

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 7
Sun Prairie, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of August 31, 2017 and From the
Date of Creation Through August 31, 2017

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

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As of August 31, 2017 and From the Date of Creation Through August 31, 2017

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues, and Net Cost 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. 7 as of August 31, 2017 and from the date of creation through August 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the City Council
City of Sun Prairie

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City of Sun Prairie's Tax Incremental District No. 7 and the net project cost recovered through tax increments as of August 31, 2017, and the sources, uses, and status of funds from the date of creation through August 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the financial statements present only the transactions of City of Sun Prairie's Tax Incremental District No. 7 and do not purport to, and do not, present fairly the financial position of the City of Sun Prairie, Wisconsin, as of August 31, 2017, and the changes in financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted 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, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Sun Prairie's Tax Incremental District No. 7's financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated September 15, 2017 on our tests of its compliance with Wisconsin State Statutes Section 66.1105. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
September 15, 2017

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

BALANCE SHEET
As of August 31, 2017

	<u>Capital Projects Fund</u>
ASSETS	
Cash and investments	\$ 738,526
Note receivable	18,352
Due from other funds	<u>331,244</u>
TOTAL ASSETS	<u>\$ 1,088,122</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 6,655
Due to city general fund	347,193
Due to other governments	<u>715,922</u>
Total Liabilities	<u>1,069,770</u>
Deferred Inflows of Resources	
Unavailable revenue	<u>18,352</u>
Total Deferred Inflows of Resources	<u>18,352</u>
Fund Balance	
Unassigned	<u>-</u>
Total Fund Balance	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,088,122</u>

See accompanying notes to financial statements.

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

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST RECOVERED THROUGH TAX INCREMENTS
From the Date of Creation Through August 31, 2017

PROJECT COSTS

Capital expenditures	\$ 7,144,420
Administration (in-house)	75,659
Professional services - planning, engineering, other	864,070
Developer incentives	274,000
Interest and fiscal charges on long-term debt	5,011,119
Discount and issuance costs on long-term debt	269,082
Payment to escrow agent - fees	120,239
Total Project Costs	13,758,589

PROJECT REVENUES

Tax increments	11,370,053
Exempt computer aid	323,110
Intergovernmental grants	898,582
Transfer from other funds	75
Investment income	351,557
Sale of property	1,634,472
Miscellaneous revenues	243,855
Total Project Revenues	14,821,704

**NET COST RECOVERED THROUGH
TAX INCREMENTS – AUGUST 31, 2017**

(1,063,115)

REFUND PAYABLE TO OVERLYING DISTRICTS

1,063,115

BALANCE

\$ -

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

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
From the Date of Creation Through August 31, 2017

SOURCES OF FUNDS

Tax increments	\$ 11,370,053
Exempt computer aid	323,110
Intergovernmental grants	898,582
Transfers from other funds	75
Investment income	351,557
Sale of property	1,634,472
Miscellaneous revenues	243,855
Long-term debt issued	<u>17,418,843</u>
Total Sources of Funds	<u>32,240,547</u>

USES OF FUNDS

Capital expenditures	7,144,420
Administration (in-house)	75,659
Professional services - planning, engineering, other	864,070
Developer incentives	274,000
Interest and fiscal charges on long-term debt	5,011,119
Discount and issuance costs on long-term debt	269,082
Payment to escrow agent - fees	120,239
Principal on long-term debt	<u>17,418,843</u>
Total Uses of Funds	<u>31,177,432</u>

FUND BALANCE – AUGUST 31, 2017 1,063,115

REFUND PAYABLE TO OVERLYING DISTRICTS (1,063,115)

BALANCE \$ -

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

NOTES TO FINANCIAL STATEMENTS
As of August 31, 2017 and From the Date of Creation Through August 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Sun Prairie's Tax Incremental District No. 7 (the "district") 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 District No. 7. The accompanying financial statements reflect all the significant operations of the City of Sun Prairie's Tax Incremental District No. 7. The accompanying financial statements do not include the full presentation of the City of Sun Prairie.

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT

This report contains the financial information of the City of Sun Prairie's Tax Incremental District No. 7. The summary statements were prepared from data recorded in the following fund and the city's long-term debt:

Tax Incremental District No. 7 Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt 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 district was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement 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 district to collect tax increments until the net project cost has been fully recovered, or until 23 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.

Original Project Plan

	Creation Date	Termination Date
TID No. 7	January 1, 1998	April 4, 2017

Plan Amendment

	Adoption Date
Amendment No. 1	May 16, 2000
Amendment No. 2	June 19, 2012

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

NOTES TO FINANCIAL STATEMENTS
As of August 31, 2017 and From the Date of Creation Through August 31, 2017

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

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 the related fund liability is 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 district 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.

E. 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.

F. 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.

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

NOTES TO FINANCIAL STATEMENTS
As of August 31, 2017 and From the Date of Creation Through August 31, 2017

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 for identical assets or yield scales and bond evaluation models for similar assets that have recently traded. 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 district, as a fund of the City of Sun Prairie, maintains separate and common cash and investment accounts at the same financial institutions utilized by the City of Sun Prairie. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the city as an individual municipality and, accordingly, the amount of insured funds is not determinable for the district. Detailed fair value information related to the district is also not determinable.

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. The City of Sun Prairie entered into lease agreements with the Community Development Authority of the City of Sun Prairie (CDA) for certain property and improvements in TID No. 7. TID No. 7 made lease payments to the CDA that equaled the debt service payments on lease revenue bonds issued by the CDA. Notes, bonds, and leases borrowed to finance the district's expenditures have been retired by tax increments accumulated by the district.

	Borrowed	Repaid	Balance 8-31-17
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	-

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

NOTES TO FINANCIAL STATEMENTS
As of August 31, 2017 and From the Date of Creation Through August 31, 2017

NOTE 3 – LONG TERM DEBT (cont.)

	Borrowed	Repaid	Balance 8-31-17
2000 capital lease is dated December 15, 2000. Final maturity is February 1, 2011.	\$ 1,535,000	\$ 1,535,000	\$ -
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. This issue was called on February 1, 2017.	4,506,778	4,506,778	-
Totals	\$ 17,418,843	\$ 17,418,843	\$ -

NOTE 4 – 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 of \$18,352 will be paid in full upon sale of the remaining lot.

NOTE 5 – DEVELOPER AGREEMENT

The City of Sun Prairie entered into a development agreement with Equity Resources & Investment, LLC, and Madison-Kipp, Corp. The agreement provides for an economic development incentive payment from the city for reimbursement of expenses up to a maximum of \$274,000 upon reaching certain criteria included in the agreement. During 2017, the city paid the full amount of the incentive per the agreement.

NOTE 6 – REFUND TO OVERLYING DISTRICTS

The refund to overlying districts is calculated based on increments collected in excess of project costs using the ratio of tax levies in the 2016 tax roll as follows:

Dane County	\$ 135,365
City of Sun Prairie	347,193
Sun Prairie Area School District	538,694
Madison College	41,863
Total	\$ 1,063,115

In addition, as remaining unavailable revenues are collected, they will be refunded to the overlying districts using the same ratio as noted above. The total unavailable revenues at August 31, 2017 were \$18,352.

SUPPLEMENTARY INFORMATION

**Tax Incremental Financing District
No. 7 – Detailed Schedule of Sources,
Uses, and Status of Funds Follows**

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

DETAILED SCHEDULE OF SOURCES, USES AND STATUS OF FUNDS
From the Date of Creation Through August 31, 2017

	1998	1999	2000	2001	2002	2003
SOURCES OF FUNDS						
Tax increments	\$ -	\$ -	\$ -	\$ 102,582	\$ 201,560	\$ 433,098
Exempt computer aid	-	-	-	2,300	1,219	3,835
Intergovernmental grants	-	166,320	732,262	-	-	-
Transfers from other funds	-	-	-	-	-	75
Investment income	-	20,760	23,323	125,893	13,949	7,991
Sale of property	-	-	-	651,206	-	-
Miscellaneous revenues	500	2,001	162,485	17,790	-	-
Long-term debt issued	1,275,306	2,101,754	9,535,005	-	-	-
Total Sources of Funds	<u>1,275,806</u>	<u>2,290,835</u>	<u>10,453,075</u>	<u>899,771</u>	<u>216,728</u>	<u>444,999</u>
USES OF FUNDS						
Capital expenditures	1,237,600	994,147	4,182,948	361,127	93,126	-
Administration (in-house)	-	-	-	-	-	-
Professional services - planning, engineering, other	42,787	360,227	253,760	108,056	31,516	1,424
Developer incentives	-	-	-	-	-	-
Interest and fiscal charges on long-term debt	927	-	96,266	329,957	418,270	429,285
Discount and issuance costs on long-term debt	29,444	8,003	122,376	-	-	-
Payment to escrow agent - fees	-	-	-	-	-	-
Principal on long-term debt	-	-	2,101,754	3,393,769	185,280	174,265
Total Uses of Funds	<u>1,310,758</u>	<u>1,362,377</u>	<u>6,757,104</u>	<u>4,192,909</u>	<u>728,192</u>	<u>604,974</u>

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
\$ 531,059	\$ 478,620	\$ 528,031	\$ 530,569	\$ 618,788	\$ 679,173	\$ 842,885	\$ 971,287	\$ 1,049,443	\$ 751,029
-	-	10,593	8,936	11,416	14,206	19,092	27,469	28,719	28,960
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
11,468	52,101	37,433	30,753	8,745	-	275	589	1,557	1,364
112,527	330,769	-	-	154,285	-	-	-	-	-
11,029	-	-	-	50,000	-	-	-	-	-
-	-	-	-	-	4,506,778	-	-	-	-
<u>666,083</u>	<u>861,490</u>	<u>576,057</u>	<u>570,258</u>	<u>843,234</u>	<u>5,200,157</u>	<u>862,252</u>	<u>999,345</u>	<u>1,079,719</u>	<u>781,353</u>
-	-	-	-	1,542	-	-	45,000	-	-
-	-	-	-	-	-	-	-	340	400
797	583	1,707	1,492	2,511	1,859	700	16,166	14,564	594
-	-	-	-	-	-	-	-	-	-
438,686	448,228	448,767	448,832	446,764	322,827	212,569	183,730	165,010	157,235
-	-	-	-	-	109,259	-	-	-	-
-	-	-	-	-	120,239	-	-	-	-
<u>161,494</u>	<u>204,358</u>	<u>272,826</u>	<u>275,937</u>	<u>267,382</u>	<u>5,150,000</u>	<u>465,000</u>	<u>510,000</u>	<u>375,000</u>	<u>400,000</u>
<u>600,977</u>	<u>653,169</u>	<u>723,300</u>	<u>726,261</u>	<u>718,199</u>	<u>5,704,184</u>	<u>678,269</u>	<u>754,896</u>	<u>554,914</u>	<u>558,229</u>

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

DETAILED SCHEDULE OF SOURCES, USES AND STATUS OF FUNDS
From the Date of Creation Through August 31, 2017

	2014	2015	2016	2017	Totals	Project Plan Estimate
SOURCES OF FUNDS						
Tax increments	\$ 922,993	\$ 880,671	\$ 864,494	\$ 983,771	\$ 11,370,053	\$ 8,590,211
Exempt computer aid	48,965	49,421	37,666	30,313	323,110	-
Intergovernmental grants	-	-	-	-	898,582	1,100,000
Transfers from other funds	-	-	-	-	75	-
Investment income	1,045	3,111	8,820	2,380	351,557	-
Sale of property	184,360	-	201,325	-	1,634,472	2,964,000
Miscellaneous revenues	-	-	-	50	243,855	-
Long-term debt issued	-	-	-	-	17,418,843	6,716,000
Total Sources of Funds	<u>1,157,363</u>	<u>933,203</u>	<u>1,112,305</u>	<u>1,016,514</u>	<u>32,240,547</u>	<u>19,370,211</u>
USES OF FUNDS						
Capital expenditures	-	228,930	-	-	7,144,420	7,623,211
Administration (in-house)	400	27,988	31,204	15,327	75,659	-
Professional services - planning, engineering, other	1,081	1,970	12,058	10,218	864,070	300,000
Developer incentives	-	-	-	274,000	274,000	500,000
Interest and fiscal charges on long-term debt	147,376	135,690	122,815	57,885	5,011,119	4,231,000
Discount and issuance costs on long-term debt	-	-	-	-	269,082	-
Payment to escrow agent - fees	-	-	-	-	120,239	-
Principal on long-term debt	420,000	415,000	415,000	2,231,778	17,418,843	6,716,000
Total Uses of Funds	<u>568,857</u>	<u>809,578</u>	<u>581,077</u>	<u>2,589,208</u>	<u>31,177,432</u>	<u>19,370,211</u>
FUND BALANCE – AUGUST 31, 2017					1,063,115	
REFUND PAYABLE TO OVERLYING DISTRICTS					<u>(1,063,115)</u>	
BALANCE					<u>\$ -</u>	

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

DETAILED SCHEDULE OF CAPITAL EXPENDITURES
From the Date of Creation Through August 31, 2017

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital Expenditures		
Business park infrastructure	\$ 4,925,820	\$ 5,373,211
Land acquisition	<u>2,218,600</u>	<u>2,250,000</u>
 TOTAL CAPITAL EXPENDITURES	 <u>\$ 7,144,420</u>	 <u>\$ 7,623,211</u>

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

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

We have audited the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost Recovered Through Tax Increments and the related Historical Summary of Sources, Uses and Status of Funds of the City of Sun Prairie, Wisconsin's Tax Incremental District No. 7 ("district") as of August 31, 2017 and from the date the district was created through August 31, 2017 and have issued our report thereon dated September 15, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the district failed to comply with Wisconsin State Statutes Section 66.1105, insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the district's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of those charged with governance, management, and the overlapping taxing districts and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
September 15, 2017