

Village on Park
(A Business -Type Activity-Enterprise Fund of the
Community Development Authority of the City of Madison)

Financial Report

December 31, 2022



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VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Community Development Authority
of the City of Madison
Madison, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Village on Park, a business-type activity-enterprise fund of the Community Development Authority of the City of Madison, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Village on Park's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Village on Park, a business-type activity-enterprise fund of the Community Development Authority of the City of Madison, as of December 31, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village on Park and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note A, the financial statements present only the Village on Park fund, a business-type activity-enterprise fund of the Community Development Authority of the City of Madison, and do not purport to, and do not, present fairly the financial position of the Community Development Authority of the City of Madison as of December 31, 2022, the changes in its financial position, or, where applicable, its 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.

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Emphasis of Matter - Change in Accounting Principle

As discussed in Note A to the financial statements, in 2022 the entity adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Village on Park's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village on Park's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village on Park's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

SVA Certified Public Accountants, S.C.

Madison, Wisconsin

May 19, 2023

VILLAGE ON PARK

(A Business-Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

STATEMENT OF NET POSITION

December 31, 2022

ASSETS

Current Assets

| | |
|------------------------------|------------|
| Cash and cash equivalents | \$ 870,176 |
| Accounts receivable | 43,250 |
| Accounts receivable, CDA | 301,176 |
| Lease receivable, short-term | 1,316,107 |
| Prepaid expenses | 7,309 |

Total Current Assets 2,538,018

Noncurrent Assets

| | |
|-----------------------------|------------|
| Net Capital Assets | 16,513,077 |
| Lease receivable, long-term | 8,699,637 |

Total noncurrent Assets 25,212,714

TOTAL ASSETS

\$ 27,750,732

LIABILITIES

Current Liabilities

| | |
|---|-----------|
| Accounts payable | \$ 15,771 |
| Construction payable | 288,666 |
| Accrued expenses | 32,074 |
| Accrued PILOT | 70,000 |
| Accrued interest | 23,219 |
| Unearned revenue | 8,523 |
| Tenants' security deposits payable | 18,360 |
| Current portion of advances from primary government - City of Madison | 507,483 |

Total Current Liabilities 964,096

Long-Term Liabilities

| | |
|--|-----------|
| Advances from primary government - City of Madison | 3,834,913 |
|--|-----------|

Total Liabilities \$ 4,799,009

DEFERRED INFLOW OF RESOURCES

\$ 9,830,916

NET POSITION

| | |
|----------------------------------|------------|
| Net investment in capital assets | 12,170,681 |
| Unrestricted | 950,126 |

Total Net Position 13,120,807

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

\$ 27,750,732

The accompanying notes are an integral part of these financial statements.

VILLAGE ON PARK

(A Business-Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended December 31, 2022

| | |
|---|-----------------------------|
| Operating revenues: | |
| Rental income | \$ 1,624,838 |
| Other revenues | <u>217,124</u> |
| Total operating revenues | 1,841,962 |
| Operating expenses: | |
| Rent and administrative | 83,162 |
| Utilities | 80,673 |
| Operating and maintenance | 575,545 |
| PILOT, taxes and insurance | 99,900 |
| Depreciation | <u>608,437</u> |
| Total operating expenses | <u>1,447,717</u> |
| Operating income | 394,245 |
| Non-operating revenues (expenses) | |
| Interest income | 99,503 |
| Interest expense | (105,431) |
| TID reimbursement income | <u>2,241,189</u> |
| Total non-operating revenues (expenses) | <u>2,235,261</u> |
| Income before transfers | 2,629,506 |
| Transfers out | <u>60,000</u> |
| Change in net position | 2,569,506 |
| Net position, beginning | <u>10,551,301</u> |
| Net position, ending | <u><u>\$ 13,120,807</u></u> |

The accompanying notes are an integral part of these financial statements.

VILLAGE ON PARK

(A Business-Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

STATEMENT OF CASH FLOWS

Year ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|--------------|
| Received from customers | \$ 1,693,164 |
| Paid to vendors for goods and services | (903,571) |
| Net cash provided by operating activities | 789,593 |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|---------------|----------|
| Transfers out | (60,000) |
|---------------|----------|

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|-------------|
| Repayment of advance from primary government | (636,721) |
| Interest paid | (109,616) |
| Tax Incremental District income from primary government | 1,968,314 |
| Acquisition of capital assets | (1,854,644) |
| Net cash used in capital and related financing activities | (632,667) |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-------------------------------------|------------|
| Interest income | 157 |
| Change in cash and cash equivalents | 97,083 |
| Cash and cash equivalents: | |
| Beginning | 773,093 |
| Ending | \$ 870,176 |

RECONCILIATION OF CHANGE IN OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | |
|---|-------------|
| Operating income | \$ 394,245 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 608,437 |
| Amortization of deferred inflow of resources | (1,500,498) |
| Change in assets and liabilities: | |
| Accounts receivable | (43,250) |
| Lease receivable | 1,415,016 |
| Prepaid expenses | (5,134) |
| Accounts payable | (661) |
| Accrued expenses | (58,496) |
| Unearned revenue | (19,866) |
| Tenants' security deposits payable | (200) |
| Net cash provided by operating activities | \$ 789,593 |

SUPPLEMENTAL SCHEDULE(S) OF NONCASH NONCAPITAL FINANCING, CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES

| | |
|--|------------|
| Construction payable capitalized into capital assets | \$ 288,666 |
| Interest income - leases | \$ 99,346 |

The accompanying notes are an integral part of these financial statements.

VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE A -- Summary of significant accounting policies

Reporting entity

Village on Park (the fund) is a business-type activity-enterprise fund of the Community Development Authority of the City of Madison (CDA). The CDA is a component unit of the City of Madison. The fund consists of a retail and commercial center located in Madison, Wisconsin, that was purchased by the CDA in 2004 and substantially rehabilitated in 2009-2012.

Measurement focus, basis of accounting and basis of presentation

The financial statements of the fund have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the fund are described below.

The accounts of the fund are organized and operated on the basis of a proprietary fund.

The fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's operations. The principal operating revenues of the fund include activities that have characteristics of exchange transactions, mainly rental income. Operating expenses for the fund include the cost of services provided, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Non-operating revenue includes interest income and Tax Incremental District (TID) reimbursement income from the CDA restricted to capital purchases.

Proprietary Fund - The proprietary fund is an *Enterprise Fund* used to account for those operations that are financed and operated in a manner similar to private business or where the CDA has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Enterprise Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of this fund are included on the statement of net position. The enterprise fund is used to account for the activities of the Villager Mall project. Under the Villager Mall project, the CDA owns and operates a retail and commercial center. Financing for the acquisition and rehabilitation of this property was obtained through long-term debt issues. The operations and maintenance are funded principally through tenant rent.

Use of estimates

The preparation of financial statements 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.

VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A -- Summary of significant accounting policies (Continued)

Cash and cash equivalents and restricted cash

For purposes of reporting cash flows, the fund considers all investments purchased with a maturity of three months or less to be cash equivalents, with the exception of cash not available to the fund due to restrictions placed on it.

Accounts receivable and revenue recognition

The fund utilizes the direct write-off method of accounting for bad debts. The use of this method has no material effect on the financial statements. Accounts receivable are written-off when management determines an account is uncollectible.

The fund has various leases at its commercial rental complex, which generate rental income from tenants (see Note E). The fund has determined that all tenant contracts contain a lease since the tenants have the right to control the use of and obtain substantially all of the economic benefits from the fund's commercial space. Rental revenue is recognized on a straight-line basis over the term of the leases.

In addition to fixed base rents, certain rental income derived from tenant leases is variable. The company includes variable lease payments as "other revenues" on the statement of revenues, expenses and changes in net position in the period in which the changes in facts and circumstances on which the variable lease payments are based occur. Variable lease payments arise from tenant expense reimbursements, which provide for the recovery of all or a portion of the operating expenses, common area maintenance expenses, real estate taxes and insurance.

Capital assets

Capital assets are stated at cost. Depreciation of rental property is computed on the straight-line method based upon the following estimated useful lives of the assets:

| | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 10-30 |

Maintenance and repairs of rental property are charged to operations, and major improvements are capitalized. Upon retirement, sale or other disposition of rental property, the cost and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

All purchases of capital assets in excess of \$5,000, and/or extends the useful life will be capitalized.

VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A -- Nature of business and significant accounting policies (Continued)

Impairment of capital assets

The fund reviews capital assets, including rental property, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. A capital asset generally is considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. To date, there have been no such losses.

Deferred inflow of resources

Deferred inflow of resources is defined as an acquisition of net position that applies to a future period. Deferred inflow of resources is calculated as the lease receivable plus any payments made at or prior to the commencement of each lease. The deferred inflow continues to be recognized as revenue over the life of the leases.

Net position

The fund's net position is subdivided into two categories: 1) net investment in capital assets, and 2) unrestricted. Each component of net position is reported separately on the statements of net position. Net investment in capital assets represents the balance of land and buildings and improvements less accumulated depreciation, net of any related debt incurred in the acquisition of capital assets. The remaining net position, not related to capital assets, is reported as unrestricted.

New accounting standard adopted

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 - Leases to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflow of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The fund adopted the standard effective January 1, 2022 and recognized and measured leases existing at January 1, 2022, (the beginning of the period of adoption).

The standard had a material impact on the fund's statement of net position, but did not have a material impact on the statement of revenues, expenses and changes in net position or statement of cash flows. The most significant impact was the recognition of lease receivable and deferred inflow of resources for the leases.

VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A -- Nature of business and significant accounting policies (Continued)

Subsequent events

These financial statements have not been updated for subsequent events occurring after May 19, 2023, which is the date these financial statements were available to be issued. The fund has no responsibility to update these financial statements for events and circumstances occurring after this date.

NOTE B -- Cash and cash equivalents

The fund's cash and cash equivalents as of December 31, 2022 were comprised of the following:

| | Carrying Value | Bank Balance | Associated Risks |
|----------|-------------------|-----------------|-----------------------|
| Deposits | \$ 870,176 | \$ 870,176 | Custodial credit risk |

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts, which, at times, may exceed federally insured limits. The fund has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the fund's deposits may not be returned to the fund.

As of December 31, 2022, \$620,176 of the fund's total bank balance of \$870,176 was exposed to custodial credit risk as uninsured and uncollateralized.

VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE C -- Capital assets, net

The balance of and changes in capital assets as of and for the year ended December 31, 2022 is summarized as follows:

| | December 31, 2021 | Additions | Deletions | December 31, 2022 |
|---|----------------------|--------------|-----------|----------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 4,580,151 | \$ 0 | \$ 0 | \$ 4,580,151 |
| Construction in progress | 0 | 2,078,677 | 0 | 2,078,677 |
| Total capital assets not being depreciated | 4,580,151 | 2,078,677 | 0 | 6,658,828 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 17,465,217 | 64,633 | 0 | 17,529,850 |
| Total capital assets being depreciated | 17,465,217 | 64,633 | 0 | 17,529,850 |
| Accumulated depreciation | (7,067,164) | (608,437) | 0 | (7,675,601) |
| Total capital assets being depreciated, net | 10,398,053 | (543,804) | 0 | 9,854,249 |
| Total capital assets, net | \$ 14,978,204 | \$ 1,534,873 | \$ 0 | \$ 16,513,077 |

NOTE D -- Long-term debt

| | Beginning Balance 2021 | Increases | Decreases | Ending Balance 2022 | Amounts Due Within One Year |
|---|------------------------------|-----------|------------|---------------------------|-----------------------------------|
| Advances from primary government – City of Madison: | | | | | |
| 2011 Advance | \$ 4,325,000 | \$ 0 | \$ 432,500 | \$ 3,892,500 | \$ 432,500 |
| 2012 Advance | 129,196 | 0 | 129,196 | 0 | 0 |
| 2018 Advance | 524,921 | 0 | 75,025 | 449,896 | 74,983 |
| Total advances from primary government – City of Madison: | \$ 4,979,117 | \$ 0 | \$ 636,721 | \$ 4,342,396 | \$ 507,483 |

VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE D -- Long-term debt (Continued)

Advances from primary government – City of Madison consist of the following:

2011 Advance; in the original amount of \$8,650,000;
annual payments of \$432,500, including interest at
2.7% (paid semi-annually); due October 1, 2031. \$ 3,892,500

2012 Advance; in the original amount of \$1,350,000;
annual payments of \$134,983, included interest at
4.00% (paid semi-annually); due and paid in full on
October 1, 2022. 0

2018 Advance; in the original amount of \$750,000;
annual payments ranging from \$74,983 to \$75,026,
including interest at 4.00% (paid semi-annually); due
October 1, 2028. 449,896

\$ 4,342,396

Future maturities of principal and interest on long-term debt as of December 31, 2022 are as follows:

| | Principal | Interest |
|-------------|---------------------|-------------------|
| 2023 | \$ 507,483 | \$ 92,877 |
| 2024 | 507,482 | 81,307 |
| 2025 | 507,482 | 69,738 |
| 2026 | 507,483 | 58,168 |
| 2027 | 507,483 | 47,349 |
| 2028 – 2031 | <u>1,804,983</u> | <u>87,950</u> |
| | <u>\$ 4,342,396</u> | <u>\$ 437,389</u> |

VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE E -- Commercial rental revenue

The fund leases space at its commercial rental complex under contractual agreements classified as leases that expire at various intervals from approximately 1 to 10 years, with one or more renewal options available upon expiration of the initial lease term. The exercise of these renewal options is at the sole discretion of the tenants. The terms of the leases expire at various dates between 2023 and 2035. The fund has one commercial lease where the term is month-to-month.

Variable lease payments arise from tenant expense reimbursements, which provide for the recovery of all or a portion of the operating expenses, common area maintenance expenses, real estate taxes, and insurance. These variable lease payments are not included in the measurement of the lease receivable. The total variable payments are \$155,745 for the year ended December 31, 2022.

The lease-related inflows of resources are as follows:

| | |
|------------------|---------------------|
| Lease revenue | \$ 1,624,838 |
| Interest revenue | <u>99,346</u> |
| | <u>\$ 1,599,845</u> |

Future principal and interest payments that are included in the measurement of lease receivable are as follows:

| | <u>Principal</u> | <u>Interest</u> |
|-------------|---------------------|-------------------|
| 2023 | \$ 1,451,795 | \$ 86,882 |
| 2024 | 1,155,646 | 75,904 |
| 2025 | 1,083,413 | 66,365 |
| 2026 | 1,052,838 | 56,811 |
| 2027 | 1,052,838 | 46,964 |
| 2028 – 2032 | 3,323,339 | 107,444 |
| 2033 – 2037 | <u>711,047</u> | <u>10,265</u> |
| | <u>\$ 9,830,916</u> | <u>\$ 450,635</u> |

VILLAGE ON PARK

(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE F -- Commitments and contingencies

Payment in Lieu of Taxes (PILOT)

The CDA has a PILOT arrangement with the City of Madison, Wisconsin (the City), under which the CDA agrees to make annual PILOT payments to the City in the amount of \$70,000. The PILOT arrangement shall terminate on the day before the respective January 1st of the year during which the City determines that Village on Park no longer qualifies for property tax exemption or termination of ownership of Village on Park by the CDA. PILOT expense totaled \$70,000 for the year ended December 31, 2022.

Construction and engineering contracts

The fund entered into a construction contract with unrelated third-party contractor for demolition and surface parking lot build in the amount of \$1,916,499. Amounts due under the construction contract and included in construction payables totaled \$87,272. Of the total contract, \$1,697,521 has been completed as of December 31, 2022. The remaining amount to be completed in 2023 is \$218,978. A certificate of substantial completion was issued on January 6, 2023.

The fund entered into an engineering contract with unrelated third-party engineering firm for design services in the amount of \$708,000. Amounts due under the engineering contract and included in construction payables totaled \$178,450. Of the total contract, all of it has been completed as of December 31, 2022. There was an amendment to the contract on January 18, 2023, to provide additional engineering design services in the amount of \$90,870.

NOTE G -- Related-party transactions

Accounts receivable, CDA

Accounts receivable, CDA includes amounts due from the CDA for use of TID funds to reimburse capital costs totaling \$301,176 as of December 31, 2022.