



December 11, 2015

A **SPECIAL JOINT MEETING** of the **Common Council and the Community Development Authority** of the City of Cudahy is scheduled for **Tuesday, December 15, 2015 at 7:30 P.M** at the City of Cudahy Municipal Building at 5050 S. Lake Drive, Cudahy, WI 53110.

1. Call To Order

New Business

1. Presentation of City of Cudahy Tax Increment District No. 1 financial audit from the creation through December 31, 2014 as prepared by Baker Tilly.

Adjourn

Your presence is requested.

John Hohenfeldt, Mayor

cc: All Elected Officials,
CDA Members, Department Managers,
City Attorney, Press, and Posting

PUBLIC NOTICE

Upon reasonable notice, a good faith effort will be made to accommodate the needs of individuals to participate in public meetings, who have a qualifying disability under the Americans with Disabilities Act.

Request should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the Cudahy City Clerk at 769-2204. (FAX 769-2257). This meeting room is wheelchair accessible from the West entrance of South Lake Drive.

CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1
Cudahy, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of December 31, 2014 and From the
Date of Creation Through December 31, 2014

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Common Council
City of Cudahy
Cudahy, Wisconsin

Report on the Financial Statements

We have audited the accompanying Combined 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 Cudahy's Tax Incremental District No. 1 as of December 31, 2014 and from the date of creation through December 31, 2014, 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 Cudahy'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 Cudahy'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 Mayor and Common Council
City of Cudahy

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City of Cudahy's Tax Incremental District No. 1 and the net project costs to be recovered through tax increments as of December 31, 2014 and the sources, uses, and status of funds from the date of creation through December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the transactions of City of Cudahy's Tax Incremental District No.1 and do not purport to, and do not, present fairly the financial position of the City of Cudahy, Wisconsin, as of December 31, 2014, 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 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, 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 Cudahy's Tax Incremental District No. 1's financial statements. The Detailed Schedule of Sources, Uses and Status of Funds, the Detailed Schedule of Capital Expenditures, and the Combining Balance Sheet - Special Revenue Funds as listed in the table of contents are presented for purposes of additional analysis and are 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 Detailed Schedule of Sources, Uses and Status of Funds, the Detailed Schedule of Capital Expenditures, and the Combining Balance Sheet - Special Revenue Funds are fairly stated in all material respects, in relation to the financial statements as a whole.

Baker Tilly Vinchow Krause, LLP

Milwaukee, Wisconsin
December 2, 2015

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

COMBINED BALANCE SHEET
As of December 31, 2014

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
ASSETS				
Cash and investments	\$ 8,877,120	\$ 5,097,599	\$ 1,862,903	\$ 15,837,622
Taxes receivable	5,036,132	-	7,953	5,044,085
Special assessments receivable	19,241	-	18,640	37,881
Other receivable	14,040	-	-	14,040
Loans receivable	-	-	797,424	797,424
TOTAL ASSETS	\$ 13,946,533	\$ 5,097,599	\$ 2,686,920	\$ 21,731,052
LIABILITIES				
Accounts payable and accrued liabilities	\$ 38,245	\$ -	\$ 3,440	\$ 41,685
Total Liabilities	38,245	-	3,440	41,685
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	5,036,132	-	-	5,036,132
Unavailable revenues	19,241	-	26,593	45,834
Total Deferred Inflows of Resources	5,055,373	-	26,593	5,081,966
FUND BALANCES				
Restricted	7,453,743	5,097,599	2,656,887	15,208,229
Committed	1,399,172	-	-	1,399,172
Total Fund Balances	8,852,915	5,097,599	2,656,887	16,607,401
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 13,946,533	\$ 5,097,599	\$ 2,686,920	\$ 21,731,052

See accompanying notes to financial statements.

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
From Date of Creation Through December 31, 2014

PROJECT COSTS

Capital expenditures	\$ 69,563,791
Administration and organization	3,426,921
Debt discount and issuance costs	1,249,215
Interest and fiscal charges	<u>30,866,140</u>
Total Project Costs	<u>105,106,067</u>

PROJECT REVENUES

Tax increments	71,384,255
Exempt computer aid	2,292,789
Reimbursement from TIF #4	651,078
Transfer from other funds	101,671
Investment income	5,781,230
Public improvement revenues	4,021,168
Sale of property	27,100
Reimbursement from developers	703,754
Intergovernmental revenues	804,244
Miscellaneous revenues	<u>221,586</u>
Total Project Revenues	<u>85,988,875</u>

**NET COSTS TO BE RECOVERED THROUGH
TAX INCREMENTS – DECEMBER 31, 2014**

\$ 19,117,192

Reconciliation of Recoverable Costs

G.O. debt	\$ 19,364,091
Redevelopment Lease Revenue debt	15,707,460
Tax Increment Project Revenue Bonds	653,042
Less: Fund balance	<u>(16,607,401)</u>

**NET COSTS TO BE RECOVERED THROUGH
TAX INCREMENTS – DECEMBER 31, 2014**

\$ 19,117,192

See accompanying notes to financial statements.

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
From Date of Creation Through December 31, 2014

SOURCES OF FUNDS

Tax increments	\$ 71,384,255
Exempt computer aid	2,292,789
Reimbursement from TIF #4	651,078
Transfer from other funds	101,671
Investment income	5,781,230
Public improvement revenues	4,021,168
Sale of property	27,100
Reimbursement from developers	703,754
Intergovernmental revenues	804,244
Miscellaneous revenues	221,586
Long-term debt issued	<u>114,868,891</u>
Total Sources of Funds	<u>200,857,766</u>

USES OF FUNDS

Capital expenditures	69,563,791
Administration and organization	3,426,921
Debt discount and issuance costs	1,249,215
Interest and fiscal charges	30,866,140
Principal on long-term debt	<u>79,144,298</u>
Total Uses of Funds	<u>184,250,365</u>

FUND BALANCE – DECEMBER 31, 2014 \$ 16,607,401

See accompanying notes to financial statements.

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2014 and From the Date of Creation Through December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Cudahy's Tax Incremental District No. 1 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Cudahy 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. 1. The accompanying financial statements reflect all the significant operations of the City of Cudahy's Tax Incremental District No. 1. The accompanying financial statements do not include the full presentation of the City of Cudahy.

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT

This report contains the financial information of the City of Cudahy's Tax Incremental District No. 1. The summary statements were prepared from data recorded in the following funds and the city's long-term debt:

Special Revenue Fund
Debt Service Fund
Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the City of Cudahy's basic/general purpose 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/general purpose 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 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Cudahy. Project costs may be incurred up to five years before the unextended termination date of the district.

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2014 and From the Date of Creation Through December 31, 2014

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

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT (cont.)

Original Project Plan

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 1	April 20, 1994	April 20, 2016	2021

Plan Amendments

	Amendment Number	Adoption Date
TID No. 1	#1	February 14, 2000
	#2	July 31, 2002
	#3	May 12, 2009
	#4	April 12, 2010

The statutory required 30% audit of the district was completed as of December 31, 2009 and from the date of creation through December 31, 2009.

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.

Special assessments are recorded as revenues when collected. Annual installments due in future years are accounted for as receivables and unavailable revenues. \$37,881 of outstanding special assessments are receivables as of the date of this report.

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.

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2014 and From the Date of Creation Through December 31, 2014

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

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. PROJECT PLAN BUDGET

The estimated revenues and expenditures of the district are adopted in the project plan. Those estimates are for the entire life of the district, and may not be comparable to interim results presented in this report. Also, the project plan is considered a financial framework to manage the project and as such does not represent a budget or an appropriation of funds. The project plan includes a provision that identifies that the costs included in the plan are preliminary estimates and are subject to change. The City of Cudahy also reserves the right to increase certain project costs to the extent other costs are reduced or not implemented without amending the project plan. However, for increases in excess of twenty-five percent over the cost of inflation of total project costs, the City would pursue an amendment to the project plan in accordance with Wisconsin Statutes Section 66.1105(4)(h) which would include review by the Joint Review Board.

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.

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2014 and From the Date of Creation Through December 31, 2014

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

NOTE 3 – LONG TERM DEBT

A. GENERAL OBLIGATION AND MORTGAGE REVENUE BOND DEBT

All general obligation notes and bonds payable are backed by the full faith and credit of the City of Cudahy. Revenue bond debt is secured by the revenues derived from the operation of the Community Development Authority (CDA) pursuant to a lease agreement between the City and the CDA. Notes and bonds borrowed to finance the district's expenditures will be retired by tax increments accumulated by the district. If those revenues are not sufficient, payments will be made by future tax levies or lease revenues, as applicable.

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2014 and From the Date of Creation Through December 31, 2014

NOTE 3 – LONG TERM DEBT (cont.)

A. GENERAL OBLIGATION AND MORTGAGE REVENUE BOND DEBT (cont.)

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Repaid/Refunded	Balance 12-31-14
General obligation notes	6/1/94	6/1/09	5.0 – 5.5	\$ 1,743,452	\$ 1,743,452	\$ -
	7/1/95	6/1/05	4.3 – 4.95	1,475,000	1,475,000	-
General obligation bonds	9/9/97	9/1/15	3.9 – 5.125	2,432,462	2,432,462	-
	11/6/01	11/1/21	4.0 – 4.75	7,999,242	7,999,242	-
	3/1/04	3/1/22	3.0 – 4.35	4,065,000	4,065,000	-
	6/1/06	6/1/22	4.0 – 4.1	2,385,000	2,385,000	-
	3/7/07	3/1/21	3.875 – 4.0	4,595,500	530,250	4,065,250
	4/2/08	4/1/21	3.0 – 4.0	950,300	257,795	692,505
	12/8/09	10/1/21	1.0 – 5.25	4,145,000	4,145,000	-
	12/8/09	10/1/21	2.0 – 5.2	3,950,000	875,000	3,075,000
General obligation refunding bonds	3/1/04	6/1/15	3.0 – 3.55	2,174,414	2,174,414	-
	9/9/10	11/1/19	2.0 – 2.25	4,140,000	1,655,000	2,485,000
	10/13/11	3/1/22	2.0 – 4.0	2,875,000	390,000	2,485,000
	4/12/12	6/1/22	2.0 – 2.5	2,365,000	298,664	2,066,336
	4/12/12	4/1/22	0.5 – 3.125	1,825,000	340,000	1,485,000
	5/23/13	10/1/21	2.0 – 3.25	3,450,000	440,000	3,010,000
Redevelopment lease revenue bonds	7/1/95	6/1/11	4.5 – 6.0	2,561,485	2,561,485	-
	8/18/99	6/1/19	3.9 – 5.125	9,925,000	9,925,000	-
	12/13/00	6/1/19	4.35 – 5.35	7,475,000	7,475,000	-
	12/30/02	6/1/22	2.5 – 4.8	4,865,000	4,865,000	-
	11/25/03	6/1/22	2.0 – 4.6	4,995,000	4,995,000	-
	01/13/05	6/1/11	2.0 – 3.25	2,700,000	2,700,000	-
	10/25/05	6/1/19	2.9 – 4.2	6,770,000	6,770,000	-
	6/28/06	6/1/19	3.5 – 4.35	6,415,000	750,000	5,665,000
	3/1/09	6/1/14	1.25 – 3.0	2,350,000	2,350,000	-
	10/13/11	6/1/22	0.75 – 3.25	3,200,000	575,000	2,625,000
	3/14/12	6/1/22	0.6 – 2.6	3,580,000	280,000	3,300,000
	3/7/13	6/1/19	0.7 – 1.75	5,265,000	575,000	4,690,000
	State Trust Fund Loan	3/19/03	3/15/22	5.0	3,667,000	3,667,000
Totals				<u>\$114,338,855</u>	<u>\$ 78,694,764</u>	<u>\$ 35,644,091</u>

The \$9.925 million debt issue in 1999 includes \$140,000 of proceeds related to Tax Increment District No.4 for which District No. 1 received reimbursement of principal and interest costs in 2005.

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2014 and From the Date of Creation Through December 31, 2014

NOTE 3 – LONG TERM DEBT (cont.)

A. GENERAL OBLIGATION AND MORTGAGE REVENUE BOND DEBT (cont.)

The \$2.7 million debt issue in 2005 includes \$432,540 of proceeds related to Tax Incremental District No. 4 which district No.1 received reimbursement of principal and interest in 2005.

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

Calendar Year	Principal	Interest	Totals
2015	\$ 4,406,247	\$ 1,096,778	\$ 5,503,025
2016	4,706,551	978,753	5,685,304
2017	5,063,930	841,828	5,905,758
2018	5,510,879	685,374	6,196,253
2019	5,838,132	505,808	6,343,940
2020 – 2022	10,118,352	552,100	10,670,452
Totals	<u>\$ 35,644,091</u>	<u>\$ 4,660,641</u>	<u>\$ 40,304,732</u>

\$13.67 million is available in the special revenue and debt service funds to service the debt shown.

B. Tax Increment Project Revenue Bonds

The City has authorized the issuance of Tax Incremental Project Revenue Bonds for the purpose of financing certain projects to eliminate blight and encourage development. The principal on the bonds is solely payable from tax increments in Tax Increment District No. 1 after certain developments have met established thresholds of equalized value to the City. In conjunction with the authorization of these debt issues, the City entered into developer agreements for the sale of the debt issues to local businesses to provide development incentives to assist developers in undertaking the projects. The bonds have no established repayment terms. Any obligation for repayment will expire on the maturity date shown below. The details related to the debt issues are:

TID No.	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/14
1	08/26/02	11/1/2022	None	\$ 702,576	\$603,263
1	11/27/02	11/1/2022	None	400,000	49,778
Total				<u>\$1,102,576</u>	<u>\$653,041</u>

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2014 and From the Date of Creation Through December 31, 2014

NOTE 4 – LAND HELD FOR RESALE

In 2008, 2009, 2013, and 2014 the City purchased certain parcels of land within the district for costs of \$1,204,684, \$2,062,250, \$520,380, and \$1,487,677, respectively. The cost of these properties has been reported as project expenditures. These properties are included in the City's redevelopment plan. It is the intent of management to sell these properties at market value and any land sales will be considered district revenue.

NOTE 5 – MORTGAGE NOTE

In 2002 the City's Community Development Authority entered into a mortgage note for \$797,424 with a developer. The note does not bear interest and is due and payable on December 31, 2022. The note is classified as a district asset and the related fund balance has been restricted for the noncurrent status of balance outstanding.

NOTE 6 – FUND BALANCES

The district's fund balances at year-end consist of the following:

1. Special Revenue Fund – Tax increment funds restricted for future project cost and/or debt service of \$7,453,743 and special assessment funds committed for future debt service requirements of \$1,399,172.
2. Debt Service Fund – funds restricted for debt service of \$5,097,599.
3. Capital Project Fund – borrowed funds restricted for future project cost and/or debt service of \$2,656,887.

SUPPLEMENTAL INFORMATION

**Tax Incremental Financing District
No. 1 – Detailed Schedule of Sources,
Uses, and Status of Funds Follows**

CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1

DETAILED SCHEDULE OF SOURCES, USES AND STATUS OF FUNDS
From Date of Creation Through December 31, 2014

	1994	1995	1996	1997	1998	1999	2000	2001	2002
SOURCES OF FUNDS									
Tax increments	\$ -	\$ -	\$ 126,254	\$ 473,367	\$ 745,128	\$ 1,092,688	\$ 1,499,385	\$ 2,188,098	\$ 2,962,847
Exempt computer aid	-	-	-	-	-	-	19,697	17,989	815,701
Reimbursement from TIF #4	-	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-	-	-	-
Investment income	15,428	101,030	206,374	151,809	209,163	308,500	490,589	514,656	215,032
Public improvement revenues	-	15,261	159,955	580,380	807,727	311,780	146,998	82,509	90,344
Sale of property	-	-	-	-	-	-	-	-	27,100
Reimbursement from developers	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	22,405	-	-	-	-	-	-
Long-term debt issued	1,743,452	4,036,485	-	2,432,462	-	9,785,000	7,475,000	7,999,242	5,967,576
Total Sources of Funds	1,758,880	4,152,776	514,988	3,638,018	1,762,018	11,497,968	9,631,669	10,802,494	10,078,600
USES OF FUNDS									
Capital expenditures	43,591	667,134	1,336,821	3,942,024	807,519	5,400,819	4,577,937	9,695,719	9,193,012
Administration and organization	7,500	42,310	13,276	11,642	15,940	62,444	41,626	103,040	226,056
Debt discount and issuance costs	44,047	125,825	-	51,245	-	236,632	199,422	35,133	105,106
Interest and fiscal charges	42,107	186,658	315,767	315,090	427,538	584,488	902,276	1,262,410	1,584,583
Principal on long-term debt	-	-	13,541	50,780	144,465	242,580	372,851	1,271,339	636,532
Total Uses of Funds	137,245	1,021,927	1,679,405	4,370,781	1,395,462	6,526,963	6,094,112	12,367,641	11,745,289

FUND BALANCE -
DECEMBER 31, 2014

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

DETAILED SCHEDULE OF SOURCES, USES AND STATUS OF FUNDS
From Date of Creation Through December 31, 2014
(continued)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
SOURCES OF FUNDS									
Tax increments	\$ 3,589,857	\$ 3,852,820	\$ 4,467,088	\$ 4,584,746	\$ 5,178,445	\$ 5,960,499	\$ 6,578,582	\$ 6,386,904	\$ 5,386,814
Exempt computer aid	196,032	667,366	81,957	136,326	65,607	34,076	50,348	48,733	35,186
Reimbursement from TIF #4	-	-	651,078	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-	-	-	-
Investment income	127,689	220,626	416,966	756,721	1,002,743	570,380	211,604	108,923	56,859
Public improvement revenues	238,999	122,229	76,734	144,012	79,796	78,233	857,207	77,751	64,390
Sale of property	-	-	-	-	-	-	-	-	-
Reimbursement from developers	-	263,661	440,093	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	250,000	323,968
Miscellaneous revenues	-	-	-	-	-	48,810	38,305	23,756	8,371
Long-term debt issued	8,662,000	6,239,414	9,037,460	8,800,000	4,595,500	950,300	10,445,000	4,140,000	6,075,000
Total Sources of Funds	<u>12,814,577</u>	<u>11,366,116</u>	<u>15,171,376</u>	<u>14,421,805</u>	<u>10,922,091</u>	<u>7,642,298</u>	<u>18,181,046</u>	<u>11,036,067</u>	<u>11,950,588</u>
USES OF FUNDS									
Capital expenditures	6,690,303	4,906,337	2,471,862	1,622,524	2,602,582	3,607,104	4,632,727	1,958,289	1,045,003
Administration and organization	255,480	153,678	151,604	177,202	164,980	212,308	280,987	300,717	91,544
Debt discount and issuance costs	147,106	51,734	-	40,826	50,250	18,629	143,260	-	-
Interest and fiscal charges	1,753,858	2,254,228	2,512,617	2,242,058	2,170,620	2,257,595	2,093,723	3,054,808	2,282,401
Principal on long-term debt	989,935	3,314,729	10,315,082	8,219,920	2,219,513	2,458,018	5,123,423	6,409,611	9,398,052
Total Uses of Funds	<u>9,836,682</u>	<u>10,680,706</u>	<u>15,451,165</u>	<u>12,302,530</u>	<u>7,207,945</u>	<u>8,553,654</u>	<u>12,274,120</u>	<u>11,723,425</u>	<u>12,817,000</u>
FUND BALANCE -									
DECEMBER 31, 2014									

CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1

DETAILED SCHEDULE OF SOURCES, USES AND STATUS OF FUNDS
From Date of Creation Through December 31, 2014
(concluded)

	2012	2013	2014	Totals	Project Plan Estimate
SOURCES OF FUNDS					
Tax increments	\$ 5,466,099	\$ 5,216,248	\$ 5,628,386	\$ 71,384,255	
Exempt computer aid	36,322	34,465	52,984	2,292,789	
Reimbursement from TIF #4	-	-	-	651,078	
Transfer from other funds	-	101,671	-	101,671	
Investment income	45,194	34,207	16,737	5,781,230	
Public improvement revenues	35,097	33,936	17,830	4,021,168	
Sale of property	-	-	-	27,100	
Reimbursement from developers	-	-	-	703,754	
Intergovernmental revenues	36,032	194,244	-	804,244	
Miscellaneous revenues	70,568	42	9,329	221,586	
Long-term debt issued	7,770,000	8,715,000	-	114,868,891	
Total Sources of Funds	<u>13,459,312</u>	<u>14,329,813</u>	<u>5,725,266</u>	<u>200,857,766</u>	
USES OF FUNDS					
Capital expenditures	502,812	1,180,303	2,679,369	69,563,791	\$ 62,763,580
Administration and organization	107,148	297,883	709,556	3,426,921	95,000
Debt discount and issuance costs	-	-	-	1,249,215	
Interest and fiscal charges	1,935,384	1,489,428	1,198,503	30,866,140	
Principal on long-term debt	11,412,084	12,565,270	3,986,573	79,144,298	
Total Uses of Funds	<u>13,957,428</u>	<u>15,532,884</u>	<u>8,574,001</u>	<u>184,250,365</u>	
FUND BALANCE -					
DECEMBER 31, 2014				<u>\$ 16,607,401</u>	

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

DETAILED SCHEDULE OF CAPITAL EXPENDITURES
From Date of Creation Through December 31, 2014

	Actual	Project Plan Estimate
Capital Expenditures:		
Street Improvements	\$ 16,236,018	\$ 8,843,700
Water Mains	813,689	1,479,000
Street Lights	727,602	517,000
Storm Sewer	1,413,035	3,045,500
Sanitary Sewer	2,970,625	2,048,000
Development Incentives	5,083,978	5,345,380
Relocation Costs, including utility relocations	153,252	1,300,000
Environmental Audits	-	150,000
Environmental Remediation	334,218	4,210,000
Master Plan & Co. Mapping	-	185,000
Land Acquisition	2,791,005	800,000
Redevelopment and Rehabilitation Expenses	5,578,394	5,130,000
South Pennsylvania Corridor Redevelopment	-	1,200,000
South Packard Avenue Redevelopment	37,052	3,350,000
Business Park	4,931,520	-
Downtown Redevelopment	20,036,041	60,000
Façade Improvements	464,674	560,000
Marketing	47,433	40,000
Parking Lot	1,293,531	-
Lake Port City Project including the Iceport	6,651,724	24,500,000
TOTAL CAPITAL EXPENDITURES	\$ 69,563,791	\$ 62,763,580

**CITY OF CUDAHY
TAX INCREMENTAL DISTRICT NO. 1**

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
As of December 31, 2014

	Special Revenue Funds		Totals
	Tax Levy Fund	Special Assessment Fund	
ASSETS			
Cash and investments	\$ 7,477,948	\$ 1,399,172	\$ 8,877,120
Taxes receivable	5,036,132	-	5,036,132
Special assessments receivable	-	19,241	19,241
Other receivables	14,040	-	14,040
Total Assets	<u>\$ 12,528,120</u>	<u>\$ 1,418,413</u>	<u>\$ 13,946,533</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 38,245	\$ -	\$ 38,245
Total Liabilities	<u>38,245</u>	<u>-</u>	<u>38,245</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	5,036,132	-	5,036,132
Unavailable revenues	-	19,241	19,241
Total Deferred Inflows of Resources	<u>5,036,132</u>	<u>19,241</u>	<u>5,055,373</u>
FUND BALANCES			
Restricted	7,453,743	-	7,453,743
Committed	-	1,399,172	1,399,172
Total Fund Balances	<u>7,453,743</u>	<u>1,399,172</u>	<u>8,852,915</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 12,528,120</u>	<u>\$ 1,418,413</u>	<u>\$ 13,946,533</u>



Memo

To: Mayor John Hohenfeldt, City of Cudahy
Common Council City of Cudahy

From: Mike Harrigan, Senior Municipal Advisor/Chairman
Greg Johnson, Senior Municipal Advisor/Vice President

Cc: Vicki Hellenbrand, Baker Tilly
Steve Henke, Baker Tilly

Date: December 10, 2015

Subject: Cudahy TID #1 Audit

This memorandum is intended to update and supersede our preliminary draft dated November 19, 2015.

With the update to the Tax Incremental Finance District #1 audit, we have identified several policy outcomes and decisions for the City of Cudahy to consider in order to prepare for the end of the expenditure period for TID #1 in April 2016.

Below is a summary of our observations highlighting funds included within the TID #1 audit.

TID #1 Debt Service Fund

- The receivable due from the City to the TID #1 debt service fund (\$783,172 identified originally in the 2010 Audit) was eliminated from the TID #1 financial statement as a result of further research and fund analysis. This relieves a burden that could have negatively impacted taxpayers.

Ehlers and Baker Tilly exchanged information regarding allocations of TID #1 debt service. A detailed review of the debt service allocations (in particular escrow funds established with advance refundings of TID #1 debt service) was undertaken to compare allocations used in the audit versus allocations of debt service when the bonds were sold. This resulted in the elimination of the receivable due from the City as a result of the reconciliation of past debt service allocations to TID #1 based on closing memos and escrow fund disbursements for TID #1 debt. This analysis concluded that the \$783,172 was primarily a cost of TID #1, not the City.





- The City’s total debt service fund balance as of 12/31/2014 is \$5,442,649. The portion of this fund balance restricted for TID #1 activity is \$5,097,599. The restricted fund balance for TID #1 includes the debt service reserve funds for TID

#1 CDA Lease Revenue Bonds in the amount of \$1,825,046. The remaining funds in this account should be utilized to pay future TID #1 debt service.

This will reduce reliance on the TID #1 special revenue fund and future increment collections to generate revenue to pay for TID #1 debt service thereby allowing the City to utilize increment funds in the Special Revenue Fund for future project expenditures. The net amount of TID #1 debt service funds available is \$3,272,553 as summarized below:

Projected Debt Service Funds Available

	As of <u>12/31/2014</u>
Debt Service Fund Balance Restricted for TID #1	\$5,097,599
Less Debt service reserve funds for TID #1 debt	<u>(\$1,825,046)</u>
Available TID #1 debt service Funds	\$3,272,553

The impact of this is that \$3,272,553 of cash is “freed up” from the TID #1 levy and TID fund balance for project costs.

Special Assessment Funds

The TID #1 audit includes a breakdown of the City’s special assessment fund and the amount of special assessments attributable to TID #1. All special assessments for the City whether they are for TID or non-TID purposes are tracked within the same Special Assessment Fund. The TID #1 audit includes a special assessment fund balance of \$1,399,172. This accounts for nearly the full balance in the City’s special assessment fund.

In 2014 the City financed several road projects with the G.O. Notes, Series 2014A. This borrowing assumed that portions of the total project costs would be offset by special assessment funds on hand—thus reducing the amount that needed to be borrowed. Below is a summary of the projects that included partial funding from special assessments:





Year	<u>Road Improvements</u>	<u>Project Amount</u>	<u>Spec. Assessments On Hand Per City</u>
2014	Cudahy Ave Reconstruction - Swift to Lake	838,600	(100,000)
2014	Kirkwood Ave Reconstruction - Grange to Morris	1,100,000	(500,000)
2014	Defective Sidewalk Replacement - Area #4	300,000	(200,000)
2015	Packard Ave Reconstruction - Cudahy to Lunham	1,743,750	(523,125)
	Subtotal Roads	3,982,350	(1,323,125)

Based upon the need to apply the \$1.323 M in special assessment funds as projected above to scheduled projects, in our discussions with City staff and representatives from Baker Tilly, a consensus was reached that existing special assessment funds on hand will not be used for remaining TID #1 project costs.

TID Capital Project Fund

The TID #1 audit reflects a cash balance in the TID capital project fund of \$1,862,903. These funds are restricted for TID #1 projects. In discussions with City staff, the City estimates \$1.5 million of these funds presently remain uncommitted for future projects. Ehlers recommends that the original bond documents be reviewed to confirm that the purposes for which the funds were borrowed would be broad enough to include any remaining TID # 1 projects, but assuming they are, the \$1.5 Million could be applied to fund said projects.

Status of TID #1

The TID #1 special revenue fund balance has been substantially drawn down. As of 12/31/2009 the TID #1 special revenue fund balance was approximately \$12.2 million. The projected fund balance as of the 12/31/2015 is approximately \$2.0 million. We have consistently advised and recommended over the past several years that the City should preserve fund balance to ensure that TID #1 can pay its debt obligations since the TID has continued to lose value. Increment collected in 2016 is \$5,138,714, while total debt service is \$5,647,851. The City will need to continue to rely on fund balance and other TID #1 funds to pay debt service.

As of December 31, 2014, the City has spent \$69,563,791 on capital project expenditures since TID #1 was created. The audit has identified permitted capital expenditures of \$62,753,580. In the last TID #1 project plan amendment in 2010, the City included the following language: "For increases in excess of 25% over the cost of inflation of total project costs, the City would pursue an amendment to the Plan in accordance with the





amendment procedures specified in Section 66.1105(4)(h) of the Wisconsin Statutes, which include review by the Joint Review Board”.

Per the TID #1 audit through December 31, 2014, actual project expenditures exceeded the permitted capital expenditures by 11%. The City staff reports that an additional \$5 + million on project costs were expended in 2015 and the City has identified an additional \$2,018,000 in remaining costs. With all of these costs included, the City is projected to exceed the original project plan and plan amendment expenditures by 23%.

Final Projected TID Cash Flow and Fund Balance

Ehlers has prepared a cash flow projection that takes into account the TID #1 audit and the preliminary list of remaining project costs identified by the City as well as the application of Capital Project Funds and Debt Service Funds as outlined above. With all of these assumptions and including the additional \$2,018,000 in costs proposed to be expended, TID #1 is projected to have a deficit of \$141,449 in year 2022, however; this deficit can be eliminated if the City were to either cut back project expenses by said amount or to defer the housing improvement related expenses to take advantage of a 1 year extension of the TID as provided by Statute and discussed below.

Next Steps

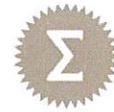
The City will need to firm up its list of remaining project costs and reduce same to a level that would assure a positive ending balance in the TID. The history of value reductions since 2010 reflects the volatility that cannot be easily predicted until stabilized. With the end of the TID expenditure period in April 2016, we recommend it is best to err on the conservative side and preserve cash to mitigate any future loss in value.

Secondly we also recommend that the City consider convening the Joint Review Board to share the results of the audit and to initiate a final project plan amendment to include any projects that may not be deemed to be covered by the existing plan or amendments.

Finally, the City can also consider utilizing a provision in Wisconsin Statutes 66.11105(6)(g) which states the following:

1. After the date on which a tax incremental district created by a city pays off the aggregate of all of its project costs, and notwithstanding the time at which such a district would otherwise be required to terminate under sub. (7), a city may extend the life of the district for one year if the city does all of the following:





- a. The city adopts a resolution extending the life of the district for a specified number of months. The resolution shall specify how the city intends to improve its housing stock, as required in subd. [3](#).
- b. The city forwards a copy of the resolution to the department of revenue, notifying the department that it must continue to authorize the allocation of tax increments to the district under par. [\(a\)](#).

2. If the department of revenue receives a notice described under subd. [1. b.](#), it shall continue authorizing the allocation of tax increments to the district under par. [\(a\)](#) during the district's life, as extended by the city, as if the district's costs had not been paid off and without regard to whether any of the time periods specified in par. [\(a\) 2.](#) to [8.](#) would otherwise require terminating the allocation of such increments.

3. If a city receives tax increments as described in subd. [2.](#), the city shall use at least 75 percent of the increments received to benefit affordable housing in the city. The remaining portion of the increments shall be used by the city to improve the city's housing stock.

If the remaining project costs can benefit affordable housing in the City and improve the housing stock, the City can postpone these expenditures until 2022 and use increment collected that year to pay for these costs.

Conclusion

In conclusion, the City needs to carefully manage its final TID expenditures. Given the volatile changes in TID #1 increment values and the drawn down of the Special Revenue fund balance, the City needs to take appropriate measures to limit expenditures in order to prevent the City General property tax levy from supporting remaining debt expenditures within TID #1.



Preliminary Remaining Project Costs From City of Cudahy
2016-2021

Audit Fees	25,000
Contingency	<u>140,000</u>
	165,000
Economic Development Fund	500,000
Retail Incentive Program	250,000
Farmers Market	25,000
Neighborhood Loan Program	200,000
Squire Avenue parking Lot	100,000
Barnard Avenue Extension	500,000
Haven Sweet Applewood Additions	28,000
Audi Development	<u>250,000</u>
	1,853,000
TOTAL	2,018,000

As of 12/7/2015

Cudahy Tax Increment District #1

Creation Date
Max. Life
Expenditure period ends
Last revenue collection

4/6/94
4/6/21
4/6/16
4/6/21

Tax Increment Forecast -

Base Value		73,249,200		Inflation Factor		0.00%	
Tax Rate Adjustment Factor		0.00%		After 3 Yrs.		0.00%	
Construction Year	Valuation Year	Revenue Year	Inflation Increment	Value Added	Valuation Increment	Tax Rate	Tax Increment
1	1994	1995	1996	3,499,400	3,499,400	36.08	126,254
2	1995	1996	1997	11,452,300	14,951,700	31.66	473,366
3	1996	1997	1998	8,013,800	22,965,500	32.45	745,128
4	1997	1998	1999	11,087,400	34,052,900	32.09	1,092,688
5	1998	1999	2000	14,742,000	48,794,900	30.73	1,499,385
6	1999	2000	2001	22,312,200	71,107,100	30.77	2,188,098
7	2000	2001	2002	28,206,900	99,314,000	29.83	2,962,847
8	2001	2002	2003	23,158,400	122,472,400	29.31	3,589,857
9	2002	2003	2004	17,357,600	139,830,000	27.55	3,852,317
10	2003	2004	2005	20,766,900	160,596,900	27.81	4,466,200
11	2004	2005	2006	22,792,800	183,389,700	25.00	4,584,746
12	2005	2006	2007	35,645,700	219,035,400	23.64	5,178,444
13	2006	2007	2008	24,963,400	243,998,800	24.43	5,960,499
14	2007	2008	2009	19,092,000	263,090,800	25.00	6,578,582
15	2008	2009	2010	(9,951,200)	253,139,600	25.23	6,386,904
16	2009	2010	2011	(53,057,000)	200,082,600	26.92	5,366,814
17	2010	2011	2012	5,385,700	205,468,300	26.60	5,466,099
18	2011	2012	2013	(15,724,100)	189,744,200	27.49	5,216,248
19	2012	2013	2014	5,541,400	195,285,600	28.82	5,628,386
20	2013	2014	2015	(10,587,800)	184,697,800	27.27	5,036,132
21	2014	2015	2016	(14,307,700)	170,390,100	30.16	5,138,714
22	2015	2016	2017		170,390,100	27.27	4,646,538
23	2016	2017	2018		170,390,100	27.27	4,646,538
24	2017	2018	2019		170,390,100	27.27	4,646,538
25	2018	2019	2020		170,390,100	27.27	4,646,538
26	2019	2020	2021		170,390,100	27.27	4,646,538
27	2020	2021	2022		170,390,100	27.27	*
Totals				170,390,100			104,790,397

Present value at 5.5% 46,728,072

* NOTE: The DOR Has determined that the current statutes provide that districts created prior to 5/15 or After 9/30 will get one less year of revenue than districts created between these dates. Since Cudahy TID 1 was created in April of 1994 the final revenue year is projected at 2021.

City of Cudahy, WI

Tax Increment District No. 1

Cash Flow Pro Forma #1 Page 1 of 3

Year	Revenues										Expenditures			
	Tax Increments	Investment Earnings (Fund Bal.)	Computer Aid	WE Energies Rebate	Transfer from Debt Service	Transfer From Capital Project Fund	2006 DSR ²	2011 DSR ²	2012A DSR ²	2013A DSR ²	Total Revenues	G.O. Bonds Dated 3/7/2007 Prin (3/1)	G.O. Bonds Dated 4/2/2008 Prin (4/1)	Interest
2014														
2015	5,036,132	5,248	54,082	15,838						5,111,300	285,000	80,000	24,095	
2016	5,138,714	2,002	30,000		3,272,553	1,500,000				9,943,269	400,000	85,000	21,249	
2017	4,646,538	4,171	30,000							4,680,709	500,000	90,000	18,230	
2018	4,646,538	2,909	30,000							4,679,447	575,000	95,000	15,039	
2019	4,646,538	1,349	30,000			622,516			526,513	5,826,916	675,000	105,000	11,300	
2020	4,646,538	781	30,000							4,677,319	775,000	115,000	6,900	
2021	4,646,538	1,180	30,000				318,008	358,009		4,677,718	815,000	115,000	2,300	
2022										676,017				
Total	33,407,536	17,640	234,082	15,838	3,272,553	1,500,000	318,008	358,009	526,513	40,272,695	4,025,000	685,000	99,113	

NOTES:

1. Cumulative Balance for 2014 ties to fund balance information provided by City
2. Debt Service Reserve Balances per U.S. Bank as of 12/31/2014.
3. MRO payments for Gorman/New Meadows
4. MRO payments for Cudahy Self Storage

City of Cudahy, WI

Tax Increment District No. 1

Cash Flow Pro Forma #1 Page 2 of 3

Year	Expenditures													
	Taxable G.O. Bonds		G.O. Refunding Bonds		G.O. Bonds		G.O. Refunding Bonds		Taxable G.O. Ref. Bonds		G.O. Refunding Bonds		CDA Lease Rev. Bonds	
	Prin (10/1)	Interest	Prin (11/1)	Interest	Prin (3/1)	Interest	Prin (6/1)	Interest	Prin (4/1)	Interest	Prin (10/1)	Interest	Prin (6/1)	Interest
2014														
2015	300,000	141,438	520,000	55,913	185,000	70,800	350,000	53,288	130,000	35,328	290,000	87,400	1,020,000	220,278
2016	325,000	130,938	510,000	44,213	205,000	65,669	225,000	47,538	125,000	33,499	335,000	81,600	1,020,000	177,948
2017	350,000	118,425	495,000	32,738	205,000	59,775	270,000	42,588	125,000	31,312	390,000	71,550	1,160,000	131,878
2018	450,000	103,900	485,000	21,600	305,000	52,125	290,000	36,988	120,000	28,865	435,000	59,850	1,220,000	80,693
2019	500,000	82,975	475,000	10,688	350,000	42,300	310,000	30,600	120,000	26,165	475,000	46,800	1,245,000	27,079
2020	550,000	58,975			395,000	31,125	305,000	23,681	260,000	21,328	535,000	32,550		
2021	600,000	31,200			390,000	19,350	340,000	16,000	305,000	13,645	550,000	16,500		
2022					450,000	6,750	470,000	5,875	300,000	4,688				
	3,075,000	667,850	2,485,000	165,150	2,485,000	347,894	2,560,000	256,556	1,485,000	194,829	3,010,000	396,250	5,665,000	637,874

NOTES:

1. Cumulative Balance for 2014 ties to fund balance information provided by City
2. Debt Service Reserve Balances per U.S. Bank as of 12/31/2014.
3. MRO payments for Gorman/New Meadows
4. MRO payments for Cudahy Self Storage



Expenditures				Balances			Project Cost Principal Outstanding	Year			
CDA Lease Rev. Ref Bonds Dated 10/13/2011	CDA Lease Rev. Ref Bonds Dated 3/14/2012	CDA Lease Rev. Ref Bonds Dated 3/7/2013	Total Debt Expenditures	Ongoing Admin./Soft Expenses	Capital Costs	TID PAYG ³ 8/26/2002			TID PAYG ⁴ 11/27/2002	Total Expenditures	Annual
Prin (6/1)	Interest	Prin (6/1)	Interest	Prin (6/1)	Interest						
270,000	65,420	235,000	65,453	805,000	55,861					7,453,743	2014
260,000	61,055	230,000	62,955	1,025,000	47,315	52,639	45,639	10,563,157	(5,451,857)	2,001,886	2015
305,000	55,513	225,000	60,114	995,000	36,220	52,639	45,639	7,774,129	2,169,140	4,171,026	2016
315,000	48,530	315,000	55,996	955,000	23,088	52,639	52,639	5,942,416	(1,261,707)	2,909,319	2017
340,000	40,160	385,000	49,644	910,000	7,963	52,639	52,639	6,239,920	(1,560,472)	1,348,847	2018
375,000	29,945	625,000	39,015			52,639		6,394,448	(567,532)	781,315	2019
380,000	18,335	635,000	24,520			52,639		4,278,657	398,663	1,179,978	2020
380,000	6,175	650,000	8,450			52,639		4,340,585	337,133	1,517,111	2021
						52,639		2,334,577	(1,658,559)	(141,449)	2022
2,625,000	325,133	3,300,000	366,146	4,690,000	170,446	421,112	91,278	47,867,887	(7,595,192)		

Projected TID Closure

- NOTES:
- Cumulative Balance for 2014 ties to fund balance information provided by City
 - Debt Service Reserve Balances per U.S. Bank as of 12/31/2014.
 - MRO payments for Gorman/New Meadows
 - MRO payments for Cudahy Self Storage

TAX INCREMENTAL DISTRICT NO. 1
PROJECT PLAN AMENDMENT
WITHIN THE
CITY OF CUDAHY, WISCONSIN

Draft Timetable - 12/8/15

<u>ACTION DATE</u>	<u>STEP</u>
Dec.	City will provide Ehlers with maps, list of projects and costs, etc.
Dec. – Jan.	Ehlers will prepare & provide the City with a feasibility analysis report, options, and/or draft project plan document
January 27	Ehlers' will e-mail a Notice to Official City Newspaper of organizational JRB meeting & public hearing. (cc: City) Ehlers will mail notification letters, along with required enclosures, to overlapping taxing jurisdictions of JRB organizational meeting & public hearing, as well as the agenda - to be posted by the City. (cc: City & attorney) (Letters must be postmarked prior to first publication).
Jan. – Feb.	Ehlers will provide City, overlapping taxing entities, and/or City Attorney with [revised] draft Project Plan document, if not yet provided and/or necessary, as well as agenda language (City to post) & resolution (City to distribute) for first meetings, and will also request legal opinion of the plan.
February 4	First Publication of Public Hearing & JRB Meeting Notice (<i>Week prior to second notice & at least 5 days prior to JRB meeting</i>)
February 11	Second Publication of Public Hearing & JRB Meeting Notice. (<i>At least 7 days prior to public hearing</i>)
February 23	Joint Review Board meets to review plan, appoint chairperson and public member and set next meeting date. (<i>Prior to public hearing</i>)
	CDA Public Hearing on Project Plan of District amendment. (<i>Within 14 days of second publication</i>)
	CDA reviews Project Plan & approval of District Project Plan amendment.
February	Ehlers will provide City & City Attorney with revised draft Project Plan, if necessary, as well as agenda language (City to post) & resolution (City to distribute) for Common Council meeting.
March 1	Common Council reviews Plan & adopts resolution approving District Project Plan amendment.
March 2	Ehlers' will e-mail a Class 1 Notice to Official City Newspaper of JRB meeting. (cc: City)
	Ehlers will mail notices & required attachments to JRB of the final meeting, along with the Agenda (City to post). (cc: City & Attorney) (<i>Letters must be postmarked prior to publication</i>).
March 10	Publication of JRB Meeting Notice (<i>At least 5 days prior to meeting</i>)
March 15 – 31	Joint Review Board considers approval of District Project Plan amendment. (<i>Within 30 days of notification of meeting / receipt of CDA & Common Council resolutions</i>)
April	Ehlers will submit documents to the State, within 60 days of JRB approval.

CDA meets: 4th Tuesday's @ 5:30 p.m.

Common Council meets: 1st & 3rd & 5th Tuesday's @ 7 p.m.

*Official City Newspaper is: CNI Now - publishes Thursday's, with a deadline of Wednesday the week prior via
legals@cninewsonline.com*