

Truax Park Redevelopment, Phase I, LLC

Financial Report

December 31, 2021

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Members
Truax Park Redevelopment, LLC
Madison, WI

Opinion

We have audited the accompanying financial statements of Truax Park Redevelopment, LLC, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Truax Park Redevelopment, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Truax Park Redevelopment, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Truax Park Redevelopment, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Truax Park Redevelopment, LLC'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 Truax Park Redevelopment, LLC'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, including the schedules of project operating expenses required by the investor member and the supplemental information required by the Wisconsin Housing and Economic Development Authority (WHEDA), 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 audits 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

February 25, 2022

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

BALANCE SHEETS

December 31, 2021 and 2020

| | 2021 | 2020 |
|--|---------------------|----------------------|
| ASSETS | | |
| Restricted cash | \$ 816,876 | \$ 762,062 |
| Accounts receivable, tenants | 3,527 | 2,886 |
| Accounts receivable, related party | 187,852 | 156,925 |
| Prepaid expenses | 22,249 | 10,981 |
| Rental property, net | 8,723,493 | 9,165,625 |
| Tax credit fees, net | 42,528 | 53,160 |
| TOTAL ASSETS | \$ 9,796,525 | \$ 10,151,639 |
| LIABILITIES AND MEMBERS' EQUITY | | |
| LIABILITIES | | |
| Mortgage notes payable | \$ 3,219,202 | \$ 3,278,243 |
| Development completion guaranty loan | 112,586 | 112,586 |
| Deferred revenue | 414,767 | 440,161 |
| Development fee payable | 58,735 | 58,735 |
| Accounts payable | 55,038 | 28,826 |
| Accrued interest | 1,353,753 | 1,209,879 |
| Accrued expenses | 138,620 | 128,249 |
| Tenants' security deposits payable | 25,115 | 24,930 |
| Prepaid rents | 6,285 | 4,288 |
| Total liabilities | 5,384,101 | 5,285,897 |
| MEMBERS' EQUITY | 4,412,424 | 4,865,742 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ 9,796,525 | \$ 10,151,639 |

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

STATEMENTS OF OPERATIONS

Years ended December 31, 2021 and 2020

| | 2021 | 2020 |
|-------------------------------------|--------------|--------------|
| Revenues: | | |
| Rental income | \$ 449,718 | \$ 415,628 |
| Operating subsidies | 222,125 | 189,541 |
| Vacancies and concessions | (5,233) | (22,378) |
| Other revenue | 14,053 | 17,081 |
| Total revenues | 680,663 | 599,872 |
| Rental expenses: | | |
| Rent and administrative | 111,915 | 110,018 |
| Utilities | 90,454 | 72,971 |
| Operating and maintenance | 227,081 | 238,664 |
| Taxes and insurance | 106,918 | 120,524 |
| Total rental expenses | 536,368 | 542,177 |
| Net rental income | 144,295 | 57,695 |
| Financial income (expense): | | |
| Interest income | 132 | 331 |
| Interest expense | (160,833) | (158,330) |
| Total financial income (expense) | (160,701) | (157,999) |
| Loss before other income (expenses) | (16,406) | (100,304) |
| Other income (expenses): | | |
| Amortization of deferred revenue | 25,394 | 25,394 |
| Depreciation | (442,132) | (442,132) |
| Amortization | (10,632) | (10,632) |
| Asset management fee | (9,542) | (9,264) |
| Total other income (expenses) | (436,912) | (436,634) |
| Net loss | \$ (453,318) | \$ (536,938) |

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

STATEMENTS OF MEMBERS' EQUITY Years ended December 31, 2021 and 2020

| | Managing member | Investor member - MS Shared Investment Fund I, LLC | Investor member - NEF Assignment Corporation | Total |
|-----------------------------|--------------------|---|---|---------------------|
| Balances, December 31, 2019 | \$ (359) | \$ 485,705 | \$ 4,917,334 | \$ 5,402,680 |
| Net loss | <u>(53)</u> | <u>(48,486)</u> | <u>(488,399)</u> | <u>(536,938)</u> |
| Balances, December 31, 2020 | (412) | 437,219 | 4,428,935 | 4,865,742 |
| Net loss | <u>(45)</u> | <u>(40,935)</u> | <u>(412,338)</u> | <u>(453,318)</u> |
| Balances, December 31, 2021 | <u>\$ (457)</u> | <u>\$ 396,284</u> | <u>\$ 4,016,597</u> | <u>\$ 4,412,424</u> |
| Ownership percentages | <u>0.01%</u> | <u>9.03%</u> | <u>90.96%</u> | <u>100.000%</u> |

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

STATEMENTS OF CASH FLOWS

Years ended December 31, 2021 and 2020

| | 2021 | 2020 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ (453,318) | \$ (536,938) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation | 442,132 | 442,132 |
| Amortization | 10,632 | 10,632 |
| Amortization of deferred revenue | (25,394) | (25,394) |
| Increase (decrease) in cash due to changes in: | | |
| Accounts receivable, tenants | (641) | (79) |
| Accounts receivable, related party | (30,927) | (13,164) |
| Prepaid expenses | (11,268) | 1,100 |
| Accounts payable | 26,212 | 16,894 |
| Accrued interest | 143,874 | 139,651 |
| Accrued expenses | 10,371 | 7,575 |
| Tenants' security deposits payable | 185 | 2,225 |
| Prepaid rents | 1,997 | (737) |
| Net cash provided by operating activities | 113,855 | 43,897 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 0 | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Principal payments on mortgage notes payable | (59,041) | (57,321) |
| Change in cash, cash equivalents, and restricted cash | 54,814 | (13,424) |
| Cash, cash equivalents, and restricted cash: | | |
| Beginning | 762,062 | 775,486 |
| Ending | \$ 816,876 | \$ 762,062 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH TO BALANCE SHEET | | |
| Cash and cash equivalents | \$ 0 | \$ 0 |
| Restricted cash | 816,876 | 762,062 |
| Total cash, cash equivalents, and restricted cash | \$ 816,876 | \$ 762,062 |
| SUPPLEMENTAL DISCLOSURE(S) OF CASH FLOW INFORMATION | | |
| Cash payments for interest | \$ 16,959 | \$ 18,679 |

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

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE A -- Nature of business and significant accounting policies

Nature of business

Truax Park Redevelopment, Phase I, LLC (the company), was organized on March 24, 2009, as a limited liability company under the Wisconsin Limited Liability Company Act (the Act). The company was formed to acquire, rehabilitate and operate a six building, 71-unit apartment complex located in Madison, Wisconsin, called Truax Park Apartments (the project). The project qualifies for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code (IRC). The original property, including the buildings, common area and land, was acquired under a capital lease dated October 29, 2010. The company completed rehabilitation of the 6 buildings on various dates from March through December of 2011.

The company consists of one managing member, the Community Development Authority of the City of Madison (CDA), and two investor members, with rights, preferences and privileges as described in the operating agreement. Each member's liability for the debts and obligations of the company shall be limited to the maximum extent permitted by the Act and other applicable laws.

The company shall be operated in a manner consistent with its treatment as a partnership for federal and state income tax purposes. Therefore, the financial statements do not include the personal or corporate assets and liabilities of the members, including their obligations for income taxes on their distributive shares of the net income of the company or their rights to refunds on its net loss, nor any provision for income tax expense.

The company's operating agreement states that the company shall be dissolved upon the occurrence of specific events which are described in the agreement.

A summary of significant accounting policies follows:

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.

Cash and cash equivalents

For purposes of reporting cash flows, the company 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 company due to restrictions placed on it.

The company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The company has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

Accounts receivable and revenue recognition

The company 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.

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

Rental property

Rental property is stated at cost. Depreciation of rental property is computed on the straight-line and declining balance methods based upon the following estimated useful lives of the assets:

| | <u>Years</u> |
|--|--------------|
| Land and buildings under capital lease | 98 |
| Land improvements | 15 |
| Buildings and improvements | 20 - 27.5 |
| Furnishings and equipment | 5 |

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.

It is the company's policy to include amortization expense on assets acquired under capital leases with depreciation expense on owned assets.

Impairment of long-lived assets

The company reviews long-lived assets, including rental property and intangible assets, 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.

Tax credit fees

In connection with obtaining an allocation of low-income housing tax credits, the company paid fees totaling \$159,479 to the Wisconsin Housing and Economic Development Authority (WHEDA). The company is amortizing these fees on the straight-line method over the related tax credit compliance period of 15 years.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

Deferred revenue

Governmental agencies have provided grant funding to the company to encourage the development of affordable housing. The company has received funds under the Tax Credit Exchange Program (TCEP) (see Note I). The deferred revenue relating to these grants is recognized as revenue in the statements of operations (shown as amortization of deferred revenue) under the straight-line method over the estimated useful lives of the underlying assets acquired.

Current vulnerability due to certain concentrations

The project's operations are concentrated in the low-income, public housing residential real estate market. In addition, the project operates in a heavily regulated environment. The operations of the project are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies including, but not limited to CDA under the Regulatory & Operating Agreement (R&O Agreement) and HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by CDA or HUD. Such changes may occur with little or inadequate funding to pay for the related cost, including additional administrative burden to comply with a change.

Subsequent events

These financial statements have not been updated for subsequent events occurring after February 25, 2022, which is the date these financial statements were available to be issued. The company has no responsibility to update these financial statements for events and circumstances occurring after this date.

NOTE B -- Restricted cash

Restricted cash is comprised of the following:

| | <u>2021</u> | <u>2020</u> |
|---------------------------|-------------------|-------------------|
| Operating and ACC reserve | <u>\$ 816,876</u> | <u>\$ 762,062</u> |

Annual Contributions Contract (ACC) reserve

The operating agreement and R&O Agreement requires the company to fund an ACC reserve equal to \$350,000 upon the receipt of the investor members' third installment of their capital contributions. Disbursements are to be used to pay operating and debt service deficits that directly result from the reduction or loss of the ACC operating subsidy. Funds may only be withdrawn with the approval of the managing member and asset manager. Any funds remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement. The ACC reserve is currently being held in the same bank account as the operating reserve.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE B -- Restricted cash (Continued)

Operating reserve

The operating agreement and R&O Agreement require the company to fund and maintain an operating reserve in the amount of \$232,360 upon the receipt of the investor members' third installment of their capital contributions. Any excess amount remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement. If the balance in the operating reserve falls below \$232,360, the company is obligated to replenish the operating reserve from cash flow or the proceeds of sales or refinancing. Disbursements require the approval of the managing member and the asset manager. The operating reserve is currently being held in the same bank account as the ACC reserve.

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| Balance, beginning | \$ 762,062 | \$ 775,486 |
| Annual deposits – replacement reserve | 27,792 | 0 |
| Additional deposits – replacement reserve | 26,982 | 0 |
| Interest earned | 40 | 76 |
| Withdrawals | <u>0</u> | <u>(13,500)</u> |
| Balance ending | <u>\$ 816,876</u> | <u>\$ 762,062</u> |

Replacement reserve

The operating agreement and R&O Agreement require the company to make monthly deposits to the replacement reserve initially equal to \$300 per unit per year, and increasing annually by 3%. Disbursements are restricted to capital improvements and repairs of the project. Disbursements in excess of \$5,000 per month will require written approval of the managing member and asset manager. Any funds remaining at the end of the compliance period shall be distributed to the members as provided for in the operating agreement.

The balance of the replacement reserve was \$233,875 and \$179,101 as of December 31, 2021 and 2020, respectively. The required deposits for the replacement reserve of \$26,982 were not made in 2020. The required deposits for the replacement reserve for both 2021 and 2020 were made during 2021 totaling \$54,744 to the same bank account that holds the operating and ACC reserves. See disclosure on operating reserve above.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE C -- Rental property, net

Rental property, net is comprised of the following:

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Land and buildings under capital lease | \$ 1,846,000 | \$ 1,846,000 |
| Land improvements | 191,117 | 191,117 |
| Buildings and improvements | 11,325,047 | 11,325,047 |
| Furnishings and equipment | <u>240,052</u> | <u>240,052</u> |
| | 13,602,216 | 13,602,216 |
| Less accumulated depreciation | <u>4,878,723</u> | <u>4,436,591</u> |
| | <u>\$ 8,723,493</u> | <u>\$ 9,165,625</u> |

NOTE D -- Mortgage notes payable

Mortgage notes payable consists of the following:

| | <u>2021</u> | <u>2020</u> |
|--|----------------|----------------|
| CDA; non-recourse mortgage note payable under the capital lease described in Note E; due in one installment on October 29, 2050, together with interest at 4.00%, compounded annually; collateralized by a mortgage on the project's rental property; accrued interest was \$1,015,723 and \$905,656 as of December 31, 2021 and 2020, respectively; interest expense totaled \$110,067 and \$105,833 for the years ended December 31, 2021 and 2020, respectively. | \$ 1,846,000 | \$ 1,846,000 |
| CDA; non-recourse mortgage note payable; annual installments of \$76,000 through October 29, 2025, including interest at 3% per annum; balloon payment of all outstanding principal and accrued interest due on October 28, 2026; collateralized by a mortgage on the project's rental property; accrued interest was \$1,539 and \$2,409 as of December 31, 2021 and 2020, respectively; interest expense totaled \$16,089 and \$17,819 for the years ended December 31, 2021 and 2020, respectively. | <u>506,260</u> | <u>565,301</u> |
| Balance carried forward | 2,352,260 | 2,411,301 |

TRUAX PARK REDEVELOPMENT, PHASE I, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE D -- Mortgage notes payable (Continued)

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Balance brought forward | \$ 2,352,260 | \$ 2,411,301 |
| CDA; non-recourse mortgage note payable in the amount of \$400,000; due to the extent and priority provided in the operating agreement with the remainder of all outstanding principal and accrued interest due in one installment on October 29, 2050, together with interest at 4.00% per annum; collateralized by a mortgage on the project's rental property; accrued interest was \$169,949 and \$153,949 as of December 31, 2021 and 2020, respectively; interest expense totaled \$16,000 for each of the years ended December 31, 2021 and 2020. | 400,000 | 400,000 |
| CDA; non-recourse mortgage note payable in the amount of \$466,942; due to the extent and priority provided in the operating agreement with the remainder of all outstanding principal and accrued interest due in one installment on October 29, 2050, together with interest at 4.00% per annum; collateralized by a mortgage on the project's rental property; accrued interest was \$166,542 and \$147,865 as of December 31, 2021 and 2020, respectively; interest expense totaled \$18,677 and \$18,678 for the years ended December 31, 2021 and 2020, respectively. | <u>466,942</u> | <u>466,942</u> |
| | <u>\$ 3,219,202</u> | <u>\$ 3,278,243</u> |

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE D -- Mortgage notes payable (Continued)

Repayment of principal on the mortgage notes payable as of December 31, 2021, is as follows:

Year ending December 31,

| | |
|------------|---------------------|
| 2022 | \$ 60,544 |
| 2023 | 62,385 |
| 2024 | 64,283 |
| 2025 | 66,238 |
| 2026 | 252,810 |
| Thereafter | <u>2,712,942</u> |
| | <u>\$ 3,219,202</u> |

NOTE E -- Capital lease

The company has entered into a capital lease agreement with the CDA dated October 29, 2010, to operate and manage the project during the term of the capital lease in accordance with all applicable public housing requirements. Rental property recorded under this non-cancellable capital lease consists of:

| | |
|-----------|---------------------|
| Land | \$ 71,000 |
| Buildings | <u>1,775,000</u> |
| Total | <u>\$ 1,846,000</u> |

In accordance with accounting principles generally accepted in the United States, the land and buildings are capitalized as a single unit and amortized over the lease term of 98 years. Accumulated depreciation on the land and building under the capital lease was \$210,344 and \$191,507 as of December 31, 2021 and 2020, respectively.

Base rent under the lease was payable in a single installment of \$1,846,000 on October 29, 2010. The balance of unpaid base rent accrues interest at 4.00%, compounded annually (See Note D). Payments made by the company shall be applied first to accrued interest and then against the unpaid base rent amount. The base rent and all accrued interest thereon is due October 28, 2050. The capital lease obligation is secured by a mortgage note as described in Note D. The lease expires October 28, 2108.

NOTE F -- Members' capital contributions

The managing member is required to make capital contributions of \$100 and the investor members are required to make capital contributions totaling \$9,758,907. The members have made the required capital contributions as of December 31, 2020.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE G -- Related-party transactions

Accounts receivable

Included in accounts receivable, related party are amounts due from the CDA for reimbursable expenses related to the service coordinator totaling \$2,660 and \$3,674 as of December 31, 2021 and 2020, respectively.

Accounts payable

Included in accounts payable are amounts due to the City of Madison, an affiliate of the managing member, for project funds paid by the City of Madison on behalf of the project totaling \$25,710 and \$9,468 as of December 31, 2021 and 2020, respectively.

Regulatory and Operating Agreement

The company has entered into an R&O Agreement with the CDA. Provisions of the agreement require the company to maintain 47 units as public housing units. With regards to the public housing units, the CDA is to pay operating subsidies to the company equal to project expenses less income received from tenants residing in the public housing units. The operating subsidy shall terminate no later than January 1, 2051. The agreement will expire upon the earliest to occur of the expiration of 40 years from the date of first occupancy or at the option of the project at the close of the first project year of which the CDA ceases to pay operating subsidies. Operating subsidies totaling \$222,125 and \$189,541 were earned during the years ended December 31, 2021 and 2020, respectively. Included in accounts receivable, related party are operating subsidies receivable of \$185,192 and \$153,251 as of December 31, 2021 and 2020, respectively.

Development completion guaranty

Under terms of the operating agreement, the managing member is obligated to complete the required rehabilitation of the project. In the event the company lacks sufficient funds from the member capital contributions and proceeds from the construction and permanent mortgages to pay for the rehabilitation costs, the managing member is obligated to provide such funds to the company in the form of an unsecured loan. Any loans under this agreement shall not bear interest and shall be payable in accordance with the operating agreement. The development completion guaranty loan was \$112,586 as of December 31, 2021 and 2020.

Development fee

The company has entered into a development agreement with the CDA. The agreement provides for the payment of a development fee of \$1,314,342, which has been capitalized into the cost of the buildings. The unpaid portion of the development fee is payable from future capital contributions and available cash flow as defined in the operating agreement. If not paid in full by the twelfth year of the compliance period, it shall be paid from the proceeds of an additional capital contribution from the managing member to the company in an amount equal to the unpaid portion of the development fees, as defined in the operating agreement. Development fee payable was \$58,735 as of December 31, 2021 and 2020.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE G -- Related-party transactions (Continued)

Property management agreement

The company has entered into a property management agreement with the CDA under which the company is obligated to pay a property management fee equal to 5% of gross residential rents on a monthly basis. The agreement is automatically renewed from year to year unless otherwise terminated. Property management fees totaled \$22,224 and \$19,662 for the years ended December 31, 2021 and 2020, respectively.

Asset management fee

The company is obligated to pay an affiliate of an investor member an annual asset management fee in the initial amount of \$7,100, increasing annually by 3%. The fee is payable only out of cash flow as defined in the operating agreement and shall be cumulative and accrued if not paid. Included in accrued expenses are accrued asset management fees of \$84,167 and \$74,625 as of December 31, 2021 and 2020, respectively. Asset management fees incurred totaled \$9,542 and \$9,264 for the years ended December 31, 2021 and 2020, respectively.

NOTE H -- Company profits and losses and distributions

Distributable cash flow, as defined by the company agreement, is allocated .01% to the managing member and 99.99% to the investor members.

Gain, if any, from a sale or exchange or other disposition of the property owned by the company is allocable as follows:

1. If the investor members' capital accounts have a negative balance prior to the distribution of any sale or refinancing proceeds, 99.99% to the investor members and 0.01% to the managing member until the investor members' negative balance reaches zero.
2. 99.99% to the investor members and 0.01% to the managing member until the investor members' capital account balance equals the projected tax liabilities as defined in the operating agreement.
3. The remainder of such gain, if any, 99.99% to the investor members and .01% to the managing member.

There were no distributions made during the years ended December 31, 2021 and 2020.

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I -- Commitments and contingencies

Land Use Restriction Agreement (LURA)

The company has entered into a LURA with WHEDA as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, the company must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the company fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits, and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor members. The company is obligated to certify tenant eligibility.

TCEP

The company has entered into a TCEP Subaward Agreement (Subaward Agreement) with WHEDA. Under the Subaward Agreement, the company received grant funds totaling \$698,333 pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009. If the company fails to continuously comply with the guidelines of the Subaward Agreement, it may be required to refund up to the full amount of the grant funds received and reimburse WHEDA for the costs and fees incurred in connection with the recapture event. As a condition to making the Subaward Agreement, WHEDA required the owner to enter into a corporate guarantee. The Subaward Agreement terminates at the expiration of the low-income housing tax credit compliance period.

Project Based Housing Assistance Payments Contract

The company entered into a Project Based Housing Assistance Payments Contract (the Agreement) with the CDA. The CDA has entered into a Consolidated Annual Contributions Contract with HUD allowing its participation in HUD's Section 8 Project Based Housing Assistance Payments Program (the Program). The Agreement, approved by HUD, authorizes the CDA to set aside on a long-term basis 24 certificates for future residents of the project. Under terms of the Program, each household that holds a certificate pays no more than 30% of its annual income for rents and utilities, provided that the rent and utilities do not exceed the applicable fair market rents (FMR). The agreement may be terminated upon at least 30 days notice if it is determined that the contract units were not meeting HUD requirements. The length of the initial term of the contract is 15 years.

SUPPLEMENTARY INFORMATION

TRUAX PARK REDEVELOPMENT, PHASE I, LLC
SUPPLEMENTAL INFORMATION REQUIRED BY INVESTOR MEMBER
Years ended December 31, 2021 and 2020

SCHEDULES OF PROJECT OPERATING EXPENSES

| | 2021 | 2020 |
|--|-------------------|-------------------|
| RENT AND ADMINISTRATIVE | | |
| Office salaries | \$ 66,793 | \$ 63,855 |
| Office expense | 9,881 | 10,018 |
| Property management fees | 22,224 | 19,662 |
| Professional fees - audit | 8,905 | 8,880 |
| Miscellaneous rent and administrative | 4,112 | 7,603 |
| | <u>111,915</u> | <u>110,018</u> |
| TOTAL RENT AND ADMINISTRATIVE | <u>\$ 111,915</u> | <u>\$ 110,018</u> |
| UTILITIES | | |
| Electric | \$ 15,377 | \$ 16,011 |
| Water | 32,557 | 25,703 |
| Gas | 17,347 | 12,742 |
| Sewer | 25,173 | 18,515 |
| | <u>90,454</u> | <u>72,971</u> |
| TOTAL UTILITIES | <u>\$ 90,454</u> | <u>\$ 72,971</u> |
| OPERATING AND MAINTENANCE | | |
| Payroll | \$ 84,994 | \$ 87,172 |
| Supplies | 25,115 | 21,858 |
| Contracts | 47,551 | 85,183 |
| Garbage and trash removal | 22,860 | 14,424 |
| Security services | 18,889 | 20,622 |
| Snow removal | 1,149 | 394 |
| Vehicle/maintenance equipment repairs | 26,476 | 8,984 |
| Miscellaneous operating and maintenance | 47 | 27 |
| | <u>227,081</u> | <u>238,664</u> |
| TOTAL OPERATING AND MAINTENANCE | <u>\$ 227,081</u> | <u>\$ 238,664</u> |
| TAXES AND INSURANCE | | |
| Real estate taxes | \$ 40,718 | \$ 40,553 |
| Payroll taxes | 11,203 | 10,586 |
| Property and liability insurance | 11,940 | 35,186 |
| Health insurance and other employee benefits | 43,057 | 34,199 |
| | <u>106,918</u> | <u>120,524</u> |
| TOTAL TAXES AND INSURANCE | <u>\$ 106,918</u> | <u>\$ 120,524</u> |

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

WHEDA Project No. 5495

SUPPLEMENTAL INFORMATION REQUIRED BY WHEDA

December 31, 2021

ACCOUNTS AND NOTES RECEIVABLE (OTHER THAN FROM REGULAR TENANTS)

| | |
|---|-------------------|
| Accounts receivable, related party - CDA | \$ 2,660 |
| Accounts receivable, ACC subsidy, related party | 185,192 |
| | <u>\$ 187,852</u> |

DELINQUENT TENANTS' ACCOUNTS RECEIVABLE

| | Number of tenants | Amount past due |
|--------------------------|----------------------|--------------------|
| Delinquent 30 days | 13 | \$ 3,527 |
| Delinquent 31 to 60 days | 0 | 0 |
| Delinquent 61 to 90 days | 0 | 0 |
| Delinquent over 90 days | 0 | 0 |
| | | <u>\$ 3,527</u> |

DISTRIBUTIONS

None.

PARTNERSHIP CASH AND RESERVE FUNDS NOT HELD BY WHEDA

| | Operating & ACC reserve |
|--------------------|-------------------------------|
| Balance, beginning | \$ 762,062 |
| Deposits | 54,774 |
| Withdrawals | 0 |
| Interest earned | 40 |
| | <u>\$ 816,876</u> |

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

WHEDA Project No. 5495

SUPPLEMENTAL INFORMATION REQUIRED BY WHEDA (Continued)

December 31, 2021

RELATED PARTY TRANSACTIONS

| | | |
|-------------------------|----|-----------------|
| Development fee | | |
| Beginning balance | \$ | 58,735 |
| Payments | | <u>0</u> |
| Ending balance | \$ | <u>58,735</u> |
| Asset management fee | | |
| Beginning accrual | \$ | 74,625 |
| Current year expense | | 9,542 |
| Fee paid | | <u>0</u> |
| Ending accrual | \$ | <u>84,167</u> |
| Property management fee | | |
| Beginning accrual | \$ | 0 |
| Current year expense | | 22,224 |
| Fee paid | | <u>(22,224)</u> |
| Ending accrual | \$ | <u>0</u> |

COMPUTATION OF SURPLUS CASH

CURRENT ASSETS

| | | | |
|------------------------------------|----|----|---------|
| Accounts receivable, related party | | \$ | 187,852 |
| MEMO - Tenants' security deposits | \$ | 0 | <u></u> |
| Total current assets | | | 187,852 |

CURRENT LIABILITIES

| | | | |
|--|----|--------|----------------|
| MEMO - Tenants' security deposits | \$ | 25,115 | |
| Accounts payable | | | 55,038 |
| Accrued interest | | | 1,539 |
| Accrued expenses | | | 54,453 |
| Underfunded tenants' security deposits | | | 25,115 |
| Prepaid rents | | | <u>6,285</u> |
| Total current liabilities | | | <u>142,430</u> |

| | | | |
|---------------------|--|----|---------------|
| SURPLUS CASH | | \$ | <u>45,422</u> |
|---------------------|--|----|---------------|

STANDARDIZED FINANCIAL TEMPLATE

Main Information

| Field Name | Value |
|----------------------------------|--|
| Property Info | |
| Property Name | Truax Park Redevelopment, Phase I, LLC |
| Project Number | 5495 |
| HFA Number | 51962 |
| Balance Sheet Date of Statement: | 12/31/2021 |
| P&L Statement Period: | 01/01/2021 - 12/31/2021 |



BALANCE SHEET

51962

Date of Statement:

12/31/2021

| Account ID | Agency Label | Amount | Comment |
|----------------------------|---|----------------|---------------------------------------|
| 1100 CURRENT ASSETS | 1120.01 Cash - Operations | \$ - | |
| | 1121.01 Construction Cash Account | | |
| | 1125.11 Cash - Entity | | |
| | 1130.01 Tenant Accounts Receivable | \$ 3,527 | |
| | 1130.02 Allowance for Doubtful Accounts (deduct) | | |
| | 1140.01 Accounts and Notes Receivable-Operations | \$ 187,852 | |
| | 1140.91 Accounts Receivable-WHEDA | | |
| | 1145.01 Accounts and Notes Receivable-Entity | | |
| | 1160.01 Accounts Receivable-Interest | | |
| | 1160.11 Interest Reduction Payment Receivable | | |
| | 1170.11 Short Term Investments- Operations | | |
| | 1170.21 Short Term Investments-Entity | | |
| | 1190.01 Misc Current Assets | | |
| | 1191.01 Tenant Security Deposits | \$ - | |
| 1100 | Total Current Assets | \$ 191,379 | |
| 1200 PREPAID EXPENSES | 1210.01 Misc Prepaid Expenses | \$ 22,249 | |
| | 1200 Total Prepaid Expenses | \$ 22,249 | |
| 1300 FUNDED RESERVES | 1310.01 Escrow Deposits | | |
| | 1310.21 Insurance Escrow | | |
| | 1310.22 Real Estate Tax or PILOT Escrow | \$ - | |
| | 1320.01 Reserve for Replacements | \$ - | |
| | 1330.01 Other Reserve | \$ 816,876 | Operating/ACC/Replacement Reserve |
| | 1340.01 Residual Receipts Reserve | | |
| | 1360.01 Development Cost Escrow | | |
| | 1360.41 FHA Insurance Reserve | | |
| | 1380.01 Management Improvement and Operating Plan | | |
| 1300 | Total Funded Reserves | \$ 816,876 | |
| 1400 FIXED ASSETS | 1410.01 Land | \$ 1,846,000 | |
| | 1420.01 Building | \$ 11,325,047 | |
| | 1440.01 Building Equipment (portable) | | |
| | 1450.01 Furnishings | \$ 240,052 | |
| | 1450.31 Furniture for Project/Tenant Use | | |
| | 1450.91 Office Furniture and Equipment | | |
| | 1470.01 Maintenance Equipment | | |
| | 1480.01 Motor Vehicles | | |
| | 1490.01 Misc Fixed Assets | \$ 191,117 | Land Improvements |
| | 1490.11 Accumulated Depreciation (deduct) | \$ (4,878,723) | |
| 1400 | Total Fixed Assets | \$ 8,723,493 | |
| 1500 INVESTMENTS | 1510.01 Investments-Operations | | |
| | 1515.01 Investments-Entity | | |
| | 1530.01 Intangible Assets | \$ 42,528 | Tax Credit Fees - Net of Amortization |
| 1500 | Total Investment Long-term | \$ 42,528 | |
| 1900 MISC ASSETS | 1910.01 Misc Other Assets | | |
| | 1900 Total Other Assets | \$ - | |
| TOTAL ASSETS | | \$ 9,796,525 | |

BALANCE SHEET

51962
Date of Statement:
12/31/2021

| Account ID | Agency Label | Amount | Comment |
|------------|--------------|--------|---------|
|------------|--------------|--------|---------|

**2100
CURRENT
LIABILITIES**

| | | | |
|-------------|---|-----------|------------------|
| 2105.01 | Bank Overdraft-Operations | | |
| 2110.01 | Accounts Payable-Operations | \$ | 55,038 |
| 2110.11 | Accounts Payable-Construction/Development | | |
| 2110.91 | Accounts Payable-30 Days | | |
| 2112.01 | Accounts Payable-Project Improvements Items | | |
| 2113.01 | Accounts Payable-Entity | \$ | 142,902 |
| 2115.11 | Accounts Payable-236 Excess Income Due HUD | | |
| 2115.21 | Accounts Payable-WHEDA/HUD | | |
| 2120.01 | Accrued Wages Payable | \$ | 6,600 |
| 2120.11 | Accrued Payroll Taxes Payable | \$ | 2,949 |
| 2120.31 | Accrued Management Fee Payable | \$ | - |
| 2130.01 | Accrued Interest Payable-First Mortgage | \$ | 1,539 |
| 2130.31 | Accrued Interest Payable-Second Mortgage | | |
| 2130.41 | Accrued Interest Payable-Section 236 | | |
| 2131.11 | Accrued Interest Payable-Other Loans (Surp Cash) | \$ | 1,352,214 |
| 2131.12 | Accrued Interest Payable-Other Loans and Notes | | |
| 2131.21 | Accrued Interest Payable-Flexible Subsidy Loan | | |
| 2131.31 | Accrued Interest Payable-Capital Improvement Loan | | |
| 2131.32 | Accrued Interest Payable-Operating Loss Loan | | |
| 2150.11 | Accrued Real Estate & Property Tax Payable | \$ | - |
| 2160.01 | Short Term Notes Payable | | |
| 2160.31 | Other Loans and Notes Payable, Surplus Cash ST | | |
| 2160.32 | Other Loans and Notes (Short Term) | | |
| 2160.41 | Flexible Subsidy Loan Payable (Short Term) | | |
| 2160.51 | Capital Improvement Loan Payable (Short Term) | | |
| 2160.52 | Operating Loss Loan Payable (Short Term) | | |
| 2170.11 | Mortgage Payable-First Mortgage (Short Term) | \$ | 60,544 |
| 2170.31 | Mortgage Payable-Second Mortgage (Short Term) | | |
| 2180.01 | Utility Allowances | | |
| 2190.01 | Misc Current Liabilities/Preservation Fee | \$ | 70,298 |
| 2191.01 | Tenant Security Deposits | \$ | 25,115 |
| 2210.01 | Prepaid Revenue | \$ | 6,285 |
| 2100 | Current Liabilities | \$ | 1,723,484 |

**2300
LONG-TERM
LIABILITIES**

| | | | |
|-------------|--|-----------|------------------|
| 2310.01 | Notes Payable-Long Term | | |
| 2310.31 | Notes Payable-Surplus Cash | | |
| 2310.32 | Other Loans and Notes Payable | \$ | 2,712,942 |
| 2310.33 | Other Loans and Notes Payable-Surplus Cash | | |
| 2310.41 | Flexible Subsidy Loan Payable | | |
| 2310.51 | Capital Improvement Loan Payable | | |
| 2310.52 | Operating Loss Loan Payable | | |
| 2320.11 | Mortgage Payable-First Mortgage | \$ | 445,716 |
| 2320.31 | Mortgage Payable-Second Mortgage | \$ | - |
| 2390.01 | Misc Long Term Liabilities | \$ | 501,959 |
| 2300 | Long-Term Liabilities | \$ | 3,660,617 |

TOTAL LIABILITIES
\$ 5,384,101

3110.11 Total Equity/Retained Earnings

\$ 4,412,424

TOTAL EQUITY
\$ 4,412,424
TOTAL LIABILITIES & EQUITY
\$ 9,796,525



PROFIT & LOSS STATEMENT

51962

Statement Period:

01/01/2021 - 12/31/2021

| Account ID | Agency Label | Amount | Comment |
|------------|--------------|--------|---------|
|------------|--------------|--------|---------|

| | | | | |
|---|---------|--|----|---------|
| 5100 RENT REVENUE | 5120.11 | Rent Revenue-Gross Potential | \$ | 449,718 |
| | 5120.21 | Tenant Assistance Payments | \$ | 222,125 |
| | 5140.01 | Rent Revenue - Commercial/Stores @ 100% | | |
| | 5170.01 | Rent Revenue-Garage/Parking @ 100% | \$ | - |
| | 5180.01 | Flexible Subsidy Revenue | | |
| | 5190.01 | Misc Rent Revenue | | |
| | 5190.11 | Excess Rent | | |
| | 5190.12 | Rent Revenue/Insurance | | |
| | 5190.13 | Special Claims Revenue | | |
| | 5190.14 | Retained Excess Income | | |
| 5100 | | Rent Revenue | \$ | 671,843 |
| 5200 VACANCY | 5220.01 | Apartment Vacancies (deduct) | \$ | (5,233) |
| | 5240.01 | Stores/Commercial Vacancies or Concessions (deduct) | | |
| | 5250.01 | Rental Concessions (deduct) | \$ | - |
| | 5270.01 | Garage/Parking Vacancies or Concessions (deduct) | \$ | - |
| | 5290.01 | Miscellaneous (deduct) | | |
| 5200 | | Vacancy | \$ | (5,233) |
| 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 | | |
| 5300 | | Elderly Service Revenue | \$ | - |
| 5400 FINANCIAL REVENUE | 5410.01 | Financial Revenue-Project Operations | \$ | 132 |
| | 5430.01 | Revenue from Investments-Residual Receipts | | |
| | 5440.01 | Revenue from Investments-Replacement Reserve | \$ | - |
| | 5490.01 | Revenue from Investments-Miscellaneous | \$ | - |
| 5400 | | Financial Revenue | \$ | 132 |
| 5900 OTHER REVENUE | 5910.01 | Laundry/Vending Income (Net) | \$ | - |
| | 5920.01 | Tenant Charges | \$ | 2,509 |
| | 5990.01 | Miscellaneous Revenue | \$ | 36,938 |
| | 5900 | Other Revenue | \$ | 39,447 |
| 5000 | | REVENUE | \$ | 706,189 |
| 6200-6300 RENT/ADMIN EXPENSES | 6210.01 | Advertising/Marketing Expense | \$ | - |
| | 6250.01 | Other Rent Expense | \$ | - |
| | 6310.01 | Office Salaries | \$ | 66,793 |
| | 6311.01 | Office Expenses | \$ | 9,881 |
| | 6311.21 | Office or Model Apartment Rent | | |
| | 6320.01 | Management Fees All | \$ | 22,224 |
| | 6330.11 | Manager/Superintendent Salaries | | |
| | 6330.21 | Administrative Rent-Free Unit | \$ | - |
| | 6340.01 | Legal Expense-Project Only | \$ | - |
| | 6350.01 | Audit Expense - Project Only | \$ | 8,905 |
| | 6351.01 | Bookkeeping Fees/Accounting Services | \$ | - |
| | 6370.01 | Bad Debt Expense | \$ | - |
| | 6390.01 | Misc Administrative Expenses | \$ | 4,112 |
| 6200 | | Administrative Expense | \$ | 111,915 |
| 6400 UTILITY EXPENSE | 6420.01 | Fuel Oil | | |
| | 6450.11 | Electricity | \$ | 15,377 |
| | 6450.21 | Gas | \$ | 17,347 |
| | 6450.32 | Water | \$ | 32,557 |
| | 6450.33 | Sewer | \$ | 25,173 |
| 6400 | | Utility Expense | \$ | 90,454 |
| 6500 OPERATING & MAINTENANCE EXPENSE | 6510.01 | Payroll | \$ | 84,994 |
| | 6510.31 | Operating and Maintenance Rent Free Unit | | |
| | 6515.01 | Supplies | \$ | 25,115 |
| | 6520.01 | Contracts | \$ | 47,551 |
| | 6525.01 | Garbage & Trash Removal | \$ | 22,860 |
| | 6530.11 | Security Payroll/Contract (incl taxes and benefits) | \$ | 18,889 |
| | 6530.21 | Security Rent Free Unit | | |
| | 6540.11 | Heating/Cooling Repairs & Maintenance | \$ | - |
| | 6540.21 | Snow Removal | \$ | 1,149 |
| | 6570.01 | Vehicle/Maintenance Equipment Operation & Repairs | \$ | 26,476 |
| | 6580.01 | RR releases to reimburse expensed items and/or CAPEX paid from project operations (deduct) | | |
| | 6590.01 | Misc Operating & Maintenance Expense | \$ | 47 |
| 6500 | | Operating and Maintenance Expense | \$ | 227,081 |



PROFIT & LOSS STATEMENT

51962

Statement Period:

01/01/2021 - 12/31/2021

| Account ID | Agency Label | Amount | Comment |
|---|--|---------------------|---------|
| 6700 TAXES AND INSURANCE | 6710.01 Real Estate & Personal Property Taxes | \$ 40,718 | |
| | 6711.01 Payroll Taxes - Project Share | \$ 11,203 | |
| | 6720.01 Property & Liability Insurance (Hazard) | \$ 11,940 | |
| | 6723.01 Health Insurance and Other Employee Benefits | \$ 43,057 | |
| | 6723.11 Fidelity Bond Insurance | | |
| | 6723.21 Workmens Compensation | | |
| | 6790.01 Misc Taxes, Licenses, Permits, and Insurance | \$ - | |
| | 6700 Tax and Insurance Expense | \$ 106,918 | |
| 6900 ELDERLY SERVICE EXPENSE | 6930.11 Dietary Salaries | | |
| | 6930.21 Food | | |
| | 6930.22 Dietary Prchsd Serv | | |
| | 6940.11 Regstrd Nurse Salary | | |
| | 6950.11 Housekeeping Salary | | |
| | 6950.21 Housekeeping Supply | | |
| | 6950.31 Other Housekeeping | | |
| | 6960.22 Medical Supplies | | |
| | 6960.29 Medical Prchsd Serv | | |
| | 6970.01 Laundry Expenses | | |
| | 6975.01 Medical Records | | |
| | 6980.11 Recreation/Rehab | | |
| | 6980.21 Activity Supplies | | |
| | 6990.01 Elderly Service Other | | |
| | 6900 Elderly Service Expense | \$ - | |
| RR DEPOSITS | 11320.01 Annual Replacement Reserve Deposits | \$ - | |
| | TOTAL OPERATING EXPENSES | \$ 536,368 | |
| | NET OPERATING INCOME (NOI) | \$ 169,821 | |
| 6800 FINANCIAL EXPENSE | 6810.01 WHEDA Senior Hard Debt Interest | | |
| | 6820.01 WHEDA Junior Hard Debt Interest | | |
| | 6825.01 Other Mortgage Interest | \$ 160,833 | |
| | 6850.01 Mortgage Insurance Premium/Service Charge | | |
| | 6890.01 Misc Financial Expense/Preservation Fee | | |
| | 6800 Financial Expense | \$ 160,833 | |
| DEPRECIATION AMORTIZATION | 6610.01 Depreciation Expense | \$ 442,132 | |
| | 6620.01 Amortization Expense | \$ 10,632 | |
| | OPERATING PROFIT OR LOSS | \$ (443,776) | |
| 7100 CORPORATE OR MORTGAGOR EXPENSE | 7110.01 Officer's Salaries | | |
| | 7120.01 Legal Expense | | |
| | 7130.01 Federal, State, and Other Income Taxes | | |
| | 7140.01 Interest Income | | |
| | 7140.11 Interest on Notes Payable | \$ - | |
| | 7140.21 Interest on Mortgage Payable | | |
| | 7190.01 Other Expense | \$ 9,542 | |
| | 7100 Net Entity Expenses | \$ 9,542 | |
| TOTAL PRINCIPAL PAYMENTS | 16810.01 WHEDA Senior Hard Debt Principal | | |
| | 16820.01 WHEDA Junior Hard Debt Principal | | |
| | 16825.01 Other Debt Principal | 59,041 | |

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

WHEDA Project No. 5495

CERTIFICATION BY MANAGING MEMBER OF MORTGAGOR

December 31, 2021

I hereby certify that I have examined the accompanying financial statements and supplemental information of Truax Park Redevelopment, Phase I, LLC and, to the best of my knowledge and belief, the same are complete and accurate.

Matthew Wachter

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

2-25-2022

Date

ID #39-6006968

TRUAX PARK REDEVELOPMENT, PHASE I, LLC

WHEDA Project No. 5495
CERTIFICATION BY MANAGEMENT AGENT
December 31, 2021

I hereby certify that I have examined the accompanying financial statements and supplemental information of Truax Park Redevelopment, Phase I, LLC and, to the best of my knowledge and belief, the same are complete and accurate.

Matthew Wachter

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

2-25-2022

Date

ID #39-6006968