CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9 AND NO. 10

Sun Prairie, Wisconsin

COMPILED
FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 and
From the Date of Creation Through December 31, 2010

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9 AND NO. 10

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CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICTS
NO. 6, NO. 7, NO. 8, NO. 9 AND NO. 10

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ACCOUNTANTS' COMPILATION REPORT

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

We have compiled 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 Districts No. 6, No. 7, No. 8, No. 9 and No. 10 as of and for the year ended December 31, 2010 and from the dates of creation through December 31, 2010. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the 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, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The City of Sun Prairie, Wisconsin has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the financial statements.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
April 14, 2010

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 6

COMPILED
BALANCE SHEET
December 31, 2010

	Debt Service Fund
ASSETS	
Restricted cash and investments	$ 161,935
Taxes receivable	149,993
Other receivables	23,836
TOTAL ASSETS	$ 335,764
LIABILITIES AND FUND BALANCE	
Liabilities	
Due to other funds	$ 44,614
Advance from other funds	110,305
Deferred revenues	166,076
Total Liabilities	320,995
Fund Balance	
Reserved for debt service	161,935
Undesignated (deficit)	(147,166)
Total Fund Balance	14,769
TOTAL LIABILITIES AND FUND BALANCE	$ 335,764

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, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
PROJECT COSTS		
Project and administration costs	$ 451	$ 1,811,777
Interest and fiscal charges	45,264	1,075,717
Discount and issuance costs on long-term debt	-	72,627
Payment to escrow agent - fees	-	28,668
Total Project Costs	45,715	2,988,789
PROJECT REVENUES		
Tax increments	145,433	998,360
Intergovernmental	177	1,235
Investment income	-	68,633
Developer agreement revenues	49,654	370,886
Miscellaneous	-	12,041
Reoffering premium	-	3,236
Transfer from general fund	-	505
Transfer from general debt service fund (Note 6)	-	200,000
Total Project Revenues	195,264	1,654,896
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2010	$ (149,549)	$ 1,333,893

RECONCILIATION OF RECOVERABLE COSTS	
Long-term debt	$ 1,348,662
Less: Fund balance	(14,769)
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2010	$ 1,333,893

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, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 145,433	$ 998,360
Intergovernmental	177	1,235
Investment income	-	68,633
Developer agreement revenues	49,654	370,886
Miscellaneous	-	12,041
Reoffering premium	-	3,236
Transfer from general fund	-	505
Transfer from general debt service fund (Note 6)	-	200,000
Proceeds from long-term debt	-	5,394,194
Total Sources of Funds	195,264	7,049,090
USES OF FUNDS		
Project and administration costs	451	1,811,777
Principal on long-term debt	106,462	4,045,532
Interest and fiscal charges	45,264	1,075,717
Discount and issuance costs on long-term debt	-	72,627
Payment to escrow agent - fees	-	28,668
Total Uses of Funds	152,177	7,034,321
Excess of sources of funds over uses of funds	43,087	14,769
BEGINNING FUND BALANCE (DEFICIT)	(28,318)	-
ENDING FUND BALANCE	$ 14,769	$ 14,769

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

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 7

COMPILED
BALANCE SHEET
December 31, 2010

	Capital Projects Fund
ASSETS	
Cash and investments	$ 303,594
Restricted cash and investments	684,700
Taxes receivable	971,287
TOTAL ASSETS	$ 1,959,581
LIABILITIES AND FUND BALANCE	
Liabilities	
Deferred revenues	$ 971,287
Total Liabilities	971,287
Fund Balance	
Reserved for debt service	684,700
Undesignated	303,594
Total Fund Balance	988,294
TOTAL LIABILITIES AND FUND BALANCE	$ 1,959,581

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, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
PROJECT COSTS		
Project and administration costs	$ 700	$ 7,677,909
Interest and fiscal charges	212,569	4,041,378
Discount and issuance costs on long-term debt	-	269,082
Payment to escrow agent - fees	-	120,239
Total Project Costs	213,269	12,108,608
PROJECT REVENUES		
Tax increments	842,885	4,946,365
Intergovernmental	19,092	970,179
Investment income	275	332,691
Miscellaneous	-	895,011
Sale of property	-	597,581
Transfer from general fund	-	75
Total Project Revenues	862,252	7,741,902
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2010	$ (648,983)	$ 4,366,706
RECONCILIATION OF RECOVERABLE COSTS		
Long-term debt outstanding		$ 5,355,000
Less: Fund balance		(988,294)
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2010		$ 4,366,706

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, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 842,885	$ 4,946,365
Intergovernmental	19,092	970,179
Investment income	275	332,691
Miscellaneous	-	895,011
Sale of property	-	597,581
Proceeds from long-term debt	-	18,007,065
Transfer from general fund	-	75
Total Sources of Funds	862,252	25,748,967
USES OF FUNDS		
Project and administration costs	700	7,677,909
Principal on long-term debt	465,000	12,652,065
Interest and fiscal charges	212,569	4,041,378
Discount and issuance costs on long-term debt	-	269,082
Payment to escrow agent - fees	-	120,239
Total Uses of Funds	678,269	24,760,673
Excess of sources of funds over uses of funds	183,983	988,294
BEGINNING FUND BALANCE	804,311	-
ENDING FUND BALANCE	$ 988,294	$ 988,294

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

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 8

COMPILED
BALANCE SHEET
December 31, 2010

	Capital Projects Fund
ASSETS	
Restricted cash and investments	$ 1,707,907
Taxes receivable	1,426,086
Other receivables	37,719
TOTAL ASSETS	$ 3,171,712
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	$ 14
Due to other funds	444,319
Advance from other funds	100,000
Deferred revenues	1,462,697
Total Liabilities	2,007,030
Fund Balance	
Restricted for debt service	1,707,907
Undesignated (deficit)	(543,225)
Total Fund Balance	1,164,682
TOTAL LIABILITIES AND FUND BALANCE	$ 3,171,712

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, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
PROJECT COSTS		
Project and administration costs	$ 74,274	$ 17,897,550
Interest and fiscal charges	735,101	4,562,707
Discount and issuance costs on long-term debt	-	233,922
Total Project Costs	809,375	22,694,179
PROJECT REVENUES		
Tax increments	1,275,698	4,657,886
Intergovernmental	4,615	848,410
Investment income	19	315,132
Developer agreement revenues	-	132,272
Miscellaneous	14,410	193,579
Sale of property	-	308,882
Transfer from general fund	-	71,631
Premium on long-term debt	-	1,069
Total Project Revenues	1,294,742	6,528,861
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2010	$ (485,367)	$ 16,165,318

RECONCILIATION OF RECOVERABLE COSTS	
Long-term debt outstanding	$ 17,330,000
Less: Fund balance	(1,164,682)
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2010	$ 16,165,318

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, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 1,275,698	$ 4,657,886
Intergovernmental	4,615	848,410
Investment income	19	315,132
Sale of property	-	308,882
Developer agreement revenues	-	132,272
Miscellaneous	14,410	193,579
Proceeds from long-term debt	-	7,816,725
Premium on long-term debt	-	1,069
Proceeds from capital lease	-	17,330,000
Transfer from general fund	-	71,631
Total Sources of Funds	1,294,742	31,675,586
USES OF FUNDS		
Project and administration costs	74,274	17,897,550
Principal on long-term debt	590,000	7,816,725
Interest and fiscal charges	735,101	4,562,707
Discount and issuance costs on long-term debt	-	233,922
Total Uses of Funds	1,399,375	30,510,904
Excess (deficiency) of sources of funds over uses of funds	(104,633)	1,164,682
BEGINNING FUND BALANCE	1,269,315	-
ENDING FUND BALANCE	$ 1,164,682	$ 1,164,682

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

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 9

COMPILED
BALANCE SHEET
December 31, 2010

	Capital Projects Fund
ASSETS	
Accounts receivable	$ -
Due from other funds	-
TOTAL ASSETS	$ -
LIABILITIES AND FUND BALANCES	
Liabilities	
Advance from other funds	$ 162,867
Total Liabilities	162,867
Fund Balance	
Undesignated (deficit)	(162,867)
Total Fund Balance	(162,867)
TOTAL LIABILITIES AND FUND BALANCE	$ -

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, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
PROJECT COSTS		
Project and administration costs	$ 450	$ 8,596,884
Interest and fiscal charges	201,025	993,094
Discount and issuance costs on long-term debt	-	99,296
Total Project Costs	201,475	9,689,274
PROJECT REVENUES		
Tax increments		4,211
Intergovernmental	1,732	4,031
Investment income	-	58,696
Miscellaneous	-	32,103
Sale of property	-	4,221,054
Premium on long-term debt	-	6,312
Total Project Revenues	1,732	4,326,407
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2010	$ 199,743	$ 5,362,867

RECONCILIATION OF RECOVERABLE COSTS	
Long-term debt outstanding	$ 5,200,000
Plus: Fund balance deficit	162,867
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2010	$ 5,362,867

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, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ -	$ 4,211
Intergovernmental	1,732	4,031
Investment income	-	58,696
Miscellaneous	-	32,103
Sale of property	-	4,221,054
Proceeds from long-term debt	-	12,900,000
Premium on long-term debt	-	6,312
Total Sources of Funds	1,732	17,226,407
USES OF FUNDS		
Project and administration costs	450	8,596,884
Principal on long-term debt	-	7,700,000
Interest and fiscal charges	201,025	993,094
Discount and issuance costs on long-term debt	-	99,296
Total Uses of Funds	201,475	17,389,274
Excess (deficiency) of sources of funds over uses of funds	(199,743)	(162,867)
BEGINNING FUND BALANCE	36,876	-
ENDING FUND BALANCE (DEFICIT)	$ (162,867)	$ (162,867)

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

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 10

COMPILED
BALANCE SHEET
December 31, 2010

	Capital Projects Fund
ASSETS	$ -
LIABILITIES AND FUND BALANCES	
Liabilities	
Advances from other funds	$ 10,216
Fund Balance	
Undesignated (deficit)	(10,216)
TOTAL LIABILITIES AND FUND BALANCE	$ -

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

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 10

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
PROJECT COSTS		
Project and administration costs	$ 450	$ 11,825
PROJECT REVENUES		
Intergovernmental	1,609	1,609
NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2010	$ (1,159)	$ 10,216
RECONCILIATION OF RECOVERABLE COSTS		
Fund balance deficit		$ 10,216
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2010		$ 10,216

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

CITY OF SUN PRAIRIE
TAX INCREMENTAL DISTRICT NO. 10

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2010
and From Date of Creation Through December 31, 2010

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Intergovernmental	$ 1,609	$ 1,609
USES OF FUNDS		
Project and administration costs	450	11,825
Excess (deficiency) of sources of funds over uses of funds	1,159	(10,216)
BEGINNING FUND BALANCE (DEFICIT)	(11,375)	-
ENDING FUND BALANCE (DEFICIT)	$ (10,216)	$ (10,216)

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 AND NO. 10

COMPILED
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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 and No. 10 conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Sun Prairie uses the criteria set forth by the Governmental Accounting Standards Board to determine the scope of the reporting entity of the Tax Incremental Districts. The accompanying financial statements reflect all the significant operations of the City of Sun Prairie's Tax Incremental Districts.

A. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE

This report contains the financial information of the City of Sun Prairie TID's. The summary statements were prepared from data recorded in the following funds, the city's long-term debt, and the component unit:

Tax Incremental District No. 6 – Debt Service Fund
Tax Incremental District No. 7 – Debt Service Fund
Tax Incremental District No. 8 – Capital Projects Fund
Tax Incremental District No. 9 – Capital Projects Fund
Tax Incremental District No. 10 – 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 may not directly correlate with amounts shown in the basic financial statements of the city.

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 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 districts to collect tax increments until the net project cost has been fully recovered, or a statutorily determined 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 AND NO. 10

COMPILED
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

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

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
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. 10	October 8, 2007	October 8, 2031	2036

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 deferred revenue or a reservation of 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.

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 "Other Financing Sources" 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. There were no significant claims or judgments at year end.

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 AND NO. 10

COMPILED
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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 12-31-10
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	27,369	143,662
2009 refunding lease revenue bonds 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 $1,205,000.	1,205,000	-	1,205,000
Totals	$ 5,394,194	$ 4,045,532	$ 1,348,662

NOTE 3 – LONG-TERM DEBT (cont.)

	Borrowed	Repaid	Balance 12-31-10
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	1,175,000	360,000
2000 bond anticipation notes dated November 2, 2000 with interest at 7.1%.	1,000,000	1,000,000	-
2009 refunding lease revenue bonds 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 $5,095,000.	5,095,000	100,000	4,995,000
Totals	$ 18,007,065	$ 12,652,065	$ 5,355,000
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	390,000	2,110,000

NOTE 3 – LONG-TERM DEBT (cont.)

	Borrowed	Repaid	Balance 12-31-10
TID NO. 8 (cont.)			
2005 capital lease dated March 23, 2005. Final maturity is August 1, 2024.	$ 10,965,000	$ 800,000	$ 10,165,000
2006 capital lease dated Mach 28, 2006. Final maturity is August 1, 2025.	3,865,000	160,000	3,705,000
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	30,000	475,000
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
Totals	$ 25,146,725	$ 7,816,725	$ 17,330,000
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
Totals	$ 12,900,000	$ 7,700,000	$ 5,200,000

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NO. 6, NO. 7, NO. 8, NO. 9 and NO. 10

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NOTE 3 – LONG-TERM DEBT (cont.)

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

Calendar	TID No. 6			TID No. 7		
Year	Principal	Interest	Totals	Principal	Interest	Total
2011	121,875	41,919	163,794	510,000	183,730	693,730
2012	126,445	39,358	165,803	375,000	165,010	540,010
2013	130,525	36,363	166,888	400,000	157,235	557,235
2014	130,531	32,902	163,433	420,000	147,375	567,375
2015	140,522	28,851	169,373	415,000	135,690	550,690
2016	139,843	24,264	164,107	415,000	122,618	537,618
2017	143,921	19,258	163,179	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	145,000	3,045	148,045	475,000	52,725	527,725
2021	-	-	-	475,000	32,063	507,063
2022	-	-	-	475,000	10,688	485,688
Totals	$ 1,348,662	$ 249,010	$ 1,597,672	$ 5,355,000	$ 1,277,819	$ 6,632,819

Calendar	TID No. 8			TID No. 9		
Year	Principal	Interest	Totals	Principal	Interest	Totals
2011	645,000	708,533	1,353,533	-	201,025	201,025
2012	705,000	686,633	1,391,633	-	201,025	201,025
2013	805,000	660,848	1,465,848	-	201,025	201,025
2014	900,000	630,841	1,530,841	-	201,025	201,025
2015	970,000	596,929	1,566,929	4,200,000	119,650	4,319,650
2016	1,055,000	559,561	1,614,561	50,000	37,338	87,338
2017	1,140,000	517,911	1,657,911	50,000	35,463	85,463
2018	1,205,000	471,495	1,676,495	100,000	32,650	132,650
2019	1,355,000	421,179	1,776,179	150,000	27,963	177,963
2020	1,470,000	364,849	1,834,849	175,000	21,781	196,781
2021	1,590,000	302,572	1,892,572	225,000	14,081	239,081
2022	1,705,000	234,697	1,939,697	250,000	4,875	254,875
2023	1,770,000	161,169	1,931,169	-	-	-
2024	1,575,000	83,700	1,658,700	-	-	-
2025	440,000	18,700	458,700	-	-	-
Totals	$ 17,330,000	$ 6,419,617	$ 23,749,617	$ 5,200,000	$ 1,097,901	$ 6,297,901

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NOTE 4 – RESTRICTED CASH AND INVESTMENTS

The following account balances are held by TID No. 6, No. 7, and No. 8 from the proceeds of CDA lease revenue bonds.

	TID No. 6	TID No. 7	TID No. 8
Reserve fund account	$ 161,935	$ 684,700	$ 1,707,907
Total	$ 161,935	$ 684,700	$ 1,707,907

NOTE 5 – ADVANCES FROM OTHER FUNDS

The general fund advanced funds to TIF District Nos. 6, 8, 9 and 10. No repayment schedules have been determined for the advances. The advance balances at year end are as follows:

Receivable Fund	Payable Fund	Amount
General	TIF No. 6	$ 110,305
General	TIF No. 8	100,000
General	TIF No. 9	162,867
General	TIF No. 10	10,216

No interest is being charged on the advances. In addition, the TIF Districts owe the general fund as follows:

Receivable Fund	Payable Fund	Amount
General	TIF No. 6	$ 44,614
General	TIF No. 8	444,319

NOTE 6 – 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 TIF projects.

NOTE 7 – 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.

NOTE 8 – 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 liquated 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 TIF 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 TIF 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 2010, $49,654 was collected from the developer. Total payments imposed and collected as of December 31, 2010 were $370,886.

TID NO. 8

The City of Sun Prairie entered into a development agreement with Great Neighborhoods East, LLC (subdivider).

NOTE 8 – DEVELOPER AGREEMENTS (cont.)

TID NO. 8 (cont.)

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 TIF 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 $1,000.00 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.

There were no shortfall payments collected during 2010. Cumulative shortfall payments imposed and collected as of December 31, 2010 were $132,272.

The City of Sun Prairie has entered into similar developer agreements with Macope, LLC, 3MG Investments, LLC, and Paul Nooyen for Phase II, DPR, LLC for Phase III and GenCap, LLC for Phase IV of TID No. 8 redevelopment.