

*** All present are expected to conduct themselves in accordance with our City's Core Values ***



OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department Committee, Agency, Corporation, Quasi-Municipal Corporation or Sub-unit thereof.

Notice is hereby given that the **Community Development Authority** of the City of Wausau, Wisconsin will hold a regular or special meeting on the date, time and location shown below.

Meeting of the: **COMMUNITY DEVELOPMENT AUTHORITY FINANCE COMMITTEE**
Date/Time: **Friday, May 10, 2024 at 8:30 am**
Location: **550 E Thomas Street, Wausau, Wisconsin 54403**
Members: **Pat Gosz (C), David Welles, Sarah Napgezok**

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

1. Call the Meeting to Order
2. Approval of Minutes from the March 7, 2024 Meeting
3. Review of CDA Accounts & Capital Funds
4. Presentation and Review of 2024 First Quarter Financials
5. Capitalization Policy Discussion
6. 2023 Audit Update

Adjournment

Pat Gosz, Chair

This Notice was posted at City Hall and emailed to the Media on Thursday, May 2, 2024 at 1:30 pm. Questions regarding this agenda may be directed to Liz Brodek, Community Development Director at 715-261-6685

Any person wishing to offer public comment who does not appear in person to do so, may e-mail Juli Birkenmeier at juli.birkenmeier@ci.wausau.wi.us with "Community Development Authority Board Meeting Public Comment" in the subject line a minimum of 2 hours prior to the meeting start. All public comment, either by email or in person, will be limited to items on the agenda at this time. The message related to agenda items received prior to the meeting will be provided to the Chair.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the ADA Coordinator at (715) 261-6590 or ADAServices@ci.wausau.wi.us to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event the City of Wausau will make a good faith effort to accommodate your request.

It is possible that members of, and possible a quorum of members of other committees of the City of Wausau may be in attendance at the above mentioned meeting to gather information. No action will be taken by any such group at the above mentioned meeting other than the committee specifically referred to in this notice.

Other Distribution: City Website, Alderpersons, Board Members, Mayor

COMMUNITY DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MINUTES

03/07/24

MEMBERS PRESENT: Sarah Napgezec, David Welles, Patrick Gosz

MEMBERS ABSENT:

OTHERS PRESENT: Elizabeth Brodek, Juli Birkenmeier, Tammy King

(1) Call Meeting to Order

Meeting was called to order at 8:00 am in the WCDA Boardroom at 550 E. Thomas Street, Wausau, Wisconsin.

(2) Approval of Minutes from the November 9, 2023, Meeting

Welles moved to approve the minutes from 11/09/2023. Gosz seconded the motion. Motion approved unanimously.

(3) Review of CDA Accounts & Capital Funds

Birkenmeier distributed and reviewed the WCDA's investment balances as of December 31, 2023. She noted that all depository accounts, besides the account for Fulton Street, are earning 4.01% which remains consistent. She noted the opening of the Fulton Street account in preparation of the property transfer from Community Development Department to the CDA effective January 1, 2024.

Birkenmeier reviewed the Capital Fund Program (CFP) grant summary budget detail provided. She noted CFP 2022 has been fully expended meeting all required deadlines. Birkenmeier furthered the majority of those funds were used for the roof replacement project at 1901 Bopf Street. She noted CFP 2023 has an obligation balance of \$24,288.94 with no issues meeting the required obligation deadline. Birkenmeier stated a RFQ was issued for architecture services for the 2024 – 2025 kitchen countertop replacement project at 37 of our scattered sites. She noted HUD has passed new regulation for REAC inspections that would require the installation of additional smoke detectors in the scattered sites. She would like to incorporate this into the kitchen countertop replacement project. Birkenmeier mentioned notification was issued by HUD for additional CFP funding due to our continued high performer status.

(4) Presentation and Review of 2023 Fourth Quarter Financials

Birkenmeier reviewed the 2023 fourth quarter financials for the WCDA's budgeted programs. She gave a brief overview of the *Year-To-Date* versus *Budget* line items and explained budget variances. Those variances are further detailed in the March 7, 2024, Finance Committee Report.

Birkenmeier then reviewed the 2023 fourth quarter financials for Riverview Towers LLC, summarizing *Year-To-Date* versus *Budget* line items and further explained budget variances which are also further detailed in the Finance Committee Report.

(5) 2023-2024 CDA Salary Allocation & Spreadsheet Review

Birkenmeier presented the 2023 salary allocation spreadsheet which originated from a 2021 audit recommendation. She furthered that this tool is reviewed quarterly and adjusted at year end based upon actual employee work hours to each program. Birkenmeier furthered that adjustments will be completed on an annual basis for any employee with a variance over 1%. She inquired with the auditor increase the variance from 1% to 3% and was told the budget to actual needs to be exact or no more than 1%. Birkenmeier provided the salary adjustment spreadsheet showing two adjustments made for Scott Buchberger and Nate Schiefelbein. She mentioned the 2024 CDA salary budget included the addition of Fulton Street and 5% Liz Brodek's salary to redevelopment.

(6) Capitalization Policy Discussion

Birkenmeier indicated that the WCDA's current Capitalization Policy was last revised in August 2015. She shared that our fee accountant and auditor provided guidance on increasing our capitalization amount. Prior to August of 2015, the capitalization amount was \$250 and was increased to \$500. Birkenmeier proposed changing to \$1000. Birkenmeier will present a draft Capitalization Policy for the finance committee to review at the next meeting.

(7) 2023 RVT LLC Audit Review

Birkenmeier presented the audited financial statements reflecting an unqualified opinion. She mentioned all NEF audit and tax return compliance deadlines were met. She furthered that CliftonLarsenAllen (CLA) is in the process of completing the single audit which includes the Housing Choice Voucher tenant file. She noted they will be onsite the second week of April to complete the tenant file review. CLA will then present both audits to the full board at a future 2024 board meeting.

Meeting adjourned.

Respectfully Submitted,

Patrick Gosz
Chairperson

**COMMUNITY DEVELOPMENT AUTHORITY
CAPITAL FUND PROGRAM
As of 03/31/24**

FUND #	GRANT AMOUNT	OBLIGATION START	OBLIGATION END	OBLIGATION BALANCE	DISBURSEMENT END	DISBURSEMENT BALANCE
501-23	\$ 101,096	02/17/23	02/16/25	\$24,605.94	02/16/27	\$ 24,605.94
						\$ 24,605.94

CFP 2023 BUDGET DETAIL

Operations	Day-to-Day Operations	\$ 4,317.00
Fees & Costs	Architect/Consultant Fees	\$ 3,000.00
Site Improvements	Tree Maintenance/Landscaping/Sewer Lateral	\$ 7,300.00
Dwelling Structures	Unit Turnover/Rehab	\$ 15,381.62
Dwelling Structures	Roof Replacement – 1901 Bopf Street (partial)	\$ 71,097.38
Dwelling Structures	Kitchen Countertop Replacement – Scattered Sites (partial)	\$ <u>24,605.94</u>
2023 Grant Total		\$ 101,096.00

CDA (PH & TER) - March 31, 2024

TTL TENANT REV – \$3,700 over budget on Tenant Revenue Income. This is related primarily on the PH side.

TTL OTH REV – \$8,900 under budget – Approximately \$10,500 relates to the decreased operating subsidy awarded by HUD, this should catch up as they have been only funding partial months and there's an approximate \$800 variance due to the NCHC lease termination that was budgeted for. This will remain for 2024. Approximately \$1,800 over budget in interest income, this makes up the difference of the decreased operating subsidy.

TTL ADMIN EXP – \$5,600 under budget – Approximately \$4,200 relates to admin salary. When City provided 2024 salary/benefit they didn't accurately input wages. New/promoted employees were kept at the salary rate of the previous employee. This will remain for 2024.

TTL TENANT SERVICE – Slightly under Budget

UTILITY EXP – Approximately \$7,000 under budget, however the variance is primarily due to the timing of the water/sewer and gas/electricity utility billings.

TTL MAINTENANCE EXP – \$6,100 under budget relating to lower maintenance contract expenses to-date (heating & cooling, unit turnaround, landscape & grounds, snow removal). As we progress through the year however some of those expenses will catch up

TTL PROTECTIVE SERVICE EXP – Slightly under Budget

TTL OTHER EXP – Approximately \$2,400 under Budget – The variance relates primarily to 2024 property and liability insurance premiums, which the City does not bill us for until the 4th quarter.

TTL EXTRAORDINARY/CASUALTY EXP – Under budget with no extraordinary expenses to-date

DEPRECIATION – Slightly over budget. The variance relating primarily Terrace.

Wausau Community Development Authority - Entity Wide
Income Statement
March 31, 2024

= Voucher, Redevelopment, and Business Activities I & II

	2024 Quarterly	2024 YTD	2024 Budget	2023 Quarterly	2023 YTD	2023 Budget
<u>REVENUES</u>						
Tenant Revenue						
'3420 Tenant Revenues - Rent	95,927.00	95,927.00	92,040.50	83,376.00	83,376.00	80,181.00
'3420 Tenant Revenues - Rent	0.00	0.00	0.00	0.00	0.00	0.00
Housing Assistance Pymt	0.00	0.00	0.00	0.00	0.00	0.00
Housing Assistance Pymt	0.00	0.00	0.00	0.00	0.00	0.00
'3421 Tenant Rent - Vacancy Loss	0.00	0.00	0.00	0.00	0.00	0.00
'3421 Tenant Rent - Vacancy Loss	0.00	0.00	0.00	0.00	0.00	0.00
'3422 Tenant Revenue - excess utilities	1,035.69	1,035.69	1,200.00	1,270.28	1,270.28	1,020.00
'3422 Tenant Revenue - excess utilities	0.00	0.00	0.00	0.00	0.00	0.00
Total Tenant Revenue	96,962.69	96,962.69	93,240.50	84,646.28	84,646.28	81,201.00
Other Revenue						
3410 Revenue - HUD	0.00	0.00	0.00	0.00	0.00	0.00
3410 Revenue - HUD	755,104.00	755,104.00	73,875.00	475,795.00	475,795.00	68,754.00
'3430 Interest Income	30,042.84	30,042.84	28,216.75	26,174.06	26,174.06	14,330.50
'3430 Interest Income	35,220.64	35,220.64	6,500.00	33,743.66	33,743.66	435.00
'3435 Restricted Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
'3435 Restricted Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Gain/loss on sale of equipment	0.00	0.00	0.00	1,300.00	0.00	0.00
Gain/loss on sale of equipment	0.00	0.00	0.00	0.00	0.00	0.00
'3440 Other Charges for Services	2,178.14	2,178.14	3,075.00	1,931.83	1,931.83	1,627.00
'3440 Other Charges for Services	0.00	0.00	0.00	0.00	0.00	0.00
3450 Fraud Recovery	0.00	0.00	0.00	0.00	0.00	0.00
3450 Fraud Recovery	640.00	640.00	125.00	281.00	281.00	123.00
3480 Other Revenue	540.00	540.00	1,370.00	2,211.00	3,511.00	1,675.00
3480 Other Revenue	9,498.37	9,498.37	0.00	9,203.91	9,203.91	0.00
Port In Hap & Admin	1,070.43	1,070.43	132.50	0.00	0.00	0.00
3690 CFP Operations	0.00	0.00	1,250.00	0.00	0.00	1,250.00
3691 Operating Subsidy	39,360.00	39,360.00	49,875.00	52,391.00	52,391.00	47,100.00
3691 Operating Subsidy	0.00	0.00	0.00	0.00	0.00	0.00
3691 Cash Receipts from Section 8	32,575.00	32,575.00	31,067.75	24,234.00	24,234.00	23,454.00

3691	Developer Fees	0.00	0.00	0.00	0.00	0.00	0.00
3692	Insurance Proceeds/VNA Charges to Tenants	0.00	0.00	0.00	0.00	0.00	0.00
3692	Insurance Proceeds/VNA Charges to Tenants	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Revenue		906,229.42	906,229.42	195,487.00	627,265.46	627,265.46	158,748.50

TOTAL REVENUES

1,003,192.11	1,003,192.11	288,727.50	711,911.74	711,911.74	239,949.50
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EXPENSES

Administrative Expenses

4110	Administration Salaries	17,298.25	17,298.25	21,530.00	18,647.52	18,647.52	19,764.00
4110	Administration Salaries	34,824.82	34,824.82	30,841.25	32,069.36	32,069.36	28,200.00
4120	Advertising and Marketing	413.00	413.00	387.50	1,405.21	1,405.21	367.50
4120	Advertising and Marketing	0.00	0.00	150.00	0.00	0.00	165.00
4130	Legal Expense	0.00	0.00	125.00	0.00	0.00	125.00
4130	Legal Expense	0.00	0.00	0.00	0.00	0.00	0.00
4140	Staff Training	215.26	215.26	450.00	500.00	500.00	450.00
4140	Staff Training	950.00	950.00	350.00	500.00	500.00	350.00
4150	Travel	10.72	10.72	275.00	0.00	0.00	250.00
4150	Travel	0.00	0.00	200.00	0.00	0.00	200.00
4160	Office Expense	1,692.59	1,692.59	2,225.00	1,425.45	1,425.45	2,545.00
4160	Office Expense	2,944.38	2,944.38	2,550.00	2,335.33	2,335.33	2,625.00
4170	Accounting Fees	1,157.00	1,157.00	1,820.50	2,353.00	2,353.00	1,773.00
4170	Accounting Fees	2,367.00	2,367.00	1,650.00	3,165.00	3,165.00	1,680.00
4171	Audit Fees	5,013.65	5,013.65	3,596.00	2,559.38	2,559.38	2,075.00
4171	Audit Fees	4,762.65	4,762.65	1,410.50	2,559.37	2,559.37	777.00
4182	Empl. Benefit Contrib. -Admin	9,122.17	9,122.17	10,008.50	8,941.56	8,941.56	9,282.75
4182	Empl. Benefit Contrib. -Admin	14,805.44	14,805.44	10,235.25	11,592.57	11,592.57	12,480.00
	Empl. Benefit Contrib. -Maint	0.00	0.00	0.00	0.00	0.00	0.00
	Empl. Benefit Contrib. -Maint	0.00	0.00	0.00	0.00	0.00	0.00
4190	Other Admin and Sundry	70.00	70.00	275.00	70.00	70.00	300.00
4190	Other Admin and Sundry	0.00	0.00	62.50	0.00	0.00	325.00
4191	Telephone	865.19	865.19	850.00	835.97	835.97	820.00
4191	Telephone	309.26	309.26	275.00	270.13	270.13	300.00
	Recreation - Social Act.	0.00	0.00	0.00	0.00	0.00	0.00
4195	Outside Mgt Fees	0.00	0.00	0.00	0.00	0.00	0.00
4195	Outside Mgt Fees	0.00	0.00	0.00	0.00	0.00	0.00
Total Administrative Expenses		96,821.38	96,821.38	89,267.00	89,229.85	89,229.85	84,854.25

Tenant Services Expenses

4210	Tenant Services Salaries	0.00	0.00	0.00	0.00	0.00	0.00
4210	Tenant Services Salaries	0.00	0.00	0.00	0.00	0.00	0.00

4220	Rec. Pub., and Other	98.91	98.91	687.50	182.80	182.80	750.00
4220	Rec. Pub., and Other	0.00	0.00	0.00	0.00	0.00	0.00
	Recreation - Social Act.	0.00	0.00	0.00	0.00	0.00	0.00
	Recreation - Social Act.	0.00	0.00	0.00	0.00	0.00	0.00
4221	Tenant Store Expenses	0.00	0.00	0.00	0.00	0.00	0.00
4221	Tenant Store Expenses	0.00	0.00	0.00	0.00	0.00	0.00
4230	Contract Costs/VNA Expenses	0.00	0.00	0.00	0.00	0.00	0.00
4230	Contract Costs/VNA Expenses	0.00	0.00	0.00	0.00	0.00	0.00
	Total Tenant Services Expenses	98.91	98.91	687.50	182.80	182.80	750.00

Utility Expenses

4310	Water	3,812.31	3,812.31	4,521.00	2,453.73	2,453.73	4,168.00
4310	Water	0.00	0.00	0.00	0.00	0.00	0.00
4320	Electricity	5,066.37	5,066.37	8,000.00	5,586.56	5,586.56	8,160.00
4320	Electricity	0.00	0.00	0.00	0.00	0.00	0.00
4330	Gas	3,509.20	3,509.20	3,525.00	6,721.97	6,721.97	4,269.00
4330	Gas	0.00	0.00	0.00	0.00	0.00	0.00
4360	Sewer	4,305.81	4,305.81	7,175.00	3,779.00	3,779.00	6,186.00
4340	Sewer	0.00	0.00	0.00	0.00	0.00	0.00
4390	Other Utilities Expense	661.98	661.98	1,218.50	446.55	446.55	882.00
4390	Other Utilities Expense	0.00	0.00	0.00	0.00	0.00	0.00
	Total Utility Expenses	17,355.67	17,355.67	24,439.50	18,987.81	18,987.81	23,665.00

Maintenance Expenses

4410	Maint. Labor	17,840.94	17,840.94	19,291.75	17,409.98	17,409.98	18,171.00
4410	Maint. Labor	3,553.92	3,553.92	3,893.50	3,452.36	3,452.36	3,688.25
4420	Maint. Materials	3,946.15	3,946.15	4,075.00	4,075.23	4,075.23	4,155.00
4420	Maint. Materials	0.00	0.00	0.00	0.00	0.00	0.00
4430	Maintenance Contracts	3,864.23	3,864.23	7,512.50	5,090.78	5,090.78	8,194.50
4430	Maintenance Contracts	0.00	0.00	0.00	0.00	0.00	0.00
4431	Garbage & Trash Removal	788.25	788.25	825.00	714.29	714.29	726.00
4431	Garbage & Trash Removal	0.00	0.00	0.00	0.00	0.00	0.00
4433	Empl. Benefit Contr. Maint.	7,679.31	7,679.31	8,594.00	7,368.58	7,368.58	7,545.00
4433	Empl. Benefit Contr. Maint.	518.81	518.81	691.25	500.53	500.53	525.00
	Misc. Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00
	Misc. Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00
	Total Maintenance Expenses	38,191.61	38,191.61	44,883.00	38,611.75	38,611.75	43,004.75

Protective Services Expenses

4460	Labor	0.00	0.00	0.00	0.00	0.00	0.00
4460	Labor	0.00	0.00	0.00	0.00	0.00	0.00
4470	Materials	248.69	248.69	0.00	0.00	0.00	0.00
4470	Materials	0.00	0.00	0.00	0.00	0.00	0.00
4480	Contract Costs	670.95	670.95	1,025.00	839.82	839.82	1,125.00
4480	Contract Costs	0.00	0.00	0.00	0.00	0.00	0.00
Total Protective Services		919.64	919.64	1,025.00	839.82	839.82	1,125.00
Other General Expenses							
4510	Insurance Expense	677.04	677.04	4,297.50	234.22	234.22	3,858.50
4510	Insurance Expense	817.45	817.45	1,006.25	276.25	276.25	987.00
4520	Payment in Lieu of Taxes	7,960.71	7,960.71	6,760.00	6,565.84	6,565.84	5,753.75
4520	Payment in Lieu of Taxes	0.00	0.00	0.00	0.00	0.00	0.00
4570	Collection Losses	-75.00	-75.00	0.00	-404.61	-404.61	0.00
4570	Collection Losses	0.00	0.00	100.00	0.00	0.00	175.00
4590	Other General Expense	0.00	0.00	0.00	0.00	0.00	0.00
4590	Other General Expense	0.00	0.00	250.00	0.00	0.00	375.00
	Gain/Loss on Investments	0.00	0.00	0.00	0.00	0.00	0.00
	Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00
4595	Compensated Absences	0.00	0.00	0.00	0.00	0.00	0.00
4595	Compensated Absences	0.00	0.00	0.00	0.00	0.00	0.00
Total Other General Expenses		9,380.20	9,380.20	12,413.75	6,671.70	6,671.70	11,149.25
Extraordinary/Casualty Loss Expenses							
4610	Labor	0.00	0.00	600.00	0.00	0.00	600.00
4610	Labor	0.00	0.00	0.00	0.00	0.00	0.00
4620	Labor	0.00	0.00	0.00	0.00	0.00	0.00
4620	Labor	0.00	0.00	0.00	0.00	0.00	0.00
Total Extraordinary/Casualty Loss		0.00	0.00	600.00	0.00	0.00	600.00
Housing Assistance Payments							
4715	Hap Expenses	470,723.91	470,723.91	0.00	401,333.00	401,333.00	0.00
Total Hap expenses		470,723.91	470,723.91	0.00	401,333.00	401,333.00	0.00
Depreciation Expense							
4800	Depre Expense - PHA Funded	94,474.74	94,474.74	93,769.00	94,479.87	94,479.87	98,200.00
4800	Depre Expense - PHA Funded	554.55	554.55	554.50	585.60	585.60	480.00
Total Depreciation Expense		95,029.29	95,029.29	94,323.50	95,065.47	95,065.47	98,680.00
TOTAL OPERATING EXPENSES		728,520.61	728,520.61	267,639.25	650,922.20	650,922.20	263,828.25
Change in Net Position		274,671.50	274,671.50	21,088.25	60,989.54	60,989.54	-23,878.75

Prior Year Adjustments							
6010	Prior Year Adjustments	0.00	0.00	0.00	0.00	0.00	0.00
6010	Prior Year Adjustments	0.00	0.00	0.00	0.00	0.00	0.00
Total Prior Year Adjustments		0.00	0.00	0.00	0.00	0.00	0.00
Equity Transfers							
9116	Equity Transfers	721,000.00	721,000.00	0.00	0.00	0.00	0.00
9116	Equity Transfers	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity Transfers		721,000.00	721,000.00	0.00	0.00	0.00	0.00
NET INCOME/LOSS		-446,328.50	-446,328.50	21,088.25	60,989.54	60,989.54	-23,878.75

RVT LLC - March 31, 2024

TTL TENANT REV – Slightly over budget

TTL OTH REV – Approximately \$9,400 under budget – directly related to lower HAP income, this will increase when the new payment standard is implemented 6/1/24.

TTL ADMIN EXP – Approximately \$2,400 – when City provided 2024 salary/benefit they didn't accurately input wages. New/promoted employees were kept at the salary rate of the previous employee. This will remain for 2024.

TTL TENANT SERVICE – \$1,700 under budget – this budget line item refers to Rec & Social and the Tenant Store expenses. This tends to catch up by 3rd and 4th Qtrs following the Tenant Summer Picnic and Christmas Party. May want to consider for 2025 to decrease Tenant Store due to lack of interest.

UTILITY EXP – Approximately \$23,000 under budget, however the variance is due to the timing of the water/sewer. To-date gas/electricity utility has had a lower usage due to a milder winter.

TTL MAINTENANCE EXP – Slightly under budget.

TTL PROTECTIVE SERVICE EXP – Slightly under budget

TTL OTHER EXP – \$6,000 over budget which directly relates to paying the WHEDA monitoring fee in the 1st Qtr.

TTL EXTRAORDINARY/CASUALTY EXP – Under budget with no extraordinary expenses to-date

DEPRECIATION EXPENSE – Slightly over budget

RIVERVIEW TOWERS LLC

FINANCIAL STATEMENTS

For the Accounting Period Ending March 31, 2024



To the Members
Riverview Towers LLC
Wausau, WI

The members are responsible for the accompanying financial statements of Riverview Towers LLC (“Project”), which comprise the balance sheet as of March 31, 2024, and the related statement of operations for the one month and three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the members. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that accounts payable be recorded. The members have informed us that the Project has not recorded accounts payable, which is not in accordance with accounting principles generally accepted in the United States of America. The members have not determined the effect of the departure from accounting principles generally accepted in the United States of America on the accompanying financial statements.

The members have elected to omit the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the statement of cash flows and omitted disclosures were to be included in the financial statements, they might influence the user’s conclusions about the Project’s financial position, result of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying budget of the Project for the year ending December 31, 2024, has not been compiled or examined by us, and, accordingly, we do not express an opinion or any other form of assurance on it. The members have elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user’s conclusions about the Project’s budgeted information. Accordingly, this budgeted information is not designed for those who are not informed about such matters.

We are not independent with respect to the Project.

A handwritten signature in cursive script that reads 'Hawkins Ash CPAs, LLP'.

La Crosse, Wisconsin
April 11, 2024

Riverview Towers LLC
Balance Sheet-Riverview Towers LLC
March 31, 2024

	Current Period	Cumulative
ASSETS		
CURRENT ASSETS		
Cash		
26-0-000-000-1010.100 Cash - Construction (US Bank)	0.00	0.00
26-0-000-000-1111.040 Cash - Unrestricted	28,034.78	1,597,786.20
26-0-000-000-1111.050 Cash - Reserve Account	0.00	0.00
26-0-000-000-1162.000 Cash - Savings/Money Mkts/CDs	9,256.67	1,296,798.26
Total	37,291.45	2,894,584.46
Accounts Receivable		
26-0-000-000-1122.000 Accounts Receivable - Tenants	(15.00)	882.83
26-0-000-000-1128.000 Accounts Receivable - Other	0.00	0.00
26-0-000-000-1129.000 Accounts Receivable - Subsidy	0.00	0.00
Total	(15.00)	882.83
Accrued Receivables		
26-0-000-000-1145.000 Accrued Interest Receivable	0.00	0.00
Total	0.00	0.00
Other Current Assets		
26-0-000-000-1210.000 Prepaid Expenses	(868.39)	3,874.84
26-0-000-000-1211.000 Prepaid Insurance	(2,816.34)	23,444.13
26-0-000-000-1295.001 Interprogram Due (to) from PH	0.00	0.00
Total	(3,684.73)	27,318.97
TOTAL CURRENT ASSETS	33,591.72	2,922,786.26

*(See Accountants' Compilation Report)

Riverview Towers LLC
Balance Sheet-Riverview Towers LLC
March 31, 2024

	Current Period	Cumulative
NONCURRENT ASSETS		
Fixed Assets		
26-0-000-000-1400.000 CWIP	0.00	0.00
26-0-000-000-1400.060 Land	0.00	0.00
26-0-000-000-1400.061 Land Improvements	0.00	20,555.00
26-0-000-000-1400.080 Dwelling Equipment	0.00	18,329.76
26-0-000-000-1400.090 Nondwelling Equipment	0.00	339,701.40
26-0-000-000-1400.100 Building Improvements	0.00	10,094,099.96
26-0-000-000-1400.150 Accumulated Depreciation	(28,183.00)	(3,561,541.30)
Total	(28,183.00)	6,911,144.82
Other Assets		
26-0-000-000-1460.000 Tax Credit Fees	0.00	47,114.00
26-0-000-000-1460.010 Tax Credit Fee Amort	(261.74)	(36,120.12)
26-0-000-000-1470.000 Financing Fees	0.00	0.00
26-0-000-000-1470.010 Financing Fees Amort	0.00	0.00
Total	(261.74)	10,993.88
TOTAL NONCURRENT ASSETS	(28,444.74)	6,922,138.70
TOTAL ASSETS	5,146.98	9,844,924.96

*(See Accountants' Compilation Report)

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Riverview Towers LLC
Balance Sheet-Riverview Towers LLC
March 31, 2024

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	Current Period	Cumulative
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable		
26-0-000-000-2111.000 A/P - Vendors & Contractors	0.00	0.00
26-0-000-000-2111.010 A/P - Other	0.00	0.00
26-0-000-000-2114.000 Tenants Security Deposits	(436.00)	52,945.00
26-0-000-000-2119.000 A/P - Other	0.00	0.00
26-0-000-000-2119.010 A/P - Payroll	(37.29)	23,391.08
26-0-000-000-2119.020 A/P - Gorman Compliance Fee	0.00	0.00
26-0-000-000-2119.030 A/P - Gorman Developer Fee	0.00	0.00
26-0-000-000-2119.040 A/P - Subsidy	0.00	0.00
Total	(473.29)	76,336.08
Accrued Liabilities		
26-0-000-000-2134.000 Accrued Comp Absences - Due within one year	0.00	16,712.16
26-0-000-000-2136.000 Other Accrued Liabilities	0.00	0.00
26-0-000-000-2137.000 Payment in Lieu of Taxes	4,364.34	13,988.08
26-0-000-000-2149.000 Accrued Asset Mgt Fee	891.08	2,673.24
Total	5,255.42	33,373.48
Other Current Liabilities		
26-0-000-000-2145.001 Interprogram Due to (from) PH	0.00	0.00
26-0-000-000-2145.002 Interprogram Due to (from) Voucher	0.00	0.00
26-0-000-000-2145.012 Interprogram Due to (from) Riverview Terrace	0.00	0.00
26-0-000-000-2145.017 Interprogram Due to (from) BA II	3,155.70	9,497.37
26-0-000-000-2240.000 Tenants Prepaid Rent	(50.00)	0.00
26-0-000-000-2290.000 Unearned Revenue	0.00	0.00
Total	3,105.70	9,497.37
TOTAL CURRENT LIABILITIES	7,887.83	119,206.93

*(See Accountants' Compilation Report)

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Riverview Towers LLC
Balance Sheet-Riverview Towers LLC
March 31, 2024

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	Current Period	Cumulative
NONCURRENT LIABILITIES		
26-0-000-000-2134.010 Accrued Comp Absences	0.00	19,670.38
26-0-000-000-2310.000 Notes Payable - Construction Loan	0.00	0.00
26-0-000-000-2320.000 Notes Payable - Wausau CDA PH	0.00	2,500,000.00
26-0-000-000-2320.010 Interest Payable - Wausau CDA PH	4,166.66	512,499.98
26-0-000-000-2330.000 Notes Payable - Wausau CDA PH (AHP loan)	0.00	750,000.00
26-0-000-000-2330.010 Interest Payable - Wausau CDA PH (AHP loan)	328.48	39,340.53
Total	4,495.14	3,821,510.89
TOTAL LIABILITIES	12,382.97	3,940,717.82
MEMBERS' EQUITY		
26-0-000-000-2700.000 CY Net Change	(7,235.99)	13,675.62
26-0-000-000-1450.000 Syndication Costs	0.00	(52,000.00)
26-0-000-000-2810.512 Unrestricted Net Assets	0.00	0.00
26-0-000-000-2834.000 Managing Member Equity	0.00	174,800.79
26-0-000-000-2835.000 NEF Investor Equity	0.00	5,767,730.73
TOTAL MEMBERS' EQUITY	(7,235.99)	5,904,207.14
TOTAL LIABILITIES AND MEMBERS' EQUITY	5,146.98	9,844,924.96
Proof	0.00	0.00

*(See Accountants' Compilation Report)

Riverview Towers LLC
Stmnt of Operations-Riverview Towers LLC
Three Month Period - March 31, 2024

	***** PERIOD TO DATE*****			***YTD ACTUAL***		***YTD BUDGET***	
	PUM	Actual	Budget	PUM	Actual	Budget	Variance
PUM	1.00	149.00	149.00	1.00	447.00	447.00	0.00
OPERATING REVENUE							
Rental Revenue							
26-1-000-000-3420.000 Tenant Revenue - Rent	358.95	53,483.00	51,940.25	356.98	159,570.00	155,820.75	3,749.25
26-1-000-000-3421.000 Tenant Rent - Vacancy Loss	11.93	(1,778.00)	0.00	8.61	(3,849.00)	0.00	(3,849.00)
26-1-000-000-3422.000 Excess Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	347.01	51,705.00	51,940.25	348.37	155,721.00	155,820.75	(99.75)
Nonrental Revenue							
26-1-000-000-3410.000 HUD HAP Subsidy	209.87	31,271.00	34,626.83	208.16	93,047.00	103,880.49	(10,833.49)
26-1-000-000-3410.010 HUD Admin Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-3440.000 Other Inc - Tenants Charges	3.32	494.33	458.33	3.11	1,391.42	1,374.99	16.43
26-1-000-000-3440.020 Other Inc - Tenant Store	2.01	299.70	383.33	1.44	644.90	1,149.99	(505.09)
26-1-000-000-3440.030 Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-3440.060 Other Income - Voucher CARES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-3444.040 Laundry	3.32	495.32	625.00	2.71	1,210.74	1,875.00	(664.26)
26-1-000-000-3444.050 Vending	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-3691.000 Operating Subsidy	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-3692.000 Other Inc - Insurance Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	218.53	32,560.35	36,093.49	215.42	96,294.06	108,280.47	(11,986.41)
TOTAL OPERATING REVENUE	565.54	84,265.35	88,033.74	563.79	252,015.06	264,101.22	(12,086.16)
OPERATING EXPENSES							
Administration							
26-1-000-000-4110.000 Administration Salaries	47.39	7,060.80	8,454.52	47.39	21,182.40	25,363.56	(4,181.16)
26-1-000-000-4110.010 Admin Salaries - Comp Abs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-4120.000 Advertising & Marketing	2.71	404.00	408.33	2.96	1,322.00	1,224.99	97.01
26-1-000-000-4130.000 Legal Expense	0.00	0.00	41.67	0.00	0.00	125.01	(125.01)
26-1-000-000-4140.000 Staff Training	0.00	0.00	133.33	0.00	0.00	399.99	(399.99)
26-1-000-000-4150.000 Travel	0.00	0.00	75.00	0.00	0.00	225.00	(225.00)
26-1-000-000-4150.010 Mileage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-4160.000 Office Expenses	5.33	793.57	808.33	3.81	1,700.98	2,424.99	(724.01)
26-1-000-000-4170.000 Accounting Fees	2.01	300.00	425.00	1.52	679.00	1,275.00	(596.00)
26-1-000-000-4171.000 Audit Fees	68.12	10,150.59	1,191.00	22.71	10,150.59	3,573.00	6,577.59
26-1-000-000-4182.000 Employee Benefits - Admin	30.23	4,504.45	5,145.00	28.44	12,714.68	15,435.00	(2,720.32)
26-1-000-000-4190.000 Other Admin and Sundry	0.06	9.47	41.67	0.02	9.47	125.01	(115.54)
26-1-000-000-4191.000 Telephone	1.45	215.70	250.00	1.38	618.07	750.00	(131.93)
26-1-000-000-4192.000 Management Fee	21.18	3,155.70	3,139.42	21.25	9,497.37	9,418.26	79.11
26-1-000-000-4193.000 Compliance Fee	3.75	558.75	558.75	3.75	1,676.25	1,676.25	0.00
26-1-000-000-4194.000 Asset Management Fee	5.98	891.08	891.08	5.98	2,673.24	2,673.24	0.00
Total	188.22	28,044.11	21,563.10	139.20	62,224.05	64,689.30	(2,465.25)

*See Accountants' Compilation Report

Riverview Towers LLC
Stmnt of Operations-Riverview Towers LLC
Three Month Period - March 31, 2024

	***** PERIOD TO DATE*****			***YTD ACTUAL***		***YTD BUDGET***	
	PUM	Actual	Budget	PUM	Actual	Budget	Variance
OPERATING EXPENSES							
Tenant Services							
26-1-000-000-4210.000 Tenant Services Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-4220.000 Rec, Pub and Other	0.16	24.55	341.67	0.17	76.01	1,025.01	(949.00)
26-1-000-000-4221.000 Tenant Store Expenses	1.56	232.00	383.33	0.86	383.24	1,149.99	(766.75)
Total	1.72	256.55	725.00	1.03	459.25	2,175.00	(1,715.75)
Utilities							
26-1-000-000-4310.000 Water	0.00	0.00	1,350.00	0.00	0.00	4,050.00	(4,050.00)
26-1-000-000-4320.000 Electricity	27.25	4,060.78	6,396.67	18.14	8,106.53	19,190.01	(11,083.48)
26-1-000-000-4330.000 Gas	26.85	4,000.85	3,775.00	17.30	7,733.67	11,325.00	(3,591.33)
26-1-000-000-4360.000 Sewer	0.00	0.00	1,383.33	0.00	0.00	4,149.99	(4,149.99)
26-1-000-000-4390.000 Other Utilities Expense	0.00	0.00	184.00	0.00	0.00	552.00	(552.00)
Total	54.10	8,061.63	13,089.00	35.44	15,840.20	39,267.00	(23,426.80)
Maintenance and Operations							
26-1-000-000-4410.000 Maint Labor	51.87	7,728.88	8,504.42	52.92	23,653.78	25,513.26	(1,859.48)
26-1-000-000-4410.010 Maint Labor - Comp Abs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-4420.000 Maint Materials	13.00	1,936.43	1,733.33	7.12	3,183.14	5,199.99	(2,016.85)
26-1-000-000-4430.010 Heating & Cooling	0.00	0.00	583.33	3.14	1,405.37	1,749.99	(344.62)
26-1-000-000-4430.020 Snow Removal	0.00	0.00	83.33	0.00	0.00	249.99	(249.99)
26-1-000-000-4430.030 Elevator Maintenance	3.52	524.44	558.33	3.52	1,573.32	1,674.99	(101.67)
26-1-000-000-4430.040 Landscape & Grounds	0.00	0.00	375.00	1.25	557.00	1,125.00	(568.00)
26-1-000-000-4430.050 Unit Turnaround	0.00	0.00	83.33	0.00	0.00	249.99	(249.99)
26-1-000-000-4430.060 Electrical	0.00	0.00	100.00	0.95	422.69	300.00	122.69
26-1-000-000-4430.070 Plumbing	6.29	937.40	50.00	2.10	937.40	150.00	787.40
26-1-000-000-4430.080 Extermination	0.00	0.00	1,500.00	24.56	10,980.08	4,500.00	6,480.08
26-1-000-000-4430.090 Janitorial	0.00	0.00	516.67	0.00	0.00	1,550.01	(1,550.01)
26-1-000-000-4430.100 Other Contract Costs	11.23	1,673.76	333.33	3.74	1,673.76	999.99	673.77
26-1-000-000-4430.101 Routine	0.00	0.00	83.33	0.00	0.00	249.99	(249.99)
26-1-000-000-4431.000 Garbage & Trash Removal	4.66	693.82	708.33	4.72	2,109.17	2,124.99	(15.82)
26-1-000-000-4433.000 Employee Benefits - Maint	25.77	3,839.89	4,284.75	25.92	11,587.63	12,854.25	(1,266.62)
Total	116.34	17,334.62	19,497.48	129.94	58,083.34	58,492.44	(409.10)
Protective Services							
26-1-000-000-4480.000 Contract Costs	1.40	209.18	316.67	1.40	627.54	950.01	(322.47)
Total	1.40	209.18	316.67	1.40	627.54	950.01	(322.47)

Riverview Towers LLC
Stmnt of Operations-Riverview Towers LLC
Three Month Period - March 31, 2024

	***** PERIOD TO DATE*****			***YTD ACTUAL***		***YTD BUDGET***	
	PUM	Actual	Budget	PUM	Actual	Budget	Variance
OPERATING EXPENSES							
General Expense							
26-1-000-000-4510.010 Insurance - Property	15.25	2,272.67	2,264.33	15.25	6,818.01	6,792.99	25.02
26-1-000-000-4510.020 Insurance - Liability	3.65	543.67	600.00	3.65	1,631.01	1,800.00	(168.99)
26-1-000-000-4510.030 Insurance - Workers Comp	1.73	257.06	316.67	1.73	771.18	950.01	(178.83)
26-1-000-000-4510.040 Insurance - Other	0.00	0.00	25.00	0.00	0.00	75.00	(75.00)
26-1-000-000-4520.000 Payment in Lieu of Taxes	29.29	4,364.34	4,006.83	31.29	13,988.08	12,020.49	1,967.59
26-1-000-000-4570.000 Collection Losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-4590.000 Other General Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-4590.010 Other Gen Exp - Compliance Fee	45.00	6,705.00	558.75	15.00	6,705.00	1,676.25	5,028.75
26-1-000-000-4590.020 Other Gen Exp - Tax Return	0.00	0.00	208.33	0.00	0.00	624.99	(624.99)
26-1-000-000-4595.000 Compensated Absences	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	94.92	14,142.74	7,979.91	66.92	29,913.28	23,939.73	5,973.55
Extraordinary Maintenance							
26-1-000-000-4610.010 Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-4610.030 Contract Costs	0.00	0.00	416.67	0.00	0.00	1,250.01	(1,250.01)
Total	0.00	0.00	416.67	0.00	0.00	1,250.01	(1,250.01)
Casualty Losses							
26-1-000-000-4620.030 Contract Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation Expenses							
26-1-000-000-4800.000 Depreciation Expense	189.15	28,183.00	28,108.33	189.15	84,549.00	84,324.99	224.01
26-1-000-000-4801.000 Amortize - Tax Credit Fees	1.76	261.74	261.75	1.76	785.22	785.25	(0.03)
26-1-000-000-4802.000 Amortize - Finance Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	190.90	28,444.74	28,370.08	190.90	85,334.22	85,110.24	223.98
TOTAL OPERATING EXPENSES	647.61	96,493.57	91,957.91	564.84	252,481.88	275,873.73	(23,391.85)
OPERATING INCOME (LOSS)	82.07	(12,228.22)	(3,924.17)	1.04	(466.82)	(11,772.51)	11,305.69

*See Accountants' Compilation Report

Riverview Towers LLC
Stmnt of Operations-Riverview Towers LLC
Three Month Period - March 31, 2024

	***** PERIOD TO DATE*****			***YTD ACTUAL***		***YTD BUDGET***	
	PUM	Actual	Budget	PUM	Actual	Budget	Variance
Nonoperating Revenue (Expense)							
26-1-000-000-3430.000 Investment Income	63.67	9,487.37	8,358.33	61.81	27,627.86	25,074.99	2,552.87
26-1-000-000-3480.000 Gain (Loss) on Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26-1-000-000-4540.000 Interest Expense - CDA Loan	27.96	(4,166.66)	(4,495.17)	27.96	(12,499.98)	(13,485.51)	985.53
26-1-000-000-4540.010 Interest Expense - AHP CDA Loan	2.20	(328.48)	0.00	2.20	(985.44)	0.00	(985.44)
26-1-000-000-9000.000 Operating Transfer In	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	33.50	4,992.23	3,863.16	31.64	14,142.44	11,589.48	2,552.96
CHANGE IN NET ASSETS	48.56	(7,235.99)	(61.01)	30.59	13,675.62	(183.03)	13,858.65
Prior Period Adjustments							
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET CHANGE	48.56	(7,235.99)	(61.01)	30.59	13,675.62	(183.03)	13,858.65

*See Accountants' Compilation Report

Wausau Community Development Authority

CAPITALIZATION POLICY

EFFECTIVE JUNE 1, 2024

Purpose: These guidelines shall be observed by the management and employees of the Wausau Community Development Authority (WCDA) who are responsible for the accounting and management of all WCDA-owned fixed assets.

The guidelines set forth in this document shall be known as the WCDA's capitalization policies and are all in accordance with Generally Accepted Accounting Principles, federal regulations and requirements of authorized examining bodies.

The guidelines likewise serve as the WCDA's compliance with the property and equipment regulations according to the provisions embodied in Sec. 1.263A-1 of the Internal Revenue Code for Uniform Capitalization of Costs.

A current expenditure related to an acquisition or repair should be capitalized based on the criteria identified below. All possible capital expenditures are reviewed at year end.

The \$1,000 amount indicated below is applied on a "per item" basis and not to the total invoice cost.

The following are items that are **not capitalized**:

- Any item that will not last more than 12 month should be currently expensed when used. The dollar amount of the expenditure is not relevant.
- Generally, any purchase of a piece of equipment (i.e., office furniture, machinery equipment, etc.) that is less than \$1,000.
- Expenditures in the nature of repairs or maintenance to equipment or facilities can be expensed if it does not extend the useful life or enhance the efficiency or capability of the existing asset.
- Computers and related equipment that is less than \$1,000. Computer related equipment, or office furnishings that are less than \$1,000 per item.
- Computer software that is less than \$1,000.
- Annual software maintenance or license fees regardless of the cost.

The following are items that **are capitalized** if the total cost is \$1,000 or greater:

- Any purchase of a piece of equipment (i.e., office furniture, machinery equipment, etc.) that is greater than \$1,000 with a life of more than 12 months.
- Computers and related equipment that are greater than \$1,000, and generally have an individual serial number.
- Computer equipment and office furnishings purchased during a calendar year may be capitalized as a group or set even though individual items may be less than \$1,000. (Examples: Computer monitors, scanners, meeting room chairs.)
- Computer software with an initial cost of \$1,000. However, annual maintenance or licensing fees associated with shall be expensed.
- Exception: Stove and refrigerator purchases shall be capitalized even if the purchase price is less than \$1,000.

Assets that are capitalized will be depreciated over their estimated useful lives as follows:

Land	Not depreciated
Land Improvements	15 years
Buildings	40 years
Building Improvements	15 years
Furniture & Appliances	10 years
Office Equipment	10 years
Maintenance Equipment	10 years
Machinery	10 Years
Vehicles	5 years
Computers	5 years

The Executive Director, or the Executive Director's designee, is hereby authorized and directed to make determinations, upon the purchase of equipment and supplies acquired by the WCDA in connection with the development, management and maintenance of the projects owned and/or operated by the WCDA, of whether the property shall be classified as capitalized. The Executive Director, or designee, is further directed to ensure that the determination is documented in the appropriate records of the WCDA and retained for the information and guidance of its personnel and for auditing purposes.

Any purchases prior to the February 1, 2024, Capitalization Policy revision shall be capitalized according to existing policy guidelines. Purchases made February 1, 2024, and after will be capitalized according to the revised policy.

Revised: 2006 Resolution No. 06-005
2015 Resolution No. 15-003
2024 Resolution No. 24-002