS		
Capital lease outstanding		\$ 2,231,778
Less: Fund balance		(2,635,809)
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2016		\$ (404,031)

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 864,494	\$ 10,386,282
Intergovernmental	37,666	1,191,379
Investment income	8,820	349,177
Miscellaneous	-	895,011
Sale of property	201,325	983,266
Proceeds from long-term debt	-	17,418,843
Transfer from general fund	-	75
Total Sources of Funds	1,112,305	31,224,033
USES OF FUNDS		
Project costs	-	8,015,342
Professional services	12,058	12,058
Administration	31,204	31,204
Principal on long-term debt	415,000	15,187,065
Interest and fiscal charges	122,815	4,953,234
Discount and issuance costs on long-term debt	-	269,082
Payment to escrow agent - fees	-	120,239
Total Uses of Funds	581,077	28,588,224
Excess of Sources of Funds Over Uses of Funds	531,228	2,635,809
FUND BALANCE - Beginning of Period	2,104,581	-
FUND BALANCE - END OF PERIOD	\$ 2,635,809	\$ 2,635,809

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED
BALANCE SHEET
As of December 31, 2016

	<u>Capital Projects Fund</u>
ASSETS	
Taxes receivable	\$ 1,757,962
Other receivables	<u>917</u>
TOTAL ASSETS	<u>\$ 1,758,879</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 763
Advance from other funds	<u>1,125,520</u>
Total Liabilities	<u>1,126,283</u>
Deferred Inflows of Resources	
Unearned revenue	1,757,962
Unavailable revenue	<u>917</u>
Total Deferred Inflows of Resources	<u>1,758,879</u>
Fund Balance	
Unassigned (deficit)	<u>(1,126,283)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,758,879</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Project costs	\$ 621,135	\$ 19,418,024
Developer incentives	111,955	462,772
Professional services	5,013	5,013
Administration	14,095	14,095
Interest and fiscal charges	297,689	8,362,608
Discount and issuance costs on long-term debt	-	525,679
Total Project Costs	<u>1,049,887</u>	<u>28,788,191</u>
PROJECT REVENUES		
Tax increments	1,655,417	13,936,557
Intergovernmental	93,100	1,216,503
Investment income	-	315,132
Developer agreement revenues	-	132,272
Miscellaneous	20,315	296,953
Sale of property	-	328,882
Transfer from general fund	-	71,631
Premium on long-term debt	85,041	92,568
Total Project Revenues	<u>1,853,873</u>	<u>16,390,498</u>
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2016	<u>\$ (803,986)</u>	<u>\$ 12,397,693</u>
RECONCILIATION OF RECOVERABLE COSTS		
Capital lease and G.O. Debt outstanding		\$ 11,271,410
Add: Fund balance deficit		<u>1,126,283</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2016		<u>\$ 12,397,693</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 1,655,417	\$ 13,936,557
Intergovernmental	93,100	1,216,503
Investment income	-	315,132
Sale of property	-	328,882
Developer agreement revenues	-	132,272
Miscellaneous	20,315	296,953
Proceeds from long-term debt	1,375,000	9,456,725
Premium on long-term debt	85,041	92,568
Proceeds from capital lease	-	28,566,410
Transfer from general fund	-	71,631
Total Sources of Funds	<u>3,228,873</u>	<u>54,413,633</u>
USES OF FUNDS		
Project costs	621,135	19,418,024
Developer incentives	111,955	462,772
Professional services	5,013	5,013
Administration	14,095	14,095
Principal on long-term debt	2,225,000	26,751,725
Interest and fiscal charges	297,689	8,362,608
Discount and issuance costs on long-term debt	-	525,679
Total Uses of Funds	<u>3,274,887</u>	<u>55,539,916</u>
Excess (Deficiency) of Sources of Funds Over Uses of Funds	(46,014)	(1,126,283)
FUND BALANCE (DEFICIT) - Beginning of Period	<u>(1,080,269)</u>	-
FUND BALANCE (DEFICIT) - END OF PERIOD	<u>\$ (1,126,283)</u>	<u>\$ (1,126,283)</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED
BALANCE SHEET
As of December 31, 2016

	<u>Capital Projects Fund</u>
ASSETS	
Restricted cash	\$ 75,374
Taxes receivable	<u>970,519</u>
TOTAL ASSETS	<u>\$ 1,045,893</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 381
Advance from other funds	<u>960,122</u>
Total Liabilities	<u>960,503</u>
Deferred Inflows of Resources	
Unearned revenue	<u>970,519</u>
Fund Balance	
Unassigned (deficit)	<u>(885,129)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,045,893</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Project costs	\$ -	\$ 9,129,033
Developer incentives	62,385	200,385
Professional services	6,750	6,750
Administration	23,854	23,854
Interest and fiscal charges	161,775	2,117,933
Discount and issuance costs on long-term debt	-	189,164
Total Project Costs	<u>254,764</u>	<u>11,667,119</u>
PROJECT REVENUES		
Tax increments	541,294	578,615
Intergovernmental	5,938	23,101
Investment income	-	58,696
Miscellaneous	-	32,103
Sale of property	-	4,221,054
Premium on long-term debt	-	38,421
Total Project Revenues	<u>547,232</u>	<u>4,951,990</u>
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2016	<u>\$ (292,468)</u>	<u>\$ 6,715,129</u>
RECONCILIATION OF RECOVERABLE COSTS		
G.O. Debt outstanding		\$ 5,830,000
Plus: Fund balance deficit		<u>885,129</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2016		<u>\$ 6,715,129</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 541,294	\$ 578,615
Intergovernmental	5,938	23,101
Investment income	-	58,696
Miscellaneous	-	32,103
Sale of property	-	4,221,054
Proceeds from long-term debt	-	18,815,000
Premium on long-term debt	-	38,421
Total Sources of Funds	<u>547,232</u>	<u>23,766,990</u>
USES OF FUNDS		
Project costs	-	9,129,033
Developer incentives	62,385	200,385
Professional services	6,750	6,750
Administration	23,854	23,854
Principal on long-term debt	60,000	12,985,000
Interest and fiscal charges	161,775	2,117,933
Discount and issuance costs on long-term debt	-	189,164
Total Uses of Funds	<u>314,764</u>	<u>24,652,119</u>
Excess (Deficiency) of Sources of Funds Over Uses of Funds	232,468	(885,129)
FUND BALANCE (DEFICIT) - Beginning of Period	<u>(1,117,597)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF PERIOD	<u>\$ (885,129)</u>	<u>\$ (885,129)</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 11**

COMPILED
BALANCE SHEET
As of December 31, 2016

	<u>Capital Projects Fund</u>
ASSETS	
Taxes receivable	\$ 50,668
TOTAL ASSETS	<u>\$ 50,668</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Advances from other funds	\$ 78,355
Deferred Inflows of Resources	
Unearned revenue	<u>50,668</u>
Fund Balance	
Unassigned (deficit)	<u>(78,355)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 50,668</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 11**

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Professional services	\$ 20,472	\$ 42,336
Administration	36,019	36,019
Total Project Costs	<u>56,491</u>	<u>78,355</u>
PROJECT REVENUES	<u>-</u>	<u>-</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2016	<u>\$ 56,491</u>	<u>\$ 78,355</u>

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 11**

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS	\$ -	\$ -
USES OF FUNDS		
Professional services	20,472	42,336
Administration	<u>36,019</u>	<u>36,019</u>
Total Uses of Funds	<u>56,491</u>	<u>78,355</u>
Excess (Deficiency) of Sources of Over Uses of Funds	(56,491)	(78,355)
FUND BALANCE (DEFICIT) - Beginning of Period	<u>(21,864)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF PERIOD	<u>\$ (78,355)</u>	<u>\$ (78,355)</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 12**

COMPILED
BALANCE SHEET
As of December 31, 2016

	<u>Capital Projects Fund</u>
ASSETS	
Restricted cash	\$ 80,760
TOTAL ASSETS	<u>\$ 80,760</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 4,050
Advance from other funds	<u>21,240</u>
Total Liabilities	<u>25,290</u>
Fund Balance	
Unassigned	<u>55,470</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 80,760</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 12**

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	Year Ended	From Date of Creation
PROJECT COSTS		
Project costs	\$ 152,787	\$ 152,787
Discount and issuance costs on long-term debt	2,225	2,225
Total Project Costs	155,012	155,012
PROJECT REVENUES		
Investment income	2	2
Premium on long-term debt	10,480	10,480
Total Project Revenues	210,482	210,482
 NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2016		
	\$ (55,470)	\$ (55,470)
 RECONCILIATION OF RECOVERABLE COSTS		
G.O. Debt outstanding		\$ 200,000
Less: Fund balance		(55,470)
 NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2016		
		\$ 144,530

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 12**

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2016
and From the Date of Creation Through December 31, 2016

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Investment income	\$ 2	\$ 2
Proceeds from long-term debt	200,000	200,000
Premium on long-term debt	10,480	10,480
Total Sources of Funds	<u>210,482</u>	<u>210,482</u>
USES OF FUNDS		
Project costs	152,787	152,787
Discount and issuance costs on long-term debt	2,225	2,225
Total Uses of Funds	<u>155,012</u>	<u>155,012</u>
Excess of Sources of Funds Over Uses of Funds	55,470	55,470
FUND BALANCE - Beginning of Period	-	-
FUND BALANCE - END OF PERIOD	<u>\$ 55,470</u>	<u>\$ 55,470</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Sun Prairie's Tax Incremental Districts (TID) No. 6, No. 7, No. 8, No. 9, No. 11, and No. 12. (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. 6, No. 7, No. 8, No. 9, No. 11, and No. 12. The accompanying financial statements reflect all the significant operations of the City of Sun Prairie's Tax Incremental Districts No. 6, No. 7, No. 8, No. 9, No. 11, and No. 12. The accompanying financial statements do not include the full presentation of the City of Sun Prairie.

A. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE

This report contains the financial information of the City of Sun Prairie's Tax Incremental Districts No. 6, No. 7, No. 8, No. 9, No. 11, and No. 12. The summary statements were prepared from data recorded in the following funds and the city's long-term debt.

Tax Incremental District No. 6 – Debt Service Fund
Tax Incremental District No. 7 – Capital Projects Fund
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

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 27 years after the creation date, whichever occurs first. 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. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE (cont.)

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 6	April 15, 1997	April 15, 2015	2020
TID No. 7	May 19, 1998	May 19, 2017	2022
TID No. 8	December 27, 2001	December 27, 2024	2029
TID No. 9	March 28, 2007	March 28, 2022	2027
TID No. 11	January 1, 2015	December 2, 2036	2042
TID No. 12	January 1, 2016	August 2, 2031	2037

B. 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.

C. 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.

D. 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.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. 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.

F. 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.

G. 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.

NOTE 2 – CASH AND TEMPORARY INVESTMENTS

The district invests its 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.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 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.

	Borrowed	Repaid	Balance 12-31-16
TID NO. 6			
1997 refunding bonds dated April 1, 1997 with interest from 4.0% to 5.5%. Original maturity was February 1, 2017. These bonds were paid off during 2009. The TID No. 6 share of the total original proceeds of \$4,225,000 was \$345,259. During 2005 a portion of the 1997 refunding bonds were refunded. TID No. 6 share of the \$2,185,000 refunding was \$101,547.	\$ 345,259	\$ 345,259	\$ -
1998 taxable notes dated June 30, 1998 with interest from 5.83% to 6.16%. Final maturity was June 1, 2008. TID No. 6 share of original proceeds of \$2,745,000 was \$514,663.	514,663	514,663	-
1999 bond anticipation notes dated November 2, 1999 with interest at 4.58%. Final maturity was November 2, 2000. TID No. 6 share of original proceeds of \$2,995,000 was \$893,246.	893,246	893,246	-
2000 bond anticipation notes dated November 2, 2000 with interest at 4.89%. Final maturity was May 2, 2001. TID No. 6 share of original proceeds of \$3,135,000 was \$934,995.	934,995	934,995	-
2000 capital lease dated December 15, 2000. Final maturity was February 1, 2010. During 2009 a portion of the 2000 capital lease was refunded. TID No. 6 share of the \$6,300,000 refunding was \$1,205,000.	1,330,000	1,330,000	-
2005 refunding bonds dated August 1, 2005 with interest from 3.50% to 4.25%. Final maturity is February 1, 2018. The TID No. 6 share of the total original proceeds of \$5,875,000 was \$171,031.	171,031	171,031	-

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 3 – LONG-TERM DEBT (cont.)

	Borrowed	Repaid	Balance 12-31-16
TID NO. 6 (cont.)			
2009 capital lease dated August 4, 2009 with interest from 1.20% to 4.50%. Final maturity is February 1, 2020. The TID No. 6 share of the total original proceeds of \$6,300,000 was \$1,071,790.	\$ 1,071,790	\$ 665,000	\$ 406,790
2013 refunding bonds dated November 19, 2013 with interest from 2.0% to 3.0%. Final maturity is February 1, 2018. The TID No. 6 share of the total original proceeds of \$4,135,000 was \$57,274.	57,274	39,682	17,592
Totals	\$ 5,318,258	\$ 4,893,876	\$ 424,382
TID NO. 7			
1998 taxable notes dated June 30, 1998 with interest from 5.83% to 6.16%. Final maturity was June 1, 2008. TID No. 7 share of original proceeds of \$2,745,000 was \$1,275,306.	\$ 1,275,306	\$ 1,275,306	-
1999 bond anticipation notes dated November 2, 1999 with interest at 4.58%. Final maturity was November 2, 2000. TID No. 7 share of original proceeds of \$2,995,000 was \$2,101,754.	2,101,754	2,101,754	-
2000 bond anticipation notes dated November 2, 2000 with interest at 4.89%. Final maturity was May 2, 2001. TID No. 7 share of original proceeds of \$3,135,000 was \$2,200,005.	2,200,005	2,200,005	-
2000 capital lease is dated December 15, 2000. Original maturity was February 1, 2020. During 2009, the remaining portion of the capital lease was refunded. TID No. 7 share of the \$6,300,000 refunding was \$5,095,000.	4,800,000	4,800,000	-
2000 capital lease is dated December 15, 2000. Final maturity is February 1, 2011.	1,535,000	1,535,000	-

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 3 – LONG-TERM DEBT (cont.)

	Borrowed	Repaid	Balance 12-31-16
TID NO. 7 (cont.)			
2000 bond anticipation notes dated November 2, 2000 with interest at 7.1%.	\$ 1,000,000	\$ 1,000,000	\$ -
2009 capital lease dated August 4, 2009 with interest from 1.20% to 4.50%. Final maturity is February 1, 2022. The TID No. 7 share of the total original proceeds of \$6,300,000 was \$4,506,778.	4,506,778	2,275,000	2,231,778
Totals	\$ 17,418,843	\$ 15,187,065	\$ 2,231,778
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 is August 1, 2015.	10,965,000	10,965,000	-
2006 capital lease dated Mach 28, 2006. Final maturity is 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 is 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	-

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 3 – LONG-TERM DEBT (cont.)

	Borrowed	Repaid	Balance 12-31-16
TID NO. 8 (cont.)			
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	\$ 95,000	\$ 170,000
2014 capital lease dated June 24, 2014. Final maturity is August 1, 2024.	11,236,410	1,510,000	9,726,410
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	-	1,375,000
Totals	\$ 38,023,135	\$ 26,751,725	\$ 11,271,410
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 is April 1, 2015, when the entire balance is due.	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	85,000	960,000
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

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 3 – LONG-TERM DEBT (cont.)

	Borrowed	Repaid	Balance 12-31-16
TID NO. 9 (cont.)			
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	-	\$ 4,315,000
Totals	\$ 18,815,000	\$ 12,985,000	\$ 5,830,000
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	-	\$ 200,000

Aggregate maturities of all long-term debt relating to the districts are as follows:

Calendar Year	TID No. 6			TID No. 7		
	Principal	Interest	Totals	Principal	Interest	Total
2017	\$ 142,960	\$ 19,236	\$ 162,196	\$ 445,000	\$ 107,760	\$ 552,760
2018	130,000	14,160	144,160	475,000	90,725	565,725
2019	140,000	8,890	148,890	475,000	72,200	547,200
2020	11,422	3,045	14,467	475,000	52,725	527,725
2021	-	-	-	361,778	32,063	393,841
Totals	\$ 424,382	\$ 45,331	\$ 469,713	\$ 2,231,778	\$ 355,473	\$ 2,587,251

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 3 – LONG-TERM DEBT (cont.)

Calendar Year	TID No. 8			TID No. 9		
	Principal	Interest	Totals	Principal	Interest	Totals
2017	\$ 1,455,000	\$ 232,280	\$ 1,687,280	\$ 235,000	\$ 159,725	\$ 394,725
2018	1,480,000	218,462	1,698,462	330,000	155,438	485,438
2019	1,560,000	198,253	1,758,253	430,000	148,450	578,450
2020	1,570,000	174,893	1,744,893	525,000	138,450	663,450
2021	1,600,000	147,103	1,747,103	650,000	124,909	774,909
2022	1,640,000	115,168	1,755,168	810,000	106,491	916,491
2023	1,675,000	79,648	1,754,648	610,000	86,644	696,644
2024	171,410	41,410	212,820	630,000	67,298	697,298
2025	60,000	2,100	62,100	515,000	48,468	563,468
2026	60,000	600	60,600	535,000	30,216	565,216
2027	-	-	-	560,000	10,360	570,360
Totals	<u>\$ 11,271,410</u>	<u>\$ 1,209,917</u>	<u>\$ 12,481,327</u>	<u>\$ 5,830,000</u>	<u>\$ 1,076,449</u>	<u>\$ 6,906,449</u>

Calendar Year	TID No. 12		
	Principal	Interest	Totals
2017	\$ 20,000	\$ 4,911	\$ 24,911
2018	20,000	4,700	24,700
2019	20,000	4,100	24,100
2020	20,000	3,500	23,500
2021	20,000	2,900	22,900
2022	20,000	2,300	22,300
2023	20,000	1,700	21,700
2024	20,000	1,200	21,200
2025	20,000	700	20,700
2026	20,000	200	20,200
Totals	<u>\$ 200,000</u>	<u>\$ 26,211</u>	<u>\$ 226,211</u>

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 4 – ADVANCES FROM OTHER FUNDS

The general fund advanced funds to TID District Nos. 6, 8, 9, 11, and 12. 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. 6	\$ 106,683
General	TID No. 8	1,125,520
General	TID No. 9	960,122
General	TID No. 11	78,355
General	TID No. 12	21,240

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

Receivable Fund	Payable Fund	Amount
TID No. 7	General	\$ 587,289

NOTE 5 – TRANSFERS

In 2001, the city's general debt service fund transferred \$200,000 to TID No. 6 for the city's share of a TID No. 6 project.

In 2003, the city's general fund transferred funds to No. 6 and No. 7 to fund the amount of city engineering costs charged to TID projects.

NOTE 6 – OPTION AGREEMENTS

In 1998 and 2000, the city entered into agreements with the Sun Prairie Industrial Development Corporation (SPIDC), which provides the SPIDC with the first option to purchase any or all developable land in TID No. 7. The agreements stipulate that the SPIDC must exercise this option as to a sufficient number of acres to insure that the cumulative purchase prices paid to the city at any point in time equal or exceed all payments of principal and interest due from the bonds issued to fund the purchase of the property. In the event proceeds from sales are insufficient, the SPIDC shall provide a letter of credit equal to the shortfall.

In December 2000, the city entered into an agreement with a developer which provides the city with a repurchase option for developable land in TID No. 6. This agreement stipulates that as part of closing, purchasers of land in TID No. 6 grant the developer and the city the right to repurchase the parcel at the original sale price.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 7 – DEVELOPER AGREEMENTS

TID NO. 6

The City of Sun Prairie entered into a developer agreement with Knaus Development (developer). In the event the developer fails to complete or cause to be completed the agreed upon improvements within the established time period, the developer is required to pay the city liquidated damages. The liquidated damages would be equal to the current mill rate percent times the total construction cost of the improvements which were not constructed in a timely manner, as determined in accordance with a reputable and standard construction cost index used by reputable professional commercial real estate appraisers in the Sun Prairie market, plus a cost per foot for each lot or parcel of land within TID No. 6 on which developer has failed to timely construct or cause to be constructed the improvements. The effect of the calculation of liquidated damages is to reimburse the city for the difference between the TID No. 6 tax increment amount that was anticipated based on the approved construction timeline and the actual amount that was certified.

The sum calculated will be paid by the developer to the city on an annual basis, until the developer has cured all defaults of the agreement. In the event that the developer fails to make the required payments by the due date, the developer shall be obligated to pay to the city, in addition to the required sums, interest from the due date to the date such sums are paid at the rate of 15% per annum, in addition to the costs of collection including attorney fees, to which the city is entitled under this developer agreement to enforce such obligation. During 2016, \$28,314 was collected from the developer. Total payments imposed and collected as of December 31, 2016 were \$527,997.

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, 2016 were \$132,272.

The City of Sun Prairie entered into a similar 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 2016. As of December 31, 2016, the cumulative net payments made to the developer were \$125,000.

**CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9, NO. 11, AND NO. 12**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016 and
From the Date of Creation Through December 31, 2016

NOTE 7 – DEVELOPER AGREEMENTS (cont.)

TID NO. 8 (cont.)

The City of Sun Prairie has entered into a similar 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, 2016, no shortfall payments have been assessed. \$111,955 in economic development incentives were expended for the year ended December 31, 2016. As of December 31, 2016, the cumulative payments made to the developer were \$337,772.

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 its first of three anticipated incentive payments to the developer in 2016 in the amount of \$62,385.

NOTE 8 – NOTE RECEIVABLE

On August 25, 2011, the Sun Prairie Improvement Council, Ltd. (SPIC) issued the City of Sun Prairie a promissory note in the amount of \$45,000 for value received from TID No. 7. The City provided the SPIC with \$45,000 to assist with operating costs associated with maintaining two lots in TID No. 7 being marketed for sale. The SPIC repaid \$35,000 to the city during 2014. The City paid property taxes for the SPIC lot during 2016, which increased the receivable balance. The remaining balance of the promissory note will be paid in full upon sale of the remaining lot specified in the mortgage securing the note.

NOTE 9 – SUBSEQUENT EVENTS

The City has an outstanding commitment to purchase land in TID No. 12 for approximately \$3.9 million. This transaction is anticipated to occur in July 2017.

The City approved the termination of TID No. 7 by municipal resolution on April 4, 2017.

On February 1, 2017, the City paid off the 2009 CDA Lease revenue bonds in TID No. 6 and TID No. 7. TID No. 6 financed the lease revenue bond payoff with an interfund loan from the Sun Prairie wastewater utility in the amount of \$415,000 payable through 2020 with total scheduled interest payments of \$15,428.