

CDA 95-1

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

Financial Report

December 31, 2020

CDA 95-1

(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

We have audited the accompanying financial statements of CDA 95-1, a business-type activity-enterprise fund of the Community Development Authority of the City of Madison, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditor's 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 fund'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 fund'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CDA 95-1, a business-type activity-enterprise fund of the Community Development Authority of the City of Madison, as of December 31, 2020 and 2019, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial statements present only the CDA 95-1 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, 2020 and 2019, the changes in its financial position, or, where applicable, its cash flows for the years 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.

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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information required by the Wisconsin Housing and Economic Development Authority (WHEDA) shown on pages 16 to 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

SVA Certified Public Accountants, S.C.

Madison, Wisconsin

May 25, 2021

Lead auditor: Lynn Heslinga, CPA
SVA Certified Public Accountants, S.C.
ID #39-1203191
Phone number: (608) 831-8181

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

STATEMENTS OF NET POSITION

December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 89,412	\$ 73,581
Restricted cash	206,969	175,499
Accounts receivable	<u>11,621</u>	<u>11,908</u>
Total Current Assets	308,002	260,988
Noncurrent Assets		
Net Capital Assets	1,041,801	1,100,706
Deposit	<u>3,500</u>	<u>3,500</u>
Total Noncurrent Assets	<u>1,045,301</u>	<u>1,104,206</u>
TOTAL ASSETS	<u>\$ 1,353,303</u>	<u>\$ 1,365,194</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 9,401	\$ 4,655
Accrued expenses	2,757	2,468
Accrued PILOT	10,000	10,000
Accrued interest	51,875	34,625
Unearned revenue	6,679	2,409
Tenants' security deposits payable	23,356	23,246
Current portion of long-term debt	<u>98,789</u>	<u>439,922</u>
Total Current Liabilities	202,857	517,325
Long-Term Liabilities		
Mortgage notes payable, net of current maturities	590,723	344,384
NET POSITION		
Net investment in capital assets	352,289	316,400
Unrestricted	<u>207,434</u>	<u>187,085</u>
Total Net Position	<u>559,723</u>	<u>503,485</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,353,303</u>	<u>\$ 1,365,194</u>

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

CDA 95-1

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years ended December 31, 2020 and 2019

	2020	2019
Operating revenues:		
Rental income	\$ 313,164	\$ 308,043
Vacancies and concessions	(1,431)	0
Other revenues	4,472	5,302
 Total operating revenues	 316,205	 313,345
Operating expenses:		
Rent and administrative	46,330	35,939
Utilities	23,708	21,536
Operating and maintenance	92,464	78,872
PILOT, taxes and insurance	14,544	13,889
Depreciation	58,905	59,532
 Total operating expenses	 235,951	 209,768
Operating income	80,254	103,577
Non-operating revenues (expenses)		
Interest income	1,224	5,108
Interest expense	(25,240)	(27,715)
 Total non-operating revenues (expenses)	 (24,016)	 (22,607)
Change in net position	56,238	80,970
Net position, beginning	503,485	422,515
Net position, ending	<u><u>\$ 559,723</u></u>	<u><u>\$ 503,485</u></u>

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

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(A Business-Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)
STATEMENTS OF CASH FLOWS
Years ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 320,872	\$ 301,190
Paid to suppliers for goods and services	<u>(172,011)</u>	<u>(137,846)</u>
Net cash provided by operating activities	148,861	163,344
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt retired	(94,794)	(92,389)
Interest paid	(7,990)	(19,090)
Acquisition of capital assets	<u>0</u>	<u>(18,762)</u>
Net cash used in financing activities	(102,784)	(130,241)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>1,224</u>	<u>5,108</u>
Change in cash and cash equivalents	47,301	38,211
Cash and cash equivalents:		
Beginning	<u>249,080</u>	<u>210,869</u>
Ending	<u>\$ 296,381</u>	<u>\$ 249,080</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 89,412	\$ 73,581
Restricted cash	<u>206,969</u>	<u>175,499</u>
Cash and cash equivalents, ending	<u>\$ 296,381</u>	<u>\$ 249,080</u>
RECONCILIATION OF CHANGE IN OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 80,254	\$ 103,577
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	58,905	59,532
Change in assets and liabilities:		
Accounts receivable	287	(11,461)
Deposit	0	(3,500)
Accounts payable	4,746	3,422
Accrued PILOT	0	10,000
Accrued expenses	289	2,468
Unearned revenue	4,270	(694)
Tenants' security deposits payable	<u>110</u>	<u>0</u>
Net cash provided by operating activities	<u>\$ 148,861</u>	<u>\$ 163,344</u>

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE A -- Summary of significant accounting policies

Reporting entity

CDA 95-1 (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 29-unit, low-income housing project called The Reservoir and a 2-unit, low-income housing project called Two Flats, located in Madison, Wisconsin, and was placed in service in 1987.

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 activities that have characteristics of non-exchange transactions such as most federal, state, and local grants and subsidies. Non-operating revenue also includes interest income.

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 low-rent housing program. Under the low-rent housing program, the CDA owns and operates housing units. 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.

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(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

Cash and cash equivalents

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 not interest bearing. A receivable is considered past due if payments have not been received by the fund after 5 days. Accounts receivable are written-off when management determines an account is uncollectible, based on its history of past write-offs, collections, and current credit conditions. Accounts receivable are written-off only after the tenant vacates the unit. A late payment fee of \$30 or \$35 is charged for accounts 5 days past due.

Rental revenue is recognized when earned. The fund leases apartments to eligible applicants under operating leases which are substantially all on a yearly basis. Other revenue consists of various tenant charges and other services and is recognized when the service is complete.

Capital assets

Capital assets are stated at cost. Depreciation of capital assets is computed using straight-line and declining-balance methods based upon the following estimated useful lives of the assets:

	<u>Years</u>
Land improvements	15
Buildings and improvements	27.5 - 40
Furnishings and equipment	5 - 7

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.

Impairment of long-lived assets

The fund reviews long-lived 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. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

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(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

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, land improvements, buildings and improvements, and furnishings and equipment 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.

Subsequent events

These financial statements have not been updated for subsequent events occurring after May 25, 2021, 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 and restricted cash

The fund's cash and cash equivalents and restricted cash as of December 31, 2020 were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Deposits	\$ 112,662	\$ 110,965	Custodial credit risk
Cash held by WHEDA	<u>183,719</u>	<u>183,719</u>	N/A
Total cash and cash equivalents and restricted cash	<u>\$ 296,381</u>	<u>\$ 294,684</u>	

Reconciliation to financial statements:

Per statement of net position

Cash and cash equivalents	\$ 89,412
Restricted cash – tenants' security deposits	23,250
Restricted cash – replacement reserve	<u>183,719</u>
Total cash and cash equivalents and restricted cash	<u>\$ 296,381</u>

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NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE B -- Cash and cash equivalents and restricted cash (Continued)

The fund's cash and cash equivalents and restricted cash as of December 31, 2019 were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Deposits	\$ 73,581	\$ 74,707	Custodial credit risk
Cash held by WHEDA	<u>175,499</u>	<u>175,499</u>	N/A
Total cash and cash equivalents and restricted cash	<u>\$ 249,080</u>	<u>\$ 250,206</u>	

Reconciliation to financial statements:

Per statement of net position

Cash and cash equivalents	\$ 73,581
Restricted cash – replacement reserve	<u>175,499</u>
Total cash and cash equivalents and restricted cash	<u>\$ 249,080</u>

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.

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, 2020 and 2019, none of the fund's total bank balance of \$294,684 and \$250,206, respectively, was exposed to custodial credit risk as uninsured and uncollateralized.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE B -- Cash and cash equivalents and restricted cash (Continued)

Replacement reserve

In connection with the WHEDA mortgage note described in Note D, the fund has entered into a replacement reserve and security agreement with WHEDA that requires the fund to make monthly deposits of \$583 (or such amount as may be required by WHEDA pursuant to the agreement) into a replacement reserve. Withdrawals from the reserve require the consent of WHEDA.

As discussed in Note F, WHEDA requires the fund to remit one-half of all cash remaining, if any, after the establishment of all required escrows and reserves and the payment of all expenses to the reserve for replacements on an annual basis.

NOTE C -- Capital assets, net

The balance of and changes in capital assets as of and for the year ended December 31, 2020 is summarized as follows:

	December 31, 2019	Additions	Deletions	December 31, 2020
Capital assets not being depreciated				
Land	\$ 241,689	\$ 0	\$ 0	\$ 241,689
Total capital assets not being depreciated	241,689	0	0	241,689
Capital assets being depreciated:				
Buildings and improvements	1,842,302	0	0	1,842,302
Land improvements	35,495	0	0	35,495
Furniture and equipment	126,037	0	0	126,037
Total capital assets being depreciated	2,003,834	0	0	2,003,834
Accumulated depreciation	(1,144,817)	(58,905)	0	(1,203,722)
Total capital assets being depreciated, net	859,017	(58,905)	0	800,112
Total capital assets, net	\$ 1,100,706	\$ (58,905)	\$ 0	\$ 1,041,801

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(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE C -- Capital assets, net (Continued)

The balance of and changes in capital assets as of and for the year ended December 31, 2019 is summarized as follows:

	December 31, 2018	Additions	Deletions	December 31, 2019
Capital assets not being depreciated				
Land	\$ 241,689	\$ 0	\$ 0	\$ 241,689
Total capital assets not being depreciated	241,689	0	0	241,689
Capital assets being depreciated:				
Buildings and improvements	1,833,286	9,016	0	1,842,302
Land improvements	35,495	0	0	35,495
Furniture and equipment	116,291	9,746	0	126,037
Total capital assets being depreciated	1,985,072	18,762	0	2,003,834
Accumulated depreciation	(1,085,285)	(59,532)	0	(1,144,817)
Total capital assets being depreciated, net	899,787	(40,770)	0	859,017
Total capital assets, net	<u>\$ 1,141,476</u>	<u>\$ (40,770)</u>	<u>\$ 0</u>	<u>\$ 1,100,706</u>

NOTE D -- Long-term debt

	Beginning Balance 2019	Increases	Decreases	Ending Balance 2020	Amounts Due Within One Year
Mortgage notes payable:					
WHEDA	\$ 242,877	\$ 0	\$ 94,794	\$ 148,083	\$ 98,789
WHEDA WRAP	111,429	0	0	111,429	0
UDAG	345,000	0	0	345,000	0
Section 17	85,000	0	0	85,000	0
Total long-term debt	<u>\$ 784,306</u>	<u>\$ 0</u>	<u>\$ 94,794</u>	<u>\$ 689,512</u>	<u>\$ 98,789</u>

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(A Business -Type Activity-Enterprise Fund of the Community Development Authority of the City of Madison)
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE D -- Long-term debt (Continued)

	Beginning Balance 2018	Increases	Decreases	Ending Balance 2019	Amounts Due Within One Year
Mortgage notes payable:					
WHEDA	\$ 333,960	\$ 0	\$ 91,083	\$ 242,877	\$ 94,922
WHEDA WRAP	112,735	0	1,306	111,429	0
UDAG	345,000	0	0	345,000	345,000
Section 17	85,000	0	0	85,000	0
Total long-term debt	\$ 876,695	\$ 0	\$ 92,389	\$ 784,306	\$ 439,922

Mortgage notes payable consist of the following:

	2020	2019
Wisconsin Housing and Economic Development Authority (WHEDA); monthly payments of \$8,565, including interest at 4.0%; due June 2022; collateralized by a first mortgage on the rental property and the assignment of leases, rentals, issues, profits, and proceeds; prepayment of the note in full is allowed.	\$ 148,083	\$ 242,877
WHEDA WRAP; nonrecourse; non-interest bearing; mortgage note payable requiring 50% of the fund's annual surplus cash as defined in the agreement to be applied to the outstanding principal. The note is due June 2022; collateralized by a first mortgage on the rental property and the assignment of leases, rentals, issues, profits, and proceeds; prepayment of the note in full is allowed.	111,429	111,429
City of Madison Urban Development Action Grant (UDAG) Capital Revolving Fund; nonrecourse; monthly payments of interest only at 5.0%; originally due in June 2020 and was extended in 2020 to June 2022; the note is secured by the fund's rental property and is subordinated to the fund's notes payable to WHEDA; principal due in full in June 2022 (originally due in June 2020 and was subsequently extended). Interest expense was \$17,250 for each of the years ended December 31, 2020 and 2019; accrued interest was \$51,875 and \$34,625 as of December 31, 2020 and 2019, respectively.	345,000	345,000
Balance carried forward	604,512	699,306

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NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE D -- Long-term debt (Continued)

	2020	2019
Balance brought forward	\$ 604,512	\$ 699,306
City of Madison Section 17; four mortgage notes payable; nonrecourse; non-interest bearing; due upon sale of the property or assignment of owner's investment in the rental property; the note is secured by the rental property and is subordinated to the fund's mortgage notes payable to WHEDA and UDAG.	<u>85,000</u>	<u>85,000</u>
Total long-term debt	689,512	784,306
Less current maturities of long-term debt	<u>98,789</u>	<u>439,922</u>
Total long-term debt, less current maturities	<u>\$ 590,723</u>	<u>\$ 344,384</u>

Future maturities of principal and interest on long-term debt as of December 31, 2020 are as follows:

	Principal	Interest
2021	\$ 98,789	\$ 3,994
2022	505,723	498
2023	0	0
2024	0	0
2025	0	0
Thereafter	<u>85,000</u>	<u>0</u>
	<u><u>\$ 689,512</u></u>	<u><u>\$ 4,492</u></u>

NOTE E -- Commitments and contingencies

Regulatory Agreement

The CDA was assigned and has assumed a Regulatory Agreement with WHEDA which places occupancy restrictions on rents charged and the minimum set aside of units which shall be occupied by individuals or families whose income meets the requirements as described in the Regulatory Agreement. The agreement expires when the WHEDA and WHEDA WRAP loans (Note D) are paid in full.

Payment in Lieu of Taxes (PILOT)

The CDA has entered into a PILOT Agreement 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 \$10,000 beginning in 2019 and ending with 2029. The PILOT Agreement shall terminate on the day before the respective January 1st of the year during which the City determines that CDA 95-1 no longer qualifies for property tax exemption or termination of ownership of CDA 95-1 by the CDA. PILOT expense totaled \$10,000 for each of the years ended December 31, 2020 and 2019.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE E -- Commitments and contingencies (Continued)

Uncertainty

In March 2020, the World Health Organization (WHO) characterized the coronavirus disease (COVID-19) as a global pandemic. Since that time, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the company as of May 25, 2021, management believes that a material impact on the company's financial position and results of future operations is reasonably possible.

NOTE F -- Cash flow restriction

Pursuant to the debt agreements described in Note D, the fund is prohibited from paying any distributions to the owner. At the end of each fiscal year, the fund is required to deposit one-half of its surplus cash, as defined in the regulatory agreement, into the reserve for replacements. The balance of the surplus cash is applied to the outstanding balance of the WHEDA WRAP note payable described in Note D.

SUPPLEMENTARY INFORMATION

CDA 95-1
WHEDA Project No. 007/001193
SUPPLEMENTAL INFORMATION REQUIRED BY WHEDA
December 31, 2020

ACCOUNTS AND NOTES RECEIVABLE (OTHER THAN FROM TENANTS)

None.

DELINQUENT TENANTS' ACCOUNTS RECEIVABLE

	Number of tenants	Amount past due
Delinquent 0 to 30 days	8	\$ 4,177
Delinquent 31 to 60 days	3	2,751
Delinquent 61 to 90 days	0	0
Delinquent over 90 days	2	<u>4,693</u>
		<u><u>\$ 11,621</u></u>

DISTRIBUTIONS

None.

PARTNERSHIP CASH AND RESERVE FUNDS NOT HELD BY WHEDA

None.

CDA 95-1
WHEDA Project No. 007/001193
SUPPLEMENTAL INFORMATION REQUIRED BY WHEDA (Continued)
December 31, 2020

RELATED PARTY TRANSACTIONS

None.

COMPUTATION OF SURPLUS CASH

CURRENT ASSETS

Project cash on hand	\$ 89,412
MEMO - Tenants' security deposits	<u>23,250</u>
 Total current assets	 89,412

CURRENT LIABILITIES

Accounts payable	9,401
Prepaid rents	6,679
Other accrued expenses	2,757
Unfunded tenants' security deposits payable	106
Accrued PILOT	<u>10,000</u>
MEMO - Tenants' security deposits payable	 \$ 23,356
 Total current liabilities	 <u>28,943</u>
 SURPLUS CASH	 <u><u>\$ 60,469</u></u>

Main Information

Field Name	Value
Property Info	
Property Name	CDA 95-1
Project Number	007/001193
HFA Number	

ProLink Solutions HFA - Standardized Financials Input Template
Date of Statement
12/31/2020

ProLink Account ID (Layer 4)	Agency Label	Amount	Comment
1000	Asset	\$ 1,353,303	
1100	Current Asset	\$ 124,283	
1120	Cash Operation Unrestricted	\$ 89,412	
1120.01	Cash - Operations	89,412	
1125	Cash Restricted	\$ -	
1125.11	Cash - Entity		
1130	A/R Tenant	\$ 11,621	
1130.01	Tenant Accounts Receivable	11,621	
1130.02	Allowance for Doubtful Accounts		
1140	A/R Operation	\$ -	
1140.01	Accounts and Notes Receivable-Operations		
1140.11	Accounts Receivable-WHEDA		
1145	N/R Affiliate	\$ -	
1145.01	Accounts and Notes Receivable-Entity		
1170	Investment Short-term	\$ -	
1170.11	Short Term Investments- Operations		
1170.21	Short Term Investments-Entity		
1190	Other Current Asset	\$ -	
1190.01	Misc Current Assets		
1191	Tenant Deposit	\$ 23,250	
1191.01	Tenant Security Deposits	23,250	
1200	Prepaid Expense	\$ -	
1210	Misc Prepaid Expenses	\$ -	
1210.01	Misc Prepaid Expenses	0	
1300	Funded Reserve	\$ 183,719	
1310	Escrow Deposit	\$ -	
1310.01	Escrow Deposits		
1310.21	Insurance Escrow		
1311.00	Real Estate Tax or PILOT Escrow		
1320	Replacement Reserve	\$ 183,719	
1320.01	Reserve for Replacements	183,719	
1330	Other Reserve Restricted	\$ -	
1330.01	Other Reserve		
1340	Residual Receipt Reserve	\$ -	
1340.01	Residual Receipts Reserve		
1400	Fixed Asset	\$ 1,041,801	
1410	Land	\$ 241,689	
1410.01	Land	241,689	
1420	Building	\$ 1,842,302	
1420.01	Building	1,842,302	
1450	Furniture	\$ 126,037	
1450.01	Furnishings	126,037	
1450.31	Furniture for Project/Tenant Use		
1450.91	Office Furniture and Equipment		
1470	Maintenance Equipment	\$ -	
1470.01	Maintenance Equipment		
1480	Motor Vehicle	\$ -	
1480.01	Motor Vehicles		
1490	Other Fixed Asset	\$ (1,168,227)	
1490.01	Misc Fixed Assets	35,495	Land Improvements
1490.11	Accumulated Depreciation	(1,203,722)	
1500	Investment Long-term	\$ -	
1510	Investment Long-term Operation	\$ -	
1510.01	Investments-Operations		
1530	Intangible Asset	\$ -	
1530.01	Intangible Assets		
1900	Other Asset	\$ 3,500	
1910	Other Asset	\$ 3,500	
1910.01	Misc Other Assets	3,500	Deposit

ProLink Solutions HFA - Standardized Financials Input Template
Date of Statement
12/31/2020

ProLink Account ID (Layer 4)	Agency Label	Amount	Comment
2000	Liability	\$ 793,580	
2100	Current Liability	\$ 202,857	
2105	Bank Overdraft	\$ -	
2105.01	Bank Overdraft-Operations		
2110	A/P Operation	\$ 9,401	
2110.01	Accounts Payable-Operations	9,401	
2115	A/P Government	\$ -	
2115.21	Accounts Payable-WHEDA/HUD		
2120	Accrued Wage Payable	\$ -	
2120.01	Accrued Wages Payable		
2120.11	Accrued Payroll Taxes Payable		
2120.31	Accrued Management Fee Payable		
2130	Accrued Mortgage Interest Payable	\$ -	
2130.01	Accrued Interest Payable-First Mortgage	0	
2130.31	Accrued Interest Payable-Second Mortgage		
2131	Accrued Interest Payable	\$ 51,875	
2131.11	Accrued Interest Payable-Other Loans (Surp Cash)		
2131.12	Accrued Interest Payable-Other Loans and Notes	\$ 51,875	
2150	Accrued Operating Expense	\$ 10,000	
2150.11	Accrued Real Estate & Property Tax Payable	10,000	
2160	N/P Short Term	\$ -	
2160.01	Short Term Notes Payable		
2160.31	Other Loans and Notes Payable, Surplus Cash ST		
2170	Mortgage Payable Current	\$ 98,789	
2170.11	Mortgage Payable-First Mortgage (Short Term)	98,789	
2170.31	Mortgage Payable-Second Mortgage (Short Term)		
2180	Utility Allowance	\$ -	
2180.01	Utility Allowances		
2190	Current Liability Other	\$ 2,757	
2190.01	Misc Current Liabilities/Preservation Fee	2,757	
2191	Tenant Deposit	\$ 23,356	
2191.01	Tenant Security Deposits	23,356	
2210	Prepaid Revenue	\$ 6,679	
2210.01	Prepaid Revenue	6,679	
2300	Long-term Liability	\$ 590,723	
2310	N/P Long-Term	\$ 430,000	
2310.01	Notes Payable-Long Term	85,000	
2310.32	Other Loans and Notes Payable	345,000	
2320	Mortgage Payable Long-Term	\$ 160,723	
2320.11	Mortgage Payable-First Mortgage	49,294	
2320.31	Mortgage Payable-Second Mortgage	111,429	
2390	Long-term Liability Other	\$ -	
2390.01	Misc Long Term Liabilities		
3000	Equity	\$ 559,723	
3100	Owner Equity	\$ 559,723	
3110	Owner Equity	\$ 559,723	
3110.11	Total Equity/Retained Earnings	559,723	

ProLink Solutions HFA - Standardized Financials Input Template
Statement Period

01/01/2020 - 12/31/2020

ProLink Account ID (Layer 4)	Agency Label	Amount	Comment
5000	Revenue	\$ 317,429	
5100	Rent Revenue	\$ 313,164	
5120	Residential Rent	\$ 313,164	
5120.11	Rent Revenue-Gross Potential	313,164	
5120.21	Tenant Assistance Payments	\$ -	
5140	Commercial Rent	\$ -	
5140.01	Rent Revenue - Commercial/Stores @ 100%		
5170	Garage Rent	\$ -	
5170.01	Rent Revenue-Garage/Parking @ 100%		
5180	Flexible Subsidy	\$ -	
5180.01	Flexible Subsidy Revenue		
5190	Other Rent	\$ -	
5190.01	Misc Rent Revenue		
5200	Vacancy	\$ (1,431)	
5220	Residential Vacancy	\$ (26)	
5220.01	Apartment Vacancies	(26)	
5240	Commercial Vacancy	\$ -	
5240.01	Stores/Commercial Vacancies or Concessions		
5250	Rental Concession	\$ (1,405)	
5250.01	Rental Concessions	(1,405)	
5270	Garage Vacancy	\$ -	
5270.01	Garage/Parking Vacancies or Concessions		
5290	Other Rent Vacancy	\$ -	
5290.01	Miscellaneous		
5300	Elderly Service Revenue	\$ -	
5310.14	Priv Pay Room / Board		
5310.24	Medicare Room / Board		
5310.34	Medicaid Room / Board		
5310.44	VA Room / Board		
5320.34	Food		
5320.51	Housekeeping		
5320.71	Laundry / Linen		
5400	Financial Revenue	\$ 1,224	
5410	Financial Revenue from Operation	\$ 4	
5410.01	Financial Revenue-Project Operations	4	
5430	Investment Revenue Residual Receipt	\$ -	
5430.01	Revenue from Investments-Residual Receipts		
5440	Investment Revenue Replacement Reserve	\$ 1,220	
5440.01	Revenue from Investments-Replacement Reserve	1,220	
5490	Investment Revenue Other	\$ -	
5490.01	Revenue from Investments-Miscellaneous		
5900	Other Revenue	\$ 4,472	
5910	Laundry and Vending Revenue	\$ 4,182	
5910.01	Laundry/Vending Income (Net)	4,182	
5920	Tenant Charge	\$ 290	
5920.01	Tenant Charges	290	
5990	Other Revenue	\$ -	
5990.01	Miscellaneous Revenue		
6000	Expense	\$ 261,191	
6200	Administrative Expense	\$ 46,330	
6210	Advertising	\$ -	
6210.01	Advertising/Marketing Expense		
6250	Other Renting Expense	\$ -	
6250.01	Other Rent Expense		
6310	Office Salary	\$ -	
6310.01	Office Salaries		
6311	Office Expense	\$ 748	
6311.01	Office Expenses	748	
6311.21	Office or Model Apartment Rent		
6320	Management Fee	\$ 12,749	
6320.01	Management Fees All	12,749	
6330	Property Manager	\$ 23,587	
6330.11	Manager/Superintendent Salaries	23,587	
6330.21	Administrative Rent-Free Unit		
6340	Legal	\$ -	
6340.01	Legal Expense-Project Only		
6350	Audit	\$ 7,230	
6350.01	Audit Expense - Project Only	7,230	
6351	Accounting	\$ -	
6351.01	Bookkeeping Fees/Accounting Services		
6370	Bad Debt	\$ -	
6370.01	Bad Debt Expense		
6390	Other Administrative Expense	\$ 2,016	
6390.01	Misc Administrative Expenses	2,016	

ProLink Solutions HFA - Standardized Financials Input Template
Statement Period
01/01/2020 - 12/31/2020

ProLink Account ID (Layer 4)	Agency Label	Amount	Comment
6400	Utility Expense	\$ 23,708	
6420	Fuel	\$ -	
6420.01	Fuel Oil		
6450	Utility	\$ 23,708	
6450.11	Electricity	\$ 6,696	
6450.21	Gas	\$ 4,283	
6450.32	Water	\$ 12,729	
6450.33	Sewer		
6500	Operating and Maintenance Expense	\$ 92,464	
6510	Payroll	\$ 23,001	
6510.01	Payroll	\$ 23,001	
6510.31	Operating and Maintenance Rent Free Unit		
6515	Supply	\$ 346	
6515.01	Supplies	\$ 346	
6520	Contract	\$ 33,238	
6520.01	Contracts	\$ 33,238	
6525	Garbage	\$ 5,752	
6525.01	Garbage & Trash Removal	\$ 5,752	
6530	Security	\$ -	
6530.11	Security Payroll/Contract (incl taxes and benefits)	\$ -	
6530.21	Security Rent Free Unit		
6540	Seasonal Maintenance Expense	\$ 24,637	
6540.11	Heating/Cooling Repairs & Maintenance	\$ 8,757	
6540.21	Snow Removal	\$ 15,880	
6570	Vehicle	\$ -	
6570.01	Vehicle/Maintenance Equipment Operation & Repairs		
6580	RR releases to reimburse expensed items and/or CAPEX paid from project operations	\$ -	
6580.01	RR releases to reimburse expensed items and/or CAPEX paid from project operations	\$ -	
6590	Operating and Maintenance Expense Other	\$ 5,490	
6590.01	Misc Operating & Maintenance Expense	\$ 5,490	
6600	Depreciation and Amortization Expense	\$ 58,905	
6610	Depreciation Expense	\$ 58,905	
6610.01	Depreciation Expense	\$ 58,905	
6620	Amortization Expense	\$ -	
6620.01	Amortization Expense	\$ -	
6700	Tax and Insurance Expense	\$ 14,544	
6710	Tax Property	\$ 10,000	
6710.01	Real Estate & Personal Property Taxes	\$ 10,000	
6711	Tax Payroll	\$ -	
6711.01	Payroll Taxes - Project Share		
6720	Insurance Property	\$ 4,544	
6720.01	Property & Liability Insurance (Hazard)	\$ 4,544	
6723	Insurance Payroll	\$ -	
6723.01	Health Insurance and Other Employee Benefits		
6723.11	Fidelity Bond Insurance		
6723.21	Workmens Compensation		
6790	Tax and Insurance Other	\$ -	
6790.01	Misc Taxes, Licenses, Permits, and Insurance		
6800	Financial Expense	\$ 25,240	
6810	WHEDA Senior Hard Debt Interest	\$ 7,990	
6810.01	Interest on Mortgage Payable	\$ 7,990	
6820	WHEDA Junior Hard Debt Interest	\$ -	
6820.01	Interest on Mortgage Payable		
6825	Other Mortgage Interest	\$ 17,250	
6825.01	Interest on Mortgage Payable	\$ 17,250	
6850	Mortgage Insurance	\$ -	
6850.01	Mortgage Insurance Premium/Service Charge		
6890	Other Financial Expense	\$ -	
6890.01	Misc Financial Expense/Preservation Fee	\$ -	
7000	Other Expense	\$ -	
7010	Net Entity Expenses	\$ -	
7010.01	Net Entity Expenses		
7100	Corporate Partnership Expense	\$ -	
7110	Officer Salary	\$ -	
7110.01	Officer's Salaries		
7120	Entity Legal	\$ -	
7120.01	Legal Expense		
7130	Entity Income Tax	\$ -	
7130.01	Federal, State, and Other Income Taxes		
7140	Entity Interest Income	\$ -	
7140.01	Interest Income		
7140.11	Interest on Notes Payable		
7140.21	Interest on Mortgage Payable		
7190	Other Entity Expense	\$ -	
7190.01	Other Expense	\$ -	

ProLink Solutions HFA - Standardized Financials Input Template
Statement Period
01/01/2020 - 12/31/2020

ProLink Account ID (Layer 4)	Agency Label	Amount	Comment
10000	Other Financial		
11300	Reserve Deposit	\$ 7,000	
11320	Deposit to Replacement Reserve	\$ 7,000	
11320.01	Annual Replacement Reserve Deposits	\$ 7,000	
16800	Mortgage Principal Payment	\$ 94,794	
16810	WHEDA Senior Hard Debt Principal	\$ 94,794	
16810.01	WHEDA Senior Hard Debt Principal	\$ 94,794	
16820	WHEDA Junior Hard Debt Principal	\$ -	
16820.01	WHEDA Junior Hard Debt Principal		
16825	Other Debt Principal	\$ -	
16825.01	Other Debt Principal	\$ -	

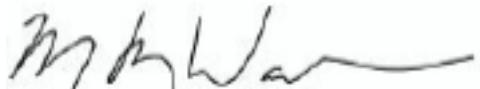
CDA 95-1

WHEDA Fund No. 007/001193

CERTIFICATION BY OWNER OF MORTGAGOR

December 31, 2020

I hereby certify that I have examined the accompanying financial statements and supplemental data of CDA 95-1 and, to the best of my knowledge and belief, the same are complete and accurate.



May 25, 2021

By: Matt Wachter, Executive Director
Community Development Authority of the City of Madison
Owner

Date

ID #39-1858655

CDA 95-1

WHEDA Fund No. 007/001193
CERTIFICATION BY MANAGEMENT AGENT
December 31, 2020

I hereby certify that I have examined the accompanying financial statements and supplemental data of CDA 95-1 and, to the best of my knowledge and belief, the same are complete and accurate.



May 25, 2021

By: Lisa Dykas, Director of Property Accounting
Founders 3 Real Estate Services
252 East Highland Ave
Milwaukee, WI 53202

Date

ID #39-1833308