

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



OFFICIAL NOTICE AND AMENDED AGENDA

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

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

Meeting of the:

Date/Time:

Location:

Members:

COMMUNITY DEVELOPMENT AUTHORITY BOARD OF THE CITY OF WAUSAU

Tuesday, July 28, 2026 at 12:00 pm

550 E Thomas Street, Wausau, Wisconsin 54403

Sarah Napgezek (C), David Welles, John Wagman, Sarah Watson, Andrew Wiskowski, Tracy D'Antonio

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

1. Call the Meeting to Order
2. Approval of Minutes from 06/23/26
3. Presentation of the 2025 Riverview Towers LLC and the Wausau Community Development Authority Audits - Jon Trautman, CliftonLarsonAllen LLP
4. Discussion and Possible Action on Amendment to S.C. Koegler Consulting, LLC Service Agreement for Consulting Services for Comprehensive Repositioning Options Plan to Repositioning Application Services - Public Housing
5. Consideration and Possible Action on Resolution #26-005 Administrative Plan (Admin Plan) Update - HCV Program, Riverview Terrace and Riverview Towers, LLC
6. Consideration and Possible Action on Resolution #26-006 Admissions and Continue Policy (ACOP) Update - Public Housing
7. Resignation of Commissioner Patrick Gosz
8. Discussion on Amending the Bylaws of the Wausau Community Development Authority
9. Discussion and Possible Action on Easement with Wisconsin Public Service (WPS) for Underground Facilities at 405 S 8th Avenue, Wausau
10. Discussion and Possible Action on Funktion Design Studio Architectural Services Change Order #4 for 405 S 8th Avenue, Wausau
11. Operational Issues & Current Activities
 - A. Occupancy Overview
 - B. Update on 405 S 8th Avenue
 - C. Update on Concrete Façade Repair Inspection and Opinion of Probable Cost - Riverview Towers LLC

Adjournment

Sarah Napgezek, Chair

This Notice was posted at City Hall and emailed to the Media on Thursday, July 23, 2026 at 1:00 pm. Questions regarding this agenda may be directed to Randy Fifrick, Community Development Director at 715-261-6684

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

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

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

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

COMMUNITY DEVELOPMENT AUTHORITY
MINUTES

06/23/2026

MEMBERS PRESENT: Sarah Napgezdek, John Wagman, Sarah Watson, Andrew Wiskowski, Traci D'Antonio,

MEMBERS ABSENT: David Welles, Patrick Gosz

OTHERS PRESENT: Juli Birkenmeier, Randy Fifrick, Tammy King, Doug Diny, Anne Jacobson, Tammy Stratz, Scott Koegler, Carrie Edmondson

(1) Call Meeting to Order

Meeting was called to order at 12:01 pm at 550 E Thomas Street, Wausau, Wisconsin.

(2) Approval of Minutes from 05/26/26

Wagman made a motion to approve the minutes from 05/26/26. Watson seconded. Motion was approved unanimously.

(3) Community Development Authority Organizational and Program Review

Birkenmeier presented a detailed overview of the Community Development Authority (CDA). She provided an outline of CDA staff, housing programs that the CDA administers, funding sources, a history of redevelopment projects and business activities the CDA has been involved in.

(4) Overview of WCDA Subcommittees

Birkenmeier gave a summary of the Finance and Redevelopment Subcommittees. She stated that the Finance Committee was formed in 2008 to improve board oversight by providing board members with financial statements and budgetary comparisons on a quarterly basis. Birkenmeier also explained that a Redevelopment Committee was formed in 2018, meeting on an as-needed basis, to explore opportunities of acquisition or rehabilitation of blighted properties, specifically from the county or city. She reported that the Redevelopment Subcommittee has a vacant position due to the departure of Chad Henke from the CDA board. She noted that originally the Redevelopment committee was formed with three members but a fourth was added some time after formation. She inquired with the board if a formal document should be completed determining the required number of members for this subcommittee.

(5) Discussion and Possible Action on Election of Board Chair and Vice Chair

Birkenmeier explained that the CDA Bylaws state, the board will review the Board Chair and Vice Chair positions on an annual basis. She went on to explain that when the Board Chair is elected by the board, it requires procedural changes with banking, accounts payable and the Department of Housing and Urban Development (HUD) systems. Wiskowski questioned if there were set term limits and stated that he believed that there should be. Birkenmeier explained that at this time there were no term limits and the Bylaws states the positions are filled when vacated. The board chose to table the agenda item until they can review the Bylaws and discuss potential term limits.

(6) Discussion and Possible Action on Finance Committee Nominations

Watson made a motion to table this agenda item for a future meeting due to only one of the three members of the finance committee being present. Wagman seconded. Motion was approved unanimously.

(7) Discussion and Possible Action on Redevelopment Committee Nominations

The board agreed to table this agenda item pending review of the CDA Bylaws, number of redevelopment committee members and term limits.

(8) Presentation by S.C. Koegler Consulting, LLC on Comprehension Repositioning Options Plans for Wausau Community Development Authority – Scattered Sites Public Housing

Birkenmeier introduced Scott Koegler of S.C. Koegler Consulting, LLC who explained his background and expertise in federal affordable housing programs. Koegler went on to provide a presentation to the Board regarding an overview of potential repositioning approaches, regulatory considerations, and long-term strategic implications for the CDA. Koegler outlined factors that may affect future planning, including funding structures, program requirements, and anticipated federal changes. Birkenmeier noted that due to the complexity of repositioning, she is requesting the board's consideration on revising the current service agreement with Koegler to include assistance throughout the repositioning process from application to close out. She stated that Koegler will present a formal repositioning plan to the full board for review and approval at a future board meeting.

(9) Discussion and Possible Action on Northcentral Construction Company Change Order #1 for Site Preparation Work at 405 S. 8th Avenue, Wausau

Birkenmeier reported that she had received the supporting documentation and backup materials for the change order for the site preparation work which she included in the board packet. She went on to state that the work totaled \$66,414.99, coming in below the earlier estimate of \$75,000. Wagman made a motion to approve Northcentral Construction Change Order #1 for Site Preparation Work at 405 S. 8th Avenue, Wausau. D'Antonio seconded. Motion was approved unanimously.

(10) Operational Issues and Current Activities

Occupancy Overview - Birkenmeier reported 97% occupancy at Riverview Towers, 100% at Riverview Terrace, and 98% at the Scattered Sites, with staff administering 283 Housing Choice Vouchers. She noted that Fulton Street has been added to the overview and is currently at 100% occupancy.

Update on 405 S. 8th Avenue – Birkenmeier stated that the site preparation work has been completed. She reported that beginning this week, the contractor will move forward with underground plumbing preparation and pour concrete. Birkenmeier noted that the delivery of framing materials is scheduled and wall construction should begin soon.

Public Housing Scattered Sites Concrete Repair/Replacement Request for Proposals for Architect Services – Birkenmeier reported that a Request for Proposals had been issued for architectural services related to the concrete repair and replacement project for the public housing scattered sites and CDA office building. She explained that one proposal, Funktion Design Studios, was received. She went on to say that due to only one submission, she did not place the item on

the agenda for action but wanted to notify the board that Fifrck will be signing the proposal. She stated that she is looking for contract execution to occur in 2026, with work scheduled to begin in 2027.

Adjournment

Respectfully Submitted,

Sarah Napgezek
Chairperson



Members
Riverview Towers, LLC
Wausau, Wisconsin

We have audited the financial statements of Riverview Towers, LLC as of and for the year ended December 31, 2025, and have issued our report thereon dated February 12, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated December 2, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Riverview Towers, LLC are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2025.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated February 12, 2026.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

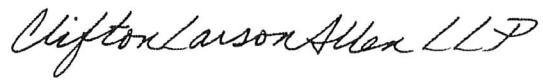
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Supplementary information in relation to the financial statements as a whole

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated February 12, 2026.

Members
Riverview Towers, LLC
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This communication is intended solely for the information and use of the members and management of Riverview Towers, LLC and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Wausau, Wisconsin
February 12, 2026

February 12, 2026

CliftonLarsonAllen LLP
311 Financial Way, Suite 100
Wausau, Wisconsin 54401

This representation letter is provided in connection with your audits of the financial statements of Riverview Towers, LLC, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. 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.

We confirm, to the best of our knowledge and belief, as of February 12, 2026, the following representations made to you during your audits.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated December 2, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. No events have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

7. We have not identified or been notified of any uncorrected financial statement misstatements. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. Material concentrations have been properly disclosed in accordance with U.S. GAAP.
10. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements have been properly disclosed.
11. We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with U.S. GAAP.
12. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Complete minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
3. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

5. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
6. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
7. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
8. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
10. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
11. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
12. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
13. We have fully disclosed to you all terms of contracts with customers that affect the amount and timing of revenue recognized in the financial statements, including delivery terms, rights of return or price adjustments, side agreements, implicit provisions, unstated customary business practices, and all warranty provisions.
14. We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

February 12, 2026
CliftonLarsonAllen LLP
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15. In regards to the preparation of the financial statements and depreciation services performed by you, we have:

- a. Made all management judgments and decisions and assumed all management responsibilities.
- b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
- c. Evaluated the adequacy and results of the services performed.
- d. Accepted responsibility for the results of the services.
- e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

Signed by: Sarah Napgezek
Signature: _____ Title: Board Chairman
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Sarah Napgezek

Signed by: Randy Ffrick
Signature: _____ Title: Director
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Randy Ffrick

RIVERVIEW TOWERS, LLC
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2025 AND 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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**RIVERVIEW TOWERS, LLC
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YEARS ENDED DECEMBER 31, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Members
Riverview Towers, LLC
Wausau, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Riverview Towers, LLC, which comprise the balance sheets as of December 31, 2025 and 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of Riverview Towers, LLC as of December 31, 2025 and 2024, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Riverview Towers, 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 Riverview Towers, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 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 GAAS, 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 Riverview Towers, 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 Riverview Towers, 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.

Members
Riverview Towers, LLC

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of operating expenses 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
February 12, 2026

RIVERVIEW TOWERS, LLC
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents:		
Operations	\$ 2,282,945	\$ 1,932,773
Security Deposits	58,555	56,783
Reserves:		
Replacement Reserve	844,267	755,022
Operating Reserve	586,524	567,074
Accounts Receivable:		
Tenants	-	1,739
Prepaid Expenses	8,914	8,810
Total Current Assets	<u>3,781,205</u>	<u>3,322,201</u>
PROPERTY AND EQUIPMENT, NET	6,548,398	6,786,363
INTANGIBLE ASSETS, NET	<u>5,497</u>	<u>8,638</u>
Total Assets	<u><u>\$ 10,335,100</u></u>	<u><u>\$ 10,117,202</u></u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 22,474	\$ 19,964
Due to Related Parties:		
Management Fee Payable	3,406	6,280
Accrued Payroll	26,179	24,304
Accrued Compensated Absences	19,550	17,063
Payment in Lieu of Taxes	52,398	51,969
Tenant Security Deposits Payable	56,064	53,814
Total Current Liabilities	<u>180,071</u>	<u>173,394</u>
LONG-TERM LIABILITIES		
Long-Term Debt	3,250,000	3,250,000
Accrued Interest Payable	646,258	592,297
Accrued Compensated Absences	31,394	28,180
Total Long-Term Liabilities	<u>3,927,652</u>	<u>3,870,477</u>
Total Liabilities	4,107,723	4,043,871
MEMBERS' EQUITY	<u>6,227,377</u>	<u>6,073,331</u>
Total Liabilities and Members' Equity	<u><u>\$ 10,335,100</u></u>	<u><u>\$ 10,117,202</u></u>

See accompanying Notes to Financial Statements.

RIVERVIEW TOWERS, LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
Gross Rental Income	\$ 673,868	\$ 641,254
Hap Subsidy	424,670	398,830
Less: Vacancies	(12,172)	(13,558)
Net Rental Income	1,086,366	1,026,526
Other	20,375	23,955
Interest	118,253	113,548
Total Revenues	1,224,994	1,164,029
EXPENSES		
Administrative	252,719	242,909
Tenant Services	6,416	6,274
Utilities	126,435	116,865
Maintenance and Operations	247,231	230,862
Protective Services	3,915	4,714
Insurance	40,687	37,759
Payment in Lieu of Taxes	52,398	51,969
Collection Loss (Recovery)	2,695	(190)
General	23,983	23,655
Interest	53,961	53,942
Depreciation and Amortization	260,508	259,916
Total Expenses	1,070,948	1,028,675
NET INCOME	\$ 154,046	\$ 135,354

See accompanying Notes to Financial Statements.

RIVERVIEW TOWERS, LLC
STATEMENTS OF MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024

	Riverview Towers MM, LLC	National Equity Fund, Inc.	Retained Earnings	Total
BALANCE - JANUARY 1, 2024	\$ 174,806	\$ 5,763,171	\$ -	\$ 5,937,977
Net Income	-	-	135,354	135,354
Net Income Allocated to Members	<u>14</u>	<u>135,340</u>	<u>(135,354)</u>	<u>-</u>
BALANCE - DECEMBER 31, 2024	174,820	5,898,511	-	6,073,331
Net Income	-	-	154,046	154,046
Net Income Allocated to Members	<u>15</u>	<u>154,031</u>	<u>(154,046)</u>	<u>-</u>
BALANCE - DECEMBER 31, 2025	<u>\$ 174,835</u>	<u>\$ 6,052,542</u>	<u>\$ -</u>	<u>\$ 6,227,377</u>

See accompanying Notes to Financial Statements.

RIVERVIEW TOWERS, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts:		
Rental Income	\$ 662,990	\$ 627,924
Hap Subsidy	424,670	398,830
Other	20,375	23,955
Interest	118,253	113,548
Total Receipts	<u>1,226,288</u>	<u>1,164,257</u>
Disbursements:		
Administrative	(157,803)	(157,365)
Employee Salaries and Wages	(202,548)	(171,643)
Tenant Services	(6,302)	(5,759)
Utilities	(122,378)	(108,190)
Maintenance and Operations	(142,259)	(126,559)
Protective Services	(3,915)	(4,714)
Insurance	(40,791)	(36,486)
Payment in Lieu of Taxes	(51,969)	(46,216)
General	(18,282)	(14,794)
Total Disbursements	<u>(746,247)</u>	<u>(671,726)</u>
Net Cash Provided by Operating Activities	480,041	492,531
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(19,402)</u>	<u>(1,725)</u>
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	460,639	490,806
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>3,311,652</u>	<u>2,820,846</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u><u>\$ 3,772,291</u></u>	<u><u>\$ 3,311,652</u></u>

See accompanying Notes to Financial Statements.

RIVERVIEW TOWERS, LLC
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Operations	\$ 2,282,945	\$ 1,932,773
Security Deposits	58,555	56,783
Replacement Reserve	844,267	755,022
Operating Reserve	586,524	567,074
Total Reconciliation of Cash, Cash Equivalents, and Restricted Cash	<u>\$ 3,772,291</u>	<u>\$ 3,311,652</u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Income	\$ 154,046	\$ 135,354
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	260,508	259,916
Changes in Operating Assets and Liabilities:		
Accounts Receivable - Tenants	1,739	(711)
Prepaid Expenses	(104)	1,273
Accounts Payable - Trade	2,510	11,890
Accounts Payable - Related Party	(2,874)	(8,800)
Accrued Payroll	1,875	24,304
Accrued Compensated Absences	5,701	8,861
Accrued Interest Payable	53,961	53,942
Payment in Lieu of Taxes	429	5,753
Tenant Security Deposits Payable	2,250	749
Net Cash Provided by Operating Activities	<u>\$ 480,041</u>	<u>\$ 492,531</u>

See accompanying Notes to Financial Statements.

RIVERVIEW TOWERS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal Business Activity

Riverview Towers, LLC (the Company) was organized in 2011 under the laws of the state of Wisconsin to modernize and operate a 10-story, 149-unit rental project, known as Riverview Towers, for elderly and disabled residents of low- and very low-income, located at 500 Grand Avenue, Wausau, Wisconsin. The Company is managed by the Community Development Authority (CDA) of the city of Wausau, Wisconsin, which is the sole owner of the Company's managing member, Riverview Towers MM, LLC (RVTMM). The project was subject to a Consolidated Annual Contributions Contract with the U.S. Department of Housing and Urban Development (HUD) through May 31, 2017. Effective June 1, 2017, the Company entered into a Rental Assistance Demonstration (RAD) Conversion Commitment with HUD. Under the RAD Commitment, the Company, through RVTMM, has also executed a Rental Assistance Demonstration Use Agreement (RAD Use Agreement), and a Section 8 Housing Assistance Payments Contract (RAD HAP Contract) to receive Project-Based Vouchers which began January 1, 2018, in place of the operating subsidy received under the ACC. Of the 149 rental units, 148 units are also subject to the rules and requirements of the Low-Income Housing Tax Credit program under Internal Revenue Code Section 42.

Leasing operations consist principally of operating leases of residential real estate expiring within the next twelve months in which the Company is the lessor. Lease contracts do not include variable lease payments. Subsidy payments for low-income eligible tenants are provided under a Section 8 housing assistance payment contract as noted above. This contract requires tenants to contribute a portion of the contract rent based on formulas prescribed by the HUD. The difference from the calculated subsidy and the contract rents is paid by HUD. The current contract expires on July 1, 2037.

The Company is 99.99% owned by National Equity Fund, Inc. (NEF) and 0.01% owned by RVTMM. Operating profits and losses and the tax credits are allocated based upon ownership. Both members have limited liability with respect to the expenses, liabilities and obligations of the Company, except that RVTMM, as managing member, has guaranteed certain payments to NEF, the investor member, if the Company fails to qualify for a specified amount of tax credits during the term of the tax credit guaranty agreement.

Concentration of Credit Risk

The Company's cash balance is maintained at one bank. At times, the balance at the bank may be in excess of federally insured limits.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

RIVERVIEW TOWERS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 5 to 40 years as follows:

Buildings	40 Years
Buildings Improvements	15 Years
Land Improvements	15 Years
Furniture and Appliances	10 Years
Office Equipment	10 Years
Machinery and Maintenance Equipment	10 Years
Vehicles	5 Years
Computers	5 Years

The Company follows the CDA's policy whereby personal property items having a useful life of more than one year and a value of at least \$1,000 are capitalized. Except for appliances which are also capitalized, all expenditures for personal property valued under the threshold and for repairs and maintenance that do not materially prolong the useful lives of assets are expensed.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is evaluated based on the sum of undiscounted estimated future cash flows expected to result from use of the assets compared to its carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. There were no impairment charges or long-lived assets disposed of during the years ended December 31, 2025 and 2024.

Intangible Assets

Intangible assets consist of tax credit fees paid to Wisconsin Housing and Economic Development Authority in the amount of \$47,114. The tax credit fees are being amortized over 15 years. Total amortization expense for the years ended December 31, 2025 and 2024 was \$3,141 and \$3,141, respectively.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$5,343 and \$4,958 for the years ended December 31, 2025 and 2024, respectively.

**RIVERVIEW TOWERS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Payroll and Compensated Absences

The Company has been allocated its portion of employee salaries and wages, and related earned compensated absences by CDA, which follows the city of Wausau's policies on vacation and sick leave. Vacation benefits accrue at various rates based on employees' years of continuous service. Unused benefits may accumulate up to a maximum number of hours ranging from 120 to 280 annually. Benefits vest after six months of service and are paid out at the time of voluntary separation if the employee is in good standing and has given ten working days written notice.

Regular full-time employees earn sick leave at a rate of 3.6923 hours per bi-weekly pay period up to a maximum of 133 days (1,064 hours). Regular part-time employees earn sick leave at a rate of 1.85 hours per bi-weekly pay period up to a maximum of 66 days (528 hours). Employees earn sick leave immediately upon starting employment and must have six days of paid time in a pay period in order to earn sick leave during that pay period. When an employee retires, up to 100% of the sick leave remaining in the employee's accumulated sick leave account may be converted to its monetary value and used to pay premiums towards the hospital and surgical program then in effect for the employee. The percentage of sick leave remaining in the employee's accumulated sick leave that is convertible is based on a formula which takes into consideration an employee's age and length of service.

Tenant Security Deposits Payable

The Company requires tenants to pay a security deposit equal to one month's rent. Security deposits due to tenants are reflected as a liability in the accompanying balance sheets.

Income Taxes

The Company has elected to be taxed as a partnership under the Internal Revenue Code. Consequently, the members report their share of the Company's taxable income in their individual income tax returns. Therefore, no provision for income taxes has been included in the accompanying financial statements.

The Company's income tax returns are subject to review and examination by federal and state authorities. The Company evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2025 and 2024.

Leases

Revenue from lease payments is recognized under the accrual method. Lease payments include subsidy payments and are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received by the Company are recognized as income on the straight-line basis.

The Company has elected to apply the practical expedient, which does not require contracts to be separated between lease and non-lease components.

RIVERVIEW TOWERS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 12, 2026, the date the financial statements were available to be issued.

NOTE 2 OPERATING AGREEMENT

The Company is subject to an operating agreement between its members. In accordance with the operating agreement, the Company is to maintain an operating reserve and a project replacement reserve.

All reserves are properly funded as follows:

	Replacement Reserve	Operating Reserve
Balance - Beginning of Year	\$ 755,022	\$ 567,074
Deposits	62,304	-
Interest Earned	26,941	19,450
Balance - End of Year	<u>\$ 844,267</u>	<u>\$ 586,524</u>

Additionally, the Company is required to pay an annual fee to NEF for asset management services to be rendered to the Company. The fee is subject to an annual increase of 3%. Asset management fees expensed were \$11,014 and \$10,693 for 2025 and 2024, respectively.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2025	2024
Land Improvements	\$ 20,555	\$ 20,555
Buildings and Improvements	10,113,502	10,094,100
Furniture, Fixtures, and Equipment	357,176	357,176
Total Property and Equipment	<u>10,491,233</u>	<u>10,471,831</u>
Less: Accumulated Depreciation	3,942,835	3,685,468
Property and Equipment, Net	<u>\$ 6,548,398</u>	<u>\$ 6,786,363</u>

Depreciation expense for 2025 and 2024 totaled \$257,367 and \$256,775, respectively. Substantially all of the property and equipment serves as underlying assets for operating leases.

RIVERVIEW TOWERS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 RELATED PARTY TRANSACTIONS

The Company has entered into an agreement with CDA as management agent for the Company. The term of the agreement is for three years and expires on August 31, 2025. Fees for management agent services are calculated at the rate of 6% of total monthly gross receipts. Total fees incurred were \$39,830 and \$38,498, with \$3,406 and \$6,280 accrued at December 31, 2025 and 2024, respectively, as management fee payable in the accompanying balance sheets.

A ground lease agreement exists between the Company and CDA whereby the Company is leasing the apartment building and all parking spaces from CDA for the purpose of rehabilitating, equipping, and developing the 149-unit facility. The agreement terminates on the latest to occur of (a) expiration of the minimum period during which the RAD units are required by law to be operated under the RAD Use Agreement; or (b) the expiration of 75 years from the date the project becomes available for occupancy. The fixed rent is \$1; all other monies paid, such as for maintenance of the building and grounds, utility services to common areas of the building and property, reasonable building security services and other operating expenses, are considered to be additional rent. No additional rent was paid during the years ended December 31, 2025 and 2024.

In addition, a lease agreement exists between the Company and CDA whereby the Company is leasing the maintenance building and land from CDA for the purpose of maintaining the rental building and grounds known as Riverview Towers. The term of this lease expires on December 31, 2088. The fixed rent is \$1. All other monies paid, such as for maintenance of the building and grounds, utility services to common areas of the building and property, reasonable building security services and other operating expenses, are considered to be the responsibility of the Company.

RIVERVIEW TOWERS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 LONG-TERM DEBT

The Company's long-term debt consisted of the following at December 31:

<u>Description</u>	<u>2025</u>	<u>2024</u>
2.0%, construction second mortgage payable to CDA, with payments commencing one year from date project placed in service assuming available project cash flows, amortizing over 40 years from the in-service date, collateralized by an open-end leasehold mortgage and a security agreement, maturing in 2054.	\$ 2,500,000	\$ 2,500,000
0.5%, affordable housing program loan payable to CDA, with payments of principal and interest sufficient to amortize the loan over 40 years assuming available project cash flows, collateralized by an open-end junior leasehold mortgage and a security agreement maturing in September, 2052.	<u>750,000</u>	<u>750,000</u>
Total Long-Term Debt	<u>\$ 3,250,000</u>	<u>\$ 3,250,000</u>

The above notes are supported by mortgage, security, and regulatory agreements.

NOTE 6 INTEREST EXPENSE

Total interest costs were \$53,961 and \$53,942 during 2025 and 2024, respectively. No interest costs were capitalized as part of the cost of assets acquired during the periods.

NOTE 7 RETIREMENT PLAN

Employees are covered under the State of Wisconsin Retirement System as part of the city of Wausau, Wisconsin. The employer's portion of the current annual contribution was paid by the Company and totaled \$14,208 and \$13,521 for the years ended December 31, 2025 and 2024, respectively.

RIVERVIEW TOWERS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 CONTINGENCY

An Affordable Housing Program Retention/Repayment Agreement dated September 26, 2012, was entered into among BMO Harris Bank N.A., CDA and the Company. BMO Harris Bank N.A. disbursed the proceeds of an Affordable Housing Program (AHP) grant in the amount of \$750,000 from Federal Home Loan Bank of Chicago (FHLB) to CDA for use in connection with the construction and rehabilitation of the project. The Company must comply with the AHP provisions of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 for a term of 15 years from the date of project completion (the retention period), at which time the recapture agreement terminates. Such provisions include managing and operating the property as rental housing for very low-income households and providing compliance information as required by FHLB during the term of the agreement. In an event of default under the agreement, the Company and CDA will repay that portion of the grant that may be recaptured by BMO Harris Bank N.A. and FHLB.

RIVERVIEW TOWERS, LLC
SCHEDULES OF OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2025 AND 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	2025	2024
ADMINISTRATIVE		
Administrative Salaries	\$ 97,561	\$ 94,046
Administrative Employee Benefits	56,033	54,619
Advertising and Marketing	5,343	4,958
Staff Training	2,147	525
Travel and Mileage	945	684
Office	8,817	9,184
Accounting and Auditing	20,300	19,680
Other Administrative and Sundry	463	269
Telephone	3,561	3,048
Management Fee	39,830	38,498
Compliance Fees	6,705	6,705
Asset Management Fee	11,014	10,693
Total Administrative	<u>\$ 252,719</u>	<u>\$ 242,909</u>
TENANT SERVICES		
Recreation and Other	\$ 3,456	\$ 3,479
Tenant Store	2,960	2,795
Total Tenant Services	<u>\$ 6,416</u>	<u>\$ 6,274</u>
UTILITIES		
Water	\$ 15,091	\$ 14,327
Electricity	61,632	60,199
Gas	33,170	24,952
Sewer	14,334	15,179
Other	2,208	2,208
Total Utilities	<u>\$ 126,435</u>	<u>\$ 116,865</u>
MAINTENANCE AND OPERATIONS		
Maintenance Labor	\$ 106,862	\$ 101,901
Maintenance Employee Benefits	49,146	47,433
Maintenance Materials	22,981	19,873
Heating and Cooling	5,218	5,237
Elevator Maintenance	7,485	7,795
Landscape and Grounds	5,033	3,220
Electrical	2,617	940
Plumbing	1,883	1,527
Extermination	22,161	14,380
Janitorial	-	5,995
Other Contract Costs	14,449	15,191
Garbage and Trash Removal	9,396	7,370
Total Maintenance and Operations	<u>\$ 247,231</u>	<u>\$ 230,862</u>

RIVERVIEW TOWERS, LLC
SCHEDULES OF OPERATING EXPENSES (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	2025	2024
PROTECTIVE SERVICES		
Contract Costs	\$ 3,915	\$ 4,714
INSURANCE		
Property	\$ 29,890	\$ 27,379
Liability	6,985	6,740
Workers' Compensation	3,468	3,351
Other	344	289
Total Insurance	\$ 40,687	\$ 37,759
GENERAL		
Compensated Absences	\$ 5,700	\$ 8,861
Extraordinary Maintenance	8,874	5,587
Other	9,409	9,207
Total General	\$ 23,983	\$ 23,655
OTHER		
Payment in Lieu of Taxes	\$ 52,398	\$ 51,969
Collection Loss (Recovery)	2,695	(190)
Interest	53,961	53,942
Total Other	\$ 109,054	\$ 105,721
DEPRECIATION AND AMORTIZATION		
Depreciation	\$ 257,367	\$ 256,775
Amortization of Tax Credit Fees	3,141	3,141
Total Depreciation and Amortization	\$ 260,508	\$ 259,916



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Board of Commissioners
Community Development Authority of the City of Wausau, Wisconsin
Wausau, Wisconsin

We have audited the financial statements of the Community Development Authority of the City of Wausau, Wisconsin, a component unit of the City of Wausau, Wisconsin, as of and for the year ended December 31, 2025, and have issued our report thereon dated June 22, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated December 2, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Community Development Authority of the City of Wausau, Wisconsin are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2025.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated June 22, 2026.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

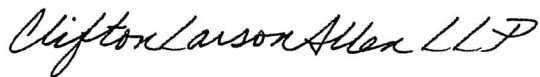
Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated June 22, 2026.

With respect to the financial data schedules and schedule of modernization costs (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated June 22, 2026.

* * *

This communication is intended solely for the information and use of the board of commissioners and management of Community Development Authority of the City of Wausau, Wisconsin and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Wausau, Wisconsin
June 22, 2026

Wausau Community
Development Authority



Randy Fifrick
Executive Director

June 22, 2026

CliftonLarsonAllen LLP
311 Financial Way, Suite 100
Wausau, WI 54401

This representation letter is provided in connection with your audit of the financial statements of Community Development Authority of the City of Wausau, Wisconsin, as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. 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.

We confirm, to the best of our knowledge and belief, as of June 22, 2026, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated December 2, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.
7. You have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
12. We are not aware of any capital assets that are being held for sale that would require disclosure in accordance with GASB Statement No. 104, *Disclosure of Certain Capital Assets*.
13. We are not aware of any concentrations or constraints that would require disclosure in accordance with GASB Statement No. 102, *Certain Risk Disclosures*.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

- e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.
 - f. Access to all audit or relevant monitoring reports, if any, received from funding sources.
- 2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
- 5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
- 7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
- 9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
- 10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
- 11. We have taken timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse that you have reported to us.
- 12. We have a process to track the status of audit findings and recommendations.

13. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Community Development Authority of the City of Wausau, Wisconsin, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
18. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
19. The financial statements properly classify all funds and activities.
20. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
21. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
22. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
23. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
24. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

25. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
26. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
27. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
28. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
29. We have appropriately disclosed the entity's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
30. With respect to the supplementary information accompanying the basic financial statements required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs* and the information submitted to HUD through the FASS submission templates:
 - a. We acknowledge our responsibility for presenting the supplementary information accompanying the basic financial statements required by HUD and the information submitted to HUD through the FASS submission templates (collectively, the supplementary information required by HUD) in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, and we believe the supplementary information required by HUD, including its form and content, is fairly presented in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*. The methods of measurement and presentation of the supplementary information required by HUD have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information required by HUD.
 - b. If the supplementary information required by HUD is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information required by HUD no later than the date we issue the supplementary information required by HUD and the auditors' report thereon.
31. We acknowledge our responsibility for presenting the financial data schedules and schedule of modernization costs (collectively, the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary

information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

32. In regards to the draft financial statements, related notes, schedule of expenditures of federal awards, supplementary information and preparation of the data collection form services performed by you, we have:

- c. Made all management judgments and decisions and assumed all management responsibilities.
- d. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
- e. Evaluated the adequacy and results of the services performed.
- f. Accepted responsibility for the results of the services.
- g. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

33. With respect to federal award programs:

- a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issued the SEFA and the auditors' report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We acknowledge our responsibility for taking reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information.
- h. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- i. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- j. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- k. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- l. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- m. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- n. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

- o. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- p. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- q. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- r. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
- s. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- t. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- u. We have charged costs to federal awards in accordance with applicable cost principles.
- v. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- w. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- x. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- y. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- z. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

June 22, 2026
CliftonLarsonAllen LLP
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Signed by:
Signature: Randy Fifrick Title: Development Director
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Signed by:
Signature: Juli Birkenmeier Title: Assistant Director
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**COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF WAUSAU, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2025 AND 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Community Development Authority of
the City of Wausau, Wisconsin
Wausau, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Community Development Authority of the City of Wausau, Wisconsin, (the CDA), a component unit of the City of Wausau, Wisconsin, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Community Development Authority of the City of Wausau, Wisconsin, as of December 31, 2025 and 2024, and the changes in its financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Development Authority of the City of Wausau, Wisconsin, 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 the Community Development Authority of the City of Wausau, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 GAAS and *Government 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 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 GAAS and *Government 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 the Community Development Authority of the City of Wausau, Wisconsin'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 the Community Development Authority of the City of Wausau, Wisconsin's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Community Development Authority of the City of Wausau, Wisconsin's financial statements. The financial data schedules on pages 30 through 33 are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the financial statements. The accompanying schedule of modernization costs on page 35 is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 GAAS. In our opinion, the financial data schedules, the schedule of modernization costs and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Board of Commissioners
Community Development Authority of
the City of Wausau, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026 on our consideration of the Community Development Authority of the City of Wausau, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Community Development Authority of the City of Wausau, Wisconsin's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Wausau, Wisconsin
June 22, 2026



June 22, 2026

As management of the Wausau Community Development Authority (the "CDA"), we offer readers of the CDA's financial statements, this narrative overview and analysis of the financial activities of the CDA for the fiscal year which ended December 31, 2025.

The CDA's Management Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the CDA's financial activity, identify changes to the CDA's financial position and identify fund issues and/or concerns.

The MD&A is designed to focus on the current year's activities, changes and currently known facts. Please read it in conjunction with the CDA's Financial Statements for the year ended December 31, 2025.

FINANCIAL HIGHLIGHTS

- The CDA's 2025 Net position remains stable at just under \$24 million, up just more than \$650,000 from 2024, which is comparative to 2023.
- 2025 Operating revenues were \$3.86 million, down from \$4.8 million in 2024.
- 2025 Operating expenses held relatively steady at \$3.72 million, just up from 2024's \$3.61 million, and 2023's \$3.32 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The CDA's Financial Report consists of the following three parts:

- Management Discussion and Analysis
- Financial Statements
- Additional Supplementary Information

FINANCIAL STATEMENTS

The financial statements provide information about the overall financial position of the CDA and the results of its operations. These statements contain: Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; Statements of Cash Flows; and Notes to Financial Statements.

The Statements of Net Position present the financial capital and resources of the CDA. Changes in the net position of the CDA may serve as an indicator of whether the financial position of the CDA is improving or deteriorating.

Net position comprises the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components.

- Net investment in capital assets - this component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

- Restricted - this component consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - this component, consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Statements of Revenues, Expenses and Changes in Net Position present the revenues and expenses for the current and previous fiscal year.

The Statements of Cash Flows disclose net cash provided by (used for) operating activities, investing activities, and capital and related financing activities.

Supplementary Information

In addition to the Management's Discussion and Analysis there is also the Schedule of Expenditures of Federal Awards and other schedules required by regulatory agencies.

OVERVIEW OF THE WAUSAU COMMUNITY DEVELOPMENT AUTHORITY

The Wausau CDA was established by the Wausau City Council in May of 1989, combining the Housing Authority and Redevelopment Authority under a single entity now known as the Wausau Community Development Authority. The Community Development Authority is a division of the Community Development Department and is staffed with city employees. The role of the CDA is to administer housing programs for low and moderate income persons and families, and assist with the redevelopment needs within the City of Wausau.

The CDA operates under the direction of a Board of Commissioners specifically appointed by the Mayor for their particular skill set. All property is owned by the Authority and is not City owned.

The CDA administers a Housing Choice Voucher Program and currently maintains an annual contribution contract with HUD. This program facilitates contracts with eligible tenants and landlords. Each unit is inspected and must meet National Standards for the Physical Inspection of Real Estate (V-NSPIRE) established by HUD.

The CDA has operated public housing at 500 Grand Avenue commonly referred to as Riverview Towers since the late 1960's. Riverview Towers LLC underwent major interior and exterior renovations of all 149 units in 2012 - 2013. The renovation was made possible through a WHEDA low-income housing tax credit, CDA funds, and a grant from the Federal Home Loan Bank of Chicago. Gorman and Company was our partner on the project and National Equity Fund (NEF) is our investor.

In May 2017, the CDA closed on the Rental Assistance Demonstration (RAD) conversion of Riverview Towers LLC and entered into a long-term Section 8 Project Based Voucher contract with HUD. In January 2018, Riverview Towers began receiving Housing Assistance Payment (HAP) subsidy. The units at Riverview Towers are available to near-elderly 55 and over and disabled persons over 18 years of age.

The CDA also has 46 units of public housing scattered site family housing units throughout Wausau. These units vary in bedroom size from one to four bedrooms and have a current waiting list. We are continuing our physical improvement program as funds exist. A roof was replaced on a six-plex unit in 2023, a kitchen countertops replacement project in 2024 and continued in 2025 and concrete repairs and bathroom renovations are next to be updated.

The CDA also owns and operates 36 units of independent elderly housing at Riverview Terrace. Subsidy is provided through project-based Housing Choice Vouchers. The facility was converted to 62 and older January 1, 2023.

In 2021, the CDA Board voted to assist a new state-of-the-art nonprofit campus, the Community Partners Campus (CPC), with a \$1.5 million low-interest line of credit. This campus is located just down the block from the CDA and houses a dozen different nonprofits focusing on basic human service needs. Also in 2021, the CDA Board voted to assist Gorman and Company with restoration of the historic Landmark

building to upgrade the affordable living complex of 90+ units through its Business Activity accounts. The renovation increased some unit sizes, making the building more accessible to families. It also provided upgrades to units that have not been refurbished in decades, giving a cleaner, safer living experience to residents without displacement.

In 2023, the CDA RFP'd 8 project-based vouchers. One response was submitted and chosen: Gorman & Co.'s Landmark restoration project. In 2023, the CDA Board voted to acquire a multi-unit complex of supportive living on Fulton Street from the City Community Development Department. As of January 1, 2024, the CDA has taken over maintenance activities and retained all tenants at affordable rates. This is an unsubsidized property. Also in 2023, the CDA Board voted to assist Gorman and Company in another affordable housing project – this one located at 415 S 1st Ave. The project, called Westside Commons, was completed in 2025 and added 56 units of one to three-bedroom affordable apartments to Wausau's near west side.

In 2024, the CDA and City signed a Beneficiary Agreement for the transfer of \$1,097,763 of ARPA funds to be used towards affordable housing within the City. The CDA also collaborated with the Community Development Department (CDD) to purchase 405 S 8th Avenue from the County to build a six-plex building designated for affordable housing. CDBG funds were used for the purchase of this lot. In 2025, worked collaboratively with an architect to bid out the construction of this project and signed a contract with Northcentral Construction Company. The Board approved designation of \$500,000 from the ARPA funds for construction costs and plan to sign a sub-recipient agreement with CDD for the use of \$1,042,200 of their funds as well for the remaining construction cost.

Previously, the CDA rented office space to North Central Health Care (NCHC) for more accessible client assistance. After NCHC cut these services, as of January 1, 2024, the CDA no longer rents office space to any outside agency.

FINANCIAL STATEMENTS

The following table shows the condensed Statements of Net Position for the years ended December 31, 2025, 2024, and 2023.

	2025	2024	2023
ASSETS			
Current Assets	\$ 9,641,434	\$ 9,122,817	\$ 6,990,643
Capital Assets, Net	11,804,563	12,303,496	12,064,085
Other Assets	2,532,837	1,890,582	1,872,319
Total Assets	23,978,834	23,316,895	20,927,047
LIABILITIES			
Current Liabilities	396,588	305,152	226,873
Long-Term Liabilities	815,392	780,637	771,462
Total Liabilities	1,211,980	1,085,789	998,335
NET POSITION			
Net Investment In Capital Assets	11,054,563	11,553,496	11,314,085
Restricted	2,592,045	2,427,734	1,220,171
Unrestricted	9,120,246	8,249,876	7,394,456
Total Net Position	\$ 22,766,854	\$ 22,231,106	\$ 19,928,712
Total Liabilities, Deferred Inflows, and Net Position	\$ 23,978,834	\$ 23,316,895	\$ 20,927,047

Restricted net position at December 31, 2025, 2024, and 2023, consists of operating and replacement reserve balances for Riverview Towers LLC as well as the Housing Choice Voucher Program cumulative

totals of unspent Housing Assistance Payment (HAP) funds provided by HUD. These HAP funds may only be used for future HAP to eligible recipients.

Significant changes in capital assets during 2025, 2024, and 2023 were as follows:

	2025	2024	2023
Capital Assets - Beginning of Year	\$ 25,576,484	\$ 24,722,396	\$ 24,554,419
Additions	120,085	870,108	167,977
Disposals	-	(16,020)	-
Capital Assets - End of Year	25,696,569	25,576,484	24,722,396
Less: Accumulated Depreciation	(13,892,006)	(13,272,988)	(12,658,311)
Capital Assets, Net	<u>\$ 11,804,563</u>	<u>\$ 12,303,496</u>	<u>\$ 12,064,085</u>

The following table shows the condensed Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2025, 2024, and 2023.

	2025	2024	2023
OPERATING REVENUES			
HUD Contributions	\$ 2,629,312	\$ 2,555,061	\$ 2,323,043
WHEDA Contributions and Other Government Grants	-	1,097,764	-
Rental and Tenant Care Revenue	1,101,416	1,080,366	1,003,590
Other Income	132,552	99,195	18,243
Total Operating Revenues	<u>3,863,280</u>	<u>4,832,386</u>	<u>3,344,876</u>
EXPENSES AND LOSSES			
Housing Assistance Payments	1,508,184	1,528,795	1,308,048
Administration	665,613	620,253	548,251
Other Operating Expenses	928,350	832,928	788,493
Depreciation and Amortization	622,159	633,838	679,374
Total Expenses and Losses	<u>3,724,306</u>	<u>3,615,814</u>	<u>3,324,166</u>
NONOPERATING REVENUE			
Interest Income	310,866	327,172	303,148
Gain on Disposal of Capital Assets	-	10,800	1,300
Total Nonoperating Revenue	<u>310,866</u>	<u>337,972</u>	<u>304,448</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>449,840</u>	<u>1,554,544</u>	<u>325,158</u>
CAPITAL CONTRIBUTIONS	<u>85,908</u>	<u>747,850</u>	<u>122,413</u>
CHANGE IN NET POSITION	<u>535,748</u>	<u>2,302,394</u>	<u>447,571</u>
Net Position - Beginning of Year	<u>22,231,106</u>	<u>19,928,712</u>	<u>19,481,141</u>
NET POSITION - END OF YEAR	<u>\$ 22,766,854</u>	<u>\$ 22,231,106</u>	<u>\$ 19,928,712</u>

ECONOMIC FACTORS

Significant economic factors affecting the CDA's financial position are as follows:

- Economic challenges and the effects of the COVID-19 pandemic and its impact on housing, material cost, labor shortage, and inflation will remain major factors for 2025 and beyond.
- Housing affordability remains a national problem and although the Wausau economy is relatively strong, housing availability and affordability are still important challenges.
- The region's 2.5% unemployment rate has created a drain on employers and the City is actively working to attract more talent to our area.
- The City formed an Affordable Housing Task Force in late 2021 to assess the city's market of affordable housing and propose solutions to increase affordable housing opportunities. The task force resulted in funds being allocated to redevelopment projects targeted towards low to moderate income residents. The first of those projects, a 54-unit LIHTC project was completed in the fall of 2025.
- We also continue to experience high levels of voucher recipients with limited, or no income, contributing to higher housing assistance payments. Funding for HCV remains level for 2024 and 2025.
- In 2022, PFAs (aka forever chemicals) were discovered in Wausau's drinking water. In response, the City invested millions in a new PFAs filtration system in the new water treatment plant. This resulted in a 60% increase in water rates. This continue for 2024 and will level out for 2025 as new increases were anticipated.
- In 2024, the City underwent a revaluation of property assessments, which resulted in an average increase of 50% for residential properties and 20% for commercial properties. Property assessments have stabilized in 2025.
- Between the assessment increases, water rates, and inflation, Wausau residents are in need of affordable housing capped at 30% of income now more than ever.
- The 2022 Regional Planning Commission Metro Housing Study and Analysis found that 525 new housing units were needed in the City by 2025. The City has been able to add approximately 480 units by the end of the 2025, but more need exists.
- Over the past two years, the City and County collaborated to create a joint task force to study the unhoused population in the area. This resulted in both entities allocating up to \$400k each to address unhoused issues over the next two years. In 2025, the City partnered with Bridge Street Mission to open a new unhoused center which will open in 2026.

GOALS AND OBJECTIVES

In 2017 the CDA, along with the City's Planning, Community and Economic Development divisions adopted a first-ever consolidated Mission and Goal Statement which reflects the interconnected nature of the development mission.

The CDA updated this Mission and Goal Statement in May 2019 along with the other divisions.

- We strive to be caring professionals who work for community change, advocate for good urban planning and design, champion economic development, and seek sustainable solutions.
- We work to make Wausau better by valuing historic assets, promoting a thriving downtown, building quality neighborhoods, growing local businesses, and welcoming private investment.
- We accept the goals of the development process as a vocation and seek creative, transformative and pragmatic solutions for urban problems.
- We engage stakeholders, businesses and citizens to educate the public on best practices to enhance the built and natural environments and provide policy feedback to improve our City.

Economic Development (approved by Economic Development Committee 12/4/18)

The City of Wausau strives to be a dynamic, successful, diversified and sustainable community where citizens are actively engaged and businesses proud to invest. The City's economic development efforts must:

- Encourage business expansion, retention and vertical integration, especially in our competitive sectors such as manufacturing, information technology, insurance, healthcare, and construction materials.

- Support craft industry and a maker economy which highlights our strengths in local food, value-added agricultural processing, consumer packaging, millwork, locally-owned specialty retail, outdoor recreation, the visual and performing arts, and entertainment.
- Enhance urban amenities with a focus on creating place-based experiences and support local entrepreneurs seeking to provide experiences that are new and unique in the region.
- Ensure more diversified housing choices and affordable homeownership opportunities including both more affordable and higher-end rental offerings, more infill development in existing neighborhoods, greater resources for the preservation of historic properties, and the promotion of walkability and complete streets.
- Develop quality public infrastructure and municipal services which supports business expansion and improves quality of life indicators including education, health, recreation and citizenship.
- Collaborate with our peer regional municipalities, corporate partners, and local nonprofits and foundations to develop and commit to a shared economic vision of our region.
- Embrace economic and social diversity which especially engages both local youth and aging populations, promotes infrastructure and housing well suited to both populations, and opening new opportunities for local entrepreneurship.
- Enhance our physical and natural environments, increase connections to public assets, build appreciation for efforts that engage the Wisconsin River and Downtown.
- Foster a knowledge-based economy which values both professional and technical skill development along with personal intellectual growth

Planning

The City of Wausau is committed to quality planning and design which sets a foundation for development and investment. The City's planning goals are:

- Protect and enhance the quality of significant natural resources.
- Preserve historic sites and support cultural opportunities for community residents.
- Plan for future high quality utilities, public infrastructure and community facilities to be provided in a cost-effective and cost-efficient manner.
- Provide a safe, efficient and diverse transportation network that will facilitate the movement of people and goods throughout the community.
- Strengthen downtown Wausau as the heart of the City and surrounding region, support corridor and neighborhood revitalization efforts.
- Balance the land use needs of the community to maximize resources potential for taxable value, ecological preservation and enhancing local quality of life.
- Strengthen and expand cooperative activities with all levels of government and engaged civic dialogue to improve the provision of public services and facilities.

Community Development Department (CDD) Housing & Neighborhoods (approved by the Citizens Advisory Committee 9/9/19)

The City of Wausau assists those in need with programs that target transitional neighborhoods, assist homeowners with crucial repairs, and empower small businesses. The City's community development efforts must:

- Preserve the housing stock with low interest loans for property owners and landlords for necessary repairs and property maintenance which helps stabilize neighborhoods.
- Promote homeownership and homesteading activities with low interest loans to assist the purchasing of owner-occupied homes within the City of Wausau.
- Support the development of Neighborhood Associations through local capacity building and funding for public improvements throughout qualifying census tract neighborhoods.
- Partner with non-profit organizations whose programs assist and empower lower income residents and promote the ideals of a 'housing first' agenda.
- Preserve and rehabilitate historic and commercial buildings with low interest loans for business owners for necessary façade improvements.
- Strive to eliminate blight by encouraging infill construction and renovation of historic properties which increases diversification and choice for both market rate and affordable housing options.

Community Development Authority (CDA) Housing & Property Redevelopment (approved by Board of Commissioners 5/28/19)

The City of Wausau provides quality housing options to elderly, disabled and low income residents in a variety of locations and formats through the Wausau Community Development Authority (WCDA) and assists in the redevelopment of challenged sites. The mission of the Authority is to:

- Ensure decent, safe and affordable housing choices and increased opportunities, especially for those who are elderly, disabled and/or low income.
- Link residents to community services and education by focusing on programs that enrich the quality of life, promote self-sufficiency, increase community involvement and support successful tenancies.
- Preserve, maintain and expand affordable housing specifically for residents in need by ensuring equal opportunity, implementing Affirmatively Further Fair Housing (AFFH) goals, furthering Violence Against Women Act (VAWA) goals, and related strategies of the US Department of Housing and Urban Development (HUD).
- Assist in the proactive redevelopment of problem and challenged properties.

CONTACTING THE CDA'S FINANCIAL MANAGEMENT PERSONNEL

This financial report is designed to provide a general overview of the CDA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Wausau Community Development Authority, 550 East Thomas Street, Wausau, Wisconsin 54403.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash and Cash Equivalents	\$ 6,926,017	\$ 6,576,895
Cash and Cash Equivalents - Restricted	2,691,204	2,524,135
Total Cash and Cash Equivalents	<u>9,617,221</u>	<u>9,101,030</u>
Receivables:		
Tenants	2,309	1,739
Other	-	922
Notes Receivable, Current Portion	8,418	6,004
Prepaid Expenses	13,486	13,122
Total Current Assets	<u>9,641,434</u>	<u>9,122,817</u>
Capital Assets:		
Capital Assets, Nondepreciable	1,074,312	1,074,312
Capital Assets, Depreciable, Net	10,730,251	11,229,184
Total Capital Assets	<u>11,804,563</u>	<u>12,303,496</u>
Other Assets:		
Notes Receivable, Net of Current Portion	2,527,340	1,881,944
Intangibles, Net of Accumulated Amortization	5,497	8,638
Total Other Assets	<u>2,532,837</u>	<u>1,890,582</u>
Total Assets	<u>23,978,834</u>	<u>23,316,895</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	29,063	24,870
Accrued Wages	67,439	62,172
Compensated Absences	52,630	38,040
Accrued Property Taxes	80,526	83,669
Accrued Interest - Owed to HUD	54,208	-
Tenant Security Deposits	99,159	96,401
Other Accrued Liabilities	13,563	-
Total Current Liabilities	<u>396,588</u>	<u>305,152</u>
Long-Term Liabilities:		
Compensated Absences	65,392	30,637
Loans Payable	750,000	750,000
Total Long-Term Liabilities	<u>815,392</u>	<u>780,637</u>
Total Liabilities	<u>1,211,980</u>	<u>1,085,789</u>
NET POSITION		
Net Investment in Capital Assets	11,054,563	11,553,496
Restricted	2,592,045	2,427,734
Unrestricted	<u>9,120,246</u>	<u>8,249,876</u>
Total Net Position	<u>\$ 22,766,854</u>	<u>\$ 22,231,106</u>

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
HUD Contributions	\$ 2,629,312	\$ 2,555,061
Other Government Grants	-	1,097,764
Rental Income	1,052,042	1,038,659
Tenant Care Revenue	49,374	41,707
Other Income	132,552	99,195
Total Operating Revenues	<u>3,863,280</u>	<u>4,832,386</u>
OPERATING EXPENSES AND LOSSES		
Housing Assistance Payments	1,508,184	1,528,795
Administration	665,613	620,253
Tenant Services	8,859	8,122
Utilities	242,381	214,876
Operations and Maintenance	451,119	426,171
General Expenses	225,991	183,759
Depreciation and Amortization	622,159	633,838
Total Operating Expenses and Losses	<u>3,724,306</u>	<u>3,615,814</u>
OPERATING INCOME	138,974	1,216,572
NONOPERATING INCOME		
Interest Income	310,866	327,172
Gain on Disposal of Capital Assets	-	10,800
Total Nonoperating Income	<u>310,866</u>	<u>337,972</u>
OPERATING INCOME BEFORE CAPITAL CONTRIBUTIONS	449,840	1,554,544
CAPITAL CONTRIBUTIONS	<u>85,908</u>	<u>747,850</u>
CHANGE IN NET POSITION	535,748	2,302,394
Net Position - Beginning of Year	<u>22,231,106</u>	<u>19,928,712</u>
NET POSITION - END OF YEAR	<u><u>\$ 22,766,854</u></u>	<u><u>\$ 22,231,106</u></u>

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from Tenants, HUD, and Others	\$ 3,866,390	\$ 4,838,818
Payments for Housing Assistance	(1,508,184)	(1,528,795)
Payments Made to Suppliers	(636,455)	(596,309)
Payments Made to Employees	(804,978)	(700,719)
Payments Made in Lieu of Taxes	(83,669)	(73,497)
Net Cash Provided by Operating Activities	<u>833,104</u>	<u>1,939,498</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Sale of Capital Assets	-	10,800
Acquisition and Construction of Capital Assets	(120,085)	(179,108)
Capital Contributions Received	<u>85,908</u>	<u>56,850</u>
Net Cash Used by Capital and Related Financing Activities	(34,177)	(111,458)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Notes Receivable	(647,810)	(21,404)
Interest on Investments	<u>365,074</u>	<u>327,172</u>
Net Cash Provided (Used) by Investing Activities	<u>(282,736)</u>	<u>305,768</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	516,191	2,133,808
Cash and Cash Equivalents - Beginning of Year	<u>9,101,030</u>	<u>6,967,222</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 9,617,221</u></u>	<u><u>\$ 9,101,030</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 138,974	\$ 1,216,572
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	622,159	633,838
Changes in Operating Assets and Liabilities:		
Receivables	352	629
Prepaid Expenses	(364)	1,005
Accounts Payable	4,193	10,698
Accrued Wages	5,267	62,172
Compensated Absences	49,345	12,297
Accrued Property Taxes	(3,143)	10,172
Tenant Security Deposits	2,758	5,803
Other Accrued Liabilities	<u>13,563</u>	<u>(13,688)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 833,104</u></u>	<u><u>\$ 1,939,498</u></u>
SUPPLEMENTARY SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed Property and Equipment	<u><u>\$ -</u></u>	<u><u>\$ 691,000</u></u>

See accompanying Notes to Financial Statements.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Community Development Authority of the City of Wausau, Wisconsin (the CDA), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the CDA are described below:

A. Reporting Entity

The Community Development Authority of the City of Wausau, Wisconsin, was created by the Common Council of the City of Wausau on May 1, 1989, pursuant to Section 66.4325 of the Wisconsin Statutes, for the purpose of carrying out blight elimination, slum clearance, urban renewal programs and projects, and housing projects, and to act as the agent of the City of Wausau in planning and carrying out community development programs and activities approved by the Mayor and Common Council under the Federal Housing and Community Development Act of 1974. The majority of the CDA's funding is provided by the U.S. Department of Housing and Urban Development (HUD).

These financial statements include all of the programs operated by the CDA. The reporting entity for the CDA consists of: (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The criteria for including organizations as component units within the reporting entity include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The primary government holds the corporate powers of the organization.
- The primary government appoints a voting majority of the organization's governing board.
- The primary government is able to impose its will on that organization.
- The organization has the potential to provide specific financial benefits to, or burdens on, the primary government.
- The organization is fiscally dependent on the primary government.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Based on the foregoing criteria, Riverview Towers MM, LLC and Riverview Towers, LLC were identified as blended component units of the CDA. The CDA is considered a discretely presented component unit of the City of Wausau, Wisconsin. Financial statements for the component units can be obtained from Riverview Towers, 550 E. Thomas Street, Wausau, Wisconsin 54403.

B. Programs Administered by the CDA

The programs of the CDA are organized on the basis of fund accounting, as prescribed by HUD. Each is maintained using a separate set of self-balancing accounts. The CDA operates the following programs:

Housing Choice Vouchers Program – the CDA maintains one annual contributions contract with HUD for the funding and administration of 435 HUD housing assistance payments vouchers. As part of this program, HUD holds undisbursed renewal and nonrenewal funds obligated-to-date in reserve. The CDA may request reserved funds as needed. The CDA's HUD-held reserves were \$20,426 and \$-0- at December 31, 2025 and 2024, respectively.

Low-Rent Public Housing Program – consists of 46 units of low-income public housing owned by the CDA. Riverview Towers MM, LLC is wholly owned by the CDA and is also a 0.01% owner and the managing member of Riverview Towers, LLC.

Capital Funds Program – consists of modernization projects in progress.

Riverview Terrace – a residential care apartment complex (RCAC) consisting of 36 assisted-living housing units for low-income persons. Riverview Terrace was transitioned from a RCAC to elderly independent-living apartments effective January 1, 2023.

Redevelopment Program – provides for various urban renewal programs on an as-needed basis.

Property Management – consists of managing Riverview Towers, LLC.

Riverview Towers, LLC – consists of 149 housing units for elderly and disabled residents of low- and very low-income, known as Riverview Towers Apartments. Of these housing units, 148 are subject to the rules and requirements of the Low-Income Housing Tax Credit program under Internal Revenue Code Section 42. One unit remains part of the Low-Rent Public Housing program. Effective June 1, 2017, the Company has entered into a Rental Assistance Demonstration (RAD) Conversion Commitment with HUD. Under the RAD Commitment, the Company, through RVTMM, has also executed a Rental Assistance Demonstration Use Agreement (RAD Use Agreement), and a Section 8 Housing Assistance Payments Contract (RAD HAP Contract) to receive Project-Based Vouchers which began January 1, 2018, in place of the operating subsidy received under the Annual Contributions Contract (ACC).

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The CDA's financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The accounts of the CDA are organized on the basis of a proprietary fund type, specifically an enterprise fund. Enterprise funds account for activities: (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity, or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues, or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the CDA is determined by its measurement focus. The transactions of the CDA are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net position. Net position (i.e., total assets net of total liabilities) are segregated into net investment in capital assets, restricted, and unrestricted components.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the CDA are intergovernmental rent subsidies and charges to residents for rents and services. Operating expenses for enterprise funds include the cost of operating properties owned, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the CDA's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The CDA is required by contractual agreements to adopt annual, appropriated operating budgets for all programs funded by federal awards. All budgets are prepared on a basis of accounting practices prescribed by HUD, which is materially consistent with GAAP. All annual appropriations lapse at fiscal year-end.

Budgets for the Low-Rent Public Housing program, Housing Choice Voucher program, Riverview Towers and Riverview Terrace are prepared annually. The board of commissioners adopts the budget for the Low-Rent Public Housing program through passage of a budget resolution.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

Cash deposits consist of cash on hand, and demand and time deposits with financial institutions that are carried at cost. For purposes of the statements of cash flows, all cash deposits and highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

2. Restricted Assets

Restricted assets consist of the following:

Tenant Security Deposits – tenants are required to pay a security deposit upon move-in. Tenant deposits are refunded upon move-out if the premises are left in satisfactory condition and if the rent obligation has been met.

Housing Choice Voucher Cash – restricted for housing assistance payments within the Housing Choice Voucher program.

Affordable Housing grant – restricted for use within the CDA's affordable housing program within Business Activities.

Cash Restricted for Payment of Current Liabilities – cash received but unearned and amounts due on current debt obligations as of the end of the year.

3. Capital Assets

Land, buildings and equipment are stated at cost at the date of acquisition, or at estimated cost if donated. The CDA defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Except for appliances which are also capitalized, all expenses for personal property valued under the threshold and for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Depreciation of all exhaustible capital assets used by the CDA is charged as an expense of operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and Improvements	15 to 40 Years
Furniture and Equipment	5 to 10 Years

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position
(Continued)**

4. Intangible Assets

Intangible assets relate to Riverview Towers, LLC and consist of tax credit fees paid to Wisconsin Housing and Economic Development Authority in the amount of \$47,114. The tax credit fees are being amortized over 15 years. The loan financing fees were fully expended during 2015. Total amortization expense for the years ended December 31, 2025 and 2024, was \$3,141.

5. Due to/from Other Programs

During the course of operations, numerous transactions occur between individual programs for goods provided or services rendered. These receivables and payables have been eliminated in the financial statements.

6. Compensated Absences

The CDA recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *vacation time*, and *sick leave*. A liability for compensated absences totaling \$118,022 and \$68,677 has been recorded in the accompanying statements of net position as of December 31, 2025 and 2024, respectively.

7. Net Position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Net Investment in Capital Assets – this component consists of capital assets, net of accumulated depreciation and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

Restricted – this component consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – this component consists of net position that does not meet the definition of “restricted” or “net” investment in capital assets.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inter-Program Transactions

Quasi-external transactions are accounted for as revenues and expenses. Transactions that constitute reimbursements to a program for expenses initially made from it that are properly applicable to another program, are recorded as expenses in the reimbursing program and as reductions of expenses in the program that is reimbursed.

G. Related Party Transactions with Riverview Towers, LLC

On October 1, 2012, the CDA, through Riverview Towers MM, LLC, invested \$175,000 in Riverview Towers, LLC as a new tax credit project and received a 0.01% ownership interest.

The CDA entered into an agreement as management agent for the project. The current agreement is for three years and expires on August 31, 2025. Fees for management agent services are calculated at the rate of 6% of total monthly gross receipts. Total property management fees were \$39,831 and \$38,498 for 2025 and 2024, respectively.

The CDA provided a construction second mortgage in the amount of \$2,500,000 for rehabilitation of the apartment units. The construction mortgage bears interest at 2.0% with payment commencing one year from the date the completed project is placed in service, assuming available project cash flows. It is collateralized by an open-end leasehold mortgage and a security agreement.

The CDA also provided a construction second mortgage in the amount of \$750,000 for rehabilitation of the apartment units. The construction mortgage bears interest at 0.5% with payment commencing one year from the date the completed project is placed in service, assuming available project cash flows. It is collateralized by an open-end leasehold mortgage and a security agreement.

Outstanding principal and interest for the above construction mortgages were \$3,896,258 and \$3,842,297 as of December 31, 2025 and 2024, respectively. Interest revenue for the above were \$53,961 and \$53,942 for 2025 and 2024, respectively.

These preceding transactions have been eliminated in the accompanying financial statements.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The carrying amounts of the CDA's cash and cash equivalents are as follows at December 31:

	2025	2024
Petty Cash and Cash on Hand	\$ 120	\$ 120
Deposits with Financial Institutions	9,617,101	9,100,910
Total	<u>\$ 9,617,221</u>	<u>\$ 9,101,030</u>

Reconciliation to the statements of net position:

	2025	2024
Cash and Investments	\$ 6,926,017	\$ 6,576,895
Restricted Cash and Investments	2,691,204	2,524,135
Total	<u>\$ 9,617,221</u>	<u>\$ 9,101,030</u>

Deposits and investments of the CDA are subject to various risks. Presented below is a discussion of the specific risks and the CDA's policies related to the risks.

Fair Value Measurements

The CDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; and Level 3 inputs are significant unobservable inputs. The CDA currently has no investments that are subject to fair value measurement.

Deposits and investments of the CDA are subject to various risks. Presented below is a discussion of the CDA's deposits and investments and the related risks.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The CDA requires all funds in excess of federal depository insurance coverage to be secured.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution.

Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

At December 31, 2025, the carrying amount of the CDA's deposits was \$9,617,101 and the financial institution balance was \$9,639,383. The entire financial institution balance was covered by federal and state depository insurance.

At December 31, 2024, the carrying amount of the CDA's deposits was \$9,100,910 and the financial institution balance was \$9,101,030. The entire financial institution balance was covered by federal and state depository insurance.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The CDA requires all funds in excess of federal depository insurance coverage to be secured.

Investment Policy

The CDA has adopted a formal investment policy; however, the CDA invests in accordance with Wisconsin State Statutes. Under the policy, investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state; and
- The state local government investment pool.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments as indicated above. The CDA does not have a formal policy on this type of investment risk.

Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to investments in a single issuer. The CDA does not have a formal policy on this type of investment risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The CDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. Capital Assets

Capital assets activity for the years ended December 31 was as follows:

	Balance - January 1, 2025	Additions	Disposals	Transfers	Balance - December 31, 2025
Capital Assets, Nondepreciable:					
Land and Improvements	\$ 1,074,312	\$ -	\$ -	\$ -	\$ 1,074,312
Construction in Progress	-	85,908	-	(85,908)	-
Total Capital Assets, Nondepreciable	1,074,312	85,908	-	(85,908)	1,074,312
Capital Assets, Depreciable:					
Buildings and Improvements	23,691,682	34,177	-	85,908	23,811,767
Furniture and Equipment	810,490	-	-	-	810,490
Total Capital Assets, Depreciable	24,502,172	34,177	-	85,908	24,622,257
Less Accumulated Depreciation for:					
Buildings and Improvements	12,647,476	589,766	-	-	13,237,242
Furniture and Equipment	625,512	29,252	-	-	654,764
Total Accumulated Depreciation	13,272,988	619,018	-	-	13,892,006
Total Capital Assets, Depreciable, Net	11,229,184	(584,841)	-	85,908	10,730,251
Total Capital Assets, Net	<u>\$ 12,303,496</u>	<u>\$ (498,933)</u>	<u>\$ -</u>	<u>\$ -</u>	11,804,563
Less: Related Long-Term Debt Outstanding					750,000
Net Investment in Capital Assets					<u>\$ 11,054,563</u>

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

	Balance - January 1, 2024	Additions	Disposals	Transfers	Balance - December 31, 2024
Capital Assets, Nondepreciable:					
Land and Improvements	\$ 984,312	\$ 90,000	\$ -	\$ -	\$ 1,074,312
Construction in Progress	-	56,849	-	(56,849)	-
Total Capital Assets, Nondepreciable	984,312	146,849	-	(56,849)	1,074,312
Capital Assets Depreciable:					
Buildings and Improvements	22,917,545	717,288	-	56,849	23,691,682
Furniture and Equipment	820,539	5,971	16,020	-	810,490
Total Capital Assets, Depreciable	23,738,084	723,259	16,020	56,849	24,502,172
Less Accumulated Depreciation for:					
Buildings and Improvements	12,049,768	597,708	-	-	12,647,476
Furniture and Equipment	608,543	32,989	16,020	-	625,512
Total Accumulated Depreciation	12,658,311	630,697	16,020	-	13,272,988
Total Capital Assets, Depreciable, Net	11,079,773	92,562	-	56,849	11,229,184
Total Capital Assets, Net	<u>\$ 12,064,085</u>	<u>\$ 239,411</u>	<u>\$ -</u>	<u>\$ -</u>	12,303,496
Less: Related Long-Term Debt Outstanding					750,000
Net Investment in Capital Assets					<u>\$ 11,553,496</u>

C. Notes Receivable

Notes receivable consist of the following at December 31:

	2025	2024
Note receivable from The Landmark Wausau, LLC, with interest at 3% commencing when the project is placed into service, with principal payments commencing on June 1, 2024 depending on cash flow, with outstanding principal and interest due on June 1, 2036.	\$ 981,000	\$ 954,000
Note receivable from Community Partners Campus, LLC with principal and interest at 1.5% due in equal monthly payments commencing in September 2027 and paid in equal installments, with final principal and interest due in September 2052.	813,414	810,000
Note receivable from Riverview Lofts, with interest at 3% commencing when the project is placed into service, with principal payments commencing on June 1, 2027 depending on cash flow, with outstanding principal and interest due on August 22, 2044	653,250	-

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Notes Receivable (Continued)

	<u>2025</u>	<u>2024</u>
Notes receivable related to down payment assistance for home buyers, interest at 0%, with monthly principal payments ranging from \$25 to \$42 monthly.	<u>\$ 88,094</u>	<u>\$ 123,948</u>
Total	2,535,758	1,887,948
Less: Current Portion	<u>(8,418)</u>	<u>(6,004)</u>
Notes Receivable, Other Assets	<u><u>\$ 2,527,340</u></u>	<u><u>\$ 1,881,944</u></u>

D. Retirement Plan

The CDA's employees are covered under the State of Wisconsin Retirement System as part of the City of Wausau, Wisconsin. The employer's portion of the current annual contribution was paid by the CDA, and totaled \$38,468 and \$36,025 for the years ended December 31, 2025 and 2024, respectively. For additional information, the City's complete financial statements can be obtained from:

The City of Wausau
407 Grant Street
Wausau, Wisconsin 54403-4783

E. Long-Term Obligations

Long-term obligations activity for the years ended December 31 was as follows:

	Balance - January 1, 2025	Additions	Retirements	Balance - December 31, 2025	Due Within One Year
Affordable Housing Program Loan	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -
Compensated Absences	68,677	64,650	15,305	118,022	52,630
Long-Term Obligations	<u>\$ 818,677</u>	<u>\$ 64,650</u>	<u>\$ 15,305</u>	<u>\$ 868,022</u>	<u>\$ 52,630</u>

	Balance - January 1, 2024	Additions	Retirements	Balance - December 31, 2024	Due Within One Year
Affordable Housing Program Loan	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -
Compensated Absences	56,380	53,503	41,206	68,677	38,040
Long-Term Obligations	<u>\$ 806,380</u>	<u>\$ 53,503</u>	<u>\$ 41,206</u>	<u>\$ 818,677</u>	<u>\$ 38,040</u>

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Federal Home Loan Bank Affordable Housing Program (AHP) Loan – 0%, nonamortizing note payable to BMO Harris Bank for use in connection with the construction and rehabilitation of Riverview Towers Apartments project. The CDA and Riverview Towers, LLC must comply with the AHP provisions of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 for a term of 15 years from the date of project completion (the retention period), at which time the recapture agreement terminates and the loan balance will be forgiven.

F. Restricted Net Position

Restricted net position at December 31, 2025 and 2024, consists of operating and replacement reserve balances for Riverview Towers LLC, Housing Choice Voucher Program cumulative totals of unspent Housing Assistance Payment (HAP) funds provided by HUD and amounts restricted for the affordable housing program. Amounts restricted were \$2,592,045 and \$2,427,734 for the years ended December 31, 2025 and 2024, respectively.

NOTE 3 OTHER INFORMATION

A. Risk Management

The CDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The CDA, through the City of Wausau, carries commercial insurance for risk of loss. The CDA did not have settled claims that exceeded the commercial insurance coverage in any of the past three years.

B. Contingencies

The CDA participates in a number of federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Authority's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the CDA expects such amounts, if any, to be immaterial.

From time-to-time, the CDA becomes party to claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the CDA's financial position.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Condensed Combining Information

Condensed combining information is presented below for the years ended December 31:

	2025			
	CDA of City of Wausau	Riverview Towers	Eliminations	Reporting Entity
Condensed Statement of Net Position:				
Assets:				
Current Assets	\$ 5,860,229	\$ 3,781,205	\$ -	\$ 9,641,434
Due from Component Unit	3,406	-	(3,406)	-
Capital Assets	5,256,165	6,548,398	-	11,804,563
Other Assets	6,598,432	5,497	(4,071,092)	2,532,837
Total Assets	17,718,232	10,335,100	(4,074,498)	23,978,834
Liabilities:				
Current Liabilities	219,923	176,665	-	396,588
Due to Primary Government	-	3,406	(3,406)	-
Long-Term Liabilities	783,998	3,927,652	(3,896,258)	815,392
Total Liabilities	1,003,921	4,107,723	(3,899,664)	1,211,980
Net Position:				
Net Investment in Capital Assets	4,506,165	6,548,398	-	11,054,563
Restricted	1,161,254	1,430,791	-	2,592,045
Unrestricted	11,046,892	(1,751,812)	(174,834)	9,120,246
Total Net Position	\$ 16,714,311	\$ 6,227,377	\$ (174,834)	\$ 22,766,854
Condensed Statement of Revenues, Expenses, and				
Changes in Net Position:				
Operating Revenues:				
HUD Contributions	\$ 2,629,312	\$ -	\$ -	\$ 2,629,312
Rental Income	390,346	661,696	-	1,052,042
Tenant Care	32,863	16,511	-	49,374
Other Income	295,248	428,534	(591,230)	132,552
Total Operating Revenues	3,347,769	1,106,741	(591,230)	3,863,280
Operating Expenses:				
Housing Assistance	2,059,583	-	(551,399)	1,508,184
Administration	452,725	252,719	(39,831)	665,613
Depreciation and Amortization	361,651	260,508	-	622,159
Other	424,590	557,721	(53,961)	928,350
Total Operating Expenses	3,298,549	1,070,948	(645,191)	3,724,306
Operating Income	49,220	35,793	53,961	138,974
Nonoperating Income - Interest	246,574	118,253	(53,961)	310,866
Capital Contributions	85,908	-	-	85,908
Change in Net Position	381,702	154,046	-	535,748
Total Net Position - Beginning of Year	16,332,584	6,073,331	(174,809)	22,231,106
Total Net Position - End of Year	\$ 16,714,286	\$ 6,227,377	\$ (174,809)	\$ 22,766,854

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Condensed Combining Information (Continued)

	2025 (Continued)			
Condensed Statement of Cash Flows:				
Net Cash Provided (Used) by:				
Operating Activities	\$ 419,939	\$ 413,165	\$ -	\$ 833,104
Capital and Related Financing Activities	(6,815)	(27,362)	-	(34,177)
Investing Activities	(282,736)	-	-	(282,736)
Cash and Cash Equivalents - Beginning of Year	5,894,381	3,206,649	-	9,101,030
Cash and Cash Equivalents - End of Year	<u>\$ 6,024,769</u>	<u>\$ 3,592,452</u>	<u>\$ -</u>	<u>\$ 9,617,221</u>

	2024			
	CDA of City of Wausau	Riverview Towers	Eliminations	Reporting Entity
Condensed Statement of Net Position:				
Assets:				
Current Assets	\$ 5,800,616	\$ 3,322,201	\$ -	\$ 9,122,817
Due from Component Unit	6,280	-	(6,280)	-
Capital Assets	5,517,133	6,786,363	-	12,303,496
Other Assets	5,899,060	8,638	(4,017,116)	1,890,582
Total Assets	<u>17,223,089</u>	<u>10,117,202</u>	<u>(4,023,396)</u>	<u>23,316,895</u>
Liabilities:				
Current Liabilities	138,038	167,114	-	305,152
Due to Primary Government	-	6,280	(6,280)	-
Long-Term Liabilities	752,457	3,870,477	(3,842,297)	780,637
Total Liabilities	<u>890,495</u>	<u>4,043,871</u>	<u>(3,848,577)</u>	<u>1,085,789</u>
Net Position:				
Net Investment in Capital Assets	4,767,133	6,786,363	-	11,553,496
Restricted	1,105,638	1,322,096	-	2,427,734
Unrestricted	10,459,823	(2,035,128)	(174,819)	8,249,876
Total Net Position	<u>\$ 16,332,594</u>	<u>\$ 6,073,331</u>	<u>\$ (174,819)</u>	<u>\$ 22,231,106</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position:				
Operating Revenues:				
HUD Contributions	\$ 2,555,061	\$ -	\$ -	\$ 2,555,061
Other Government Grants	1,097,764	-	-	1,097,764
Rental Income	410,963	627,696	-	1,038,659
Tenant Care	17,752	23,955	-	41,707
Other	263,039	398,830	(562,674)	99,195
Total Operating Revenues	<u>4,344,579</u>	<u>1,050,481</u>	<u>(562,674)</u>	<u>4,832,386</u>
Operating Expenses:				
Housing Assistance	2,052,971	-	(524,176)	1,528,795
Administration	415,842	242,909	(38,498)	620,253
Depreciation and Amortization	373,922	259,916	-	633,838
Other	361,020	525,850	(53,942)	832,928
Total Operating Expenses	<u>3,203,755</u>	<u>1,028,675</u>	<u>(616,616)</u>	<u>3,615,814</u>
Operating Income	1,140,824	21,806	53,942	1,216,572
Nonoperating Income - Interest	267,566	113,548	(53,942)	327,172
Capital Contributions	747,850	-	-	747,850
Gain on Disposal of Capital Assets	10,800	-	-	10,800
Change in Net Position	2,167,040	135,354	-	2,302,394
Total Net Position - Beginning of Year	14,165,544	5,937,977	(174,809)	19,928,712
Total Net Position - End of Year	<u>\$ 16,332,584</u>	<u>\$ 6,073,331</u>	<u>\$ (174,809)</u>	<u>\$ 22,231,106</u>

Condensed Statement of Cash Flows:				
Net Cash Provided (Used) by:				
Operating Activities	\$ 1,526,333	\$ 413,165	\$ -	\$ 1,939,498
Capital and Related Financing Activities	(84,096)	(27,362)	-	(111,458)
Investing Activities	305,768	-	-	305,768
Cash and Cash Equivalents - Beginning of Year	4,146,376	2,820,846	-	6,967,222
Cash and Cash Equivalents - End of Year	<u>\$ 5,894,381</u>	<u>\$ 3,206,649</u>	<u>\$ -</u>	<u>\$ 9,101,030</u>

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Significant Concentrations

The CDA receives a substantial amount of its support from federal and state governments. A significant reduction in the level of this support would have a significant effect on the CDA's programs and activities.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION DATA
DECEMBER 31, 2025

Line Number	Account Description	Project Total	Housing Choice Vouchers 14,871	Business Activities	Component Unit - Blended	Total Before Eliminations	Eliminations	Total
ASSETS								
Current Assets:								
Cash:								
111	Cash - Unrestricted	\$ 1,561,958	\$ 1,149,063	\$ 1,929,560	\$ 2,285,436	\$ 6,926,017	\$ -	\$ 6,926,017
113	Cash - Other Restricted	-	63,490	1,097,764	1,430,791	2,592,045	-	2,592,045
114	Cash - Tenant Security Deposits	25,762	-	17,333	56,064	99,159	-	99,159
100	Total Cash	1,587,720	1,212,553	3,044,657	3,772,291	9,617,221	-	9,617,221
Accounts and Notes Receivable:								
126	Accounts Receivable - Tenants	2,309	-	-	-	2,309	-	2,309
127	Notes, Loans, and Mortgages Receivable - Current	-	-	8,418	-	8,418	-	8,418
120	Total Accounts and Notes Receivable, Net of Allowances for Doubtful Accounts	2,309	-	8,418	-	10,727	-	10,727
Current Investments:								
142	Prepaid Expenses and Other Assets	1,143	1,143	2,286	8,914	13,486	-	13,486
144	Inter-Program - Due from	-	-	3,406	-	3,406	(3,406)	-
150	Total Current Assets	1,591,172	1,213,696	3,058,767	3,781,205	9,644,840	(3,406)	9,641,434
Noncurrent Assets:								
Capital Assets:								
161	Land	899,407	-	154,350	20,555	1,074,312	-	1,074,312
162	Buildings	9,004,245	6,469	4,225,407	10,113,502	23,349,623	-	23,349,623
163	Furniture, Equipment, and Machinery - Dwellings	114,009	-	40,547	18,330	172,886	-	172,886
164	Furniture, Equipment, and Machinery - Administrative	192,075	21,448	85,235	338,846	637,604	-	637,604
165	Leasehold Improvements	417,129	-	45,015	-	462,144	-	462,144
166	Accumulated Depreciation	(7,678,376)	(19,135)	(2,251,660)	(3,942,835)	(13,892,006)	-	(13,892,006)
160	Total Capital Assets, Net of Accumulated Depreciation	2,948,489	8,782	2,298,894	6,548,398	11,804,563	-	11,804,563
Other Noncurrent Assets:								
171-050	Notes, Loans, and Mortgages Receivable - Other	-	-	2,527,340	-	2,527,340	-	2,527,340
171	Notes, Loans, and Mortgages Receivable - Noncurrent	3,896,258	-	2,527,340	-	6,423,598	(3,896,258)	2,527,340
174-050	Other Assets - Other	-	-	-	5,497	5,497	-	5,497
174-060	Other - Comment: Tax Credit Fees, Net of Accumulated Amortization of \$41,617	-	-	-	5,497	5,497	-	5,497
174	Other Assets	-	-	-	5,497	5,497	-	5,497
176	Investments in Joint Venture	174,834	-	-	-	174,834	(174,834)	-
180	Total Noncurrent Assets	7,019,581	8,782	4,826,234	6,553,895	18,408,492	(4,071,092)	14,337,400
290	Total Assets and Deferred Outflows of Resources	<u>\$ 8,610,753</u>	<u>\$ 1,222,478</u>	<u>\$ 7,885,001</u>	<u>\$ 10,335,100</u>	<u>\$ 28,053,332</u>	<u>\$ (4,074,498)</u>	<u>\$ 23,978,834</u>

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION DATA (CONTINUED)
DECEMBER 31, 2025

Line Number	Account Description	Project Total	Housing Choice Vouchers 14,871	Business Activities	Component Unit - Blended	Total Before Eliminations	Eliminations	Total
LIABILITIES								
Current Liabilities:								
312	Accounts Payable <= 90 Days	\$ 1,688	\$ 846	\$ 4,055	\$ 22,474	\$ 29,063	\$ -	\$ 29,063
321	Accrued Wages/Payroll Taxes Payable	17,314	15,676	8,270	26,179	67,439	-	67,439
322	Accrued Compensated Absences - Current Portion	17,862	8,023	7,195	19,550	52,630	-	52,630
333	Accounts Payable - Other Government	65,372	1,904	15,060	52,398	134,734	-	134,734
341	Tenant Security Deposit	25,762	-	17,333	56,064	99,159	-	99,159
346	Accrued Liabilities - Other	4,569	-	8,994	-	13,563	-	13,563
347	Inter-Program - Due to	-	-	-	3,406	3,406	(3,406)	-
310	Total Current Liabilities	132,567	26,449	60,907	180,071	399,994	(3,406)	396,588
354	Accrued Compensated Absences - Noncurrent	21,250	2,802	9,946	31,394	65,392	-	65,392
355-050	Loan Liability - Other	750,000	-	-	3,896,258	4,646,258	(3,896,258)	750,000
355-060	Other - Comment: Affordable Housing Program	-	-	-	-	-	-	-
355	Loan Liabilities - Noncurrent	750,000	-	-	3,896,258	4,646,258	(3,896,258)	750,000
350	Total Noncurrent Liabilities	771,250	2,802	9,946	3,927,652	4,711,650	(3,896,258)	815,392
300	Total Liabilities	903,817	29,251	70,853	4,107,723	5,111,644	(3,899,664)	1,211,980
NET POSITION								
508.4	Net Investment in Capital Assets	2,198,489	8,782	2,298,894	6,548,398	11,054,563	-	11,054,563
511.4	Restricted Net Position	-	63,490	1,097,764	1,430,791	2,592,045	-	2,592,045
512.4	Unrestricted Net Position	5,508,447	1,120,955	4,417,490	(1,751,812)	9,295,080	(174,834)	9,120,246
513	Total Net Position	7,706,936	1,193,227	7,814,148	6,227,377	22,941,688	(174,834)	22,766,854
600	Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 8,610,753</u>	<u>\$ 1,222,478</u>	<u>\$ 7,885,001</u>	<u>\$ 10,335,100</u>	<u>\$ 28,053,332</u>	<u>\$ (4,074,498)</u>	<u>\$ 23,978,834</u>

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION DATA
YEAR ENDED DECEMBER 31, 2025

Line Number	Account Description	Project Total	Housing Choice Vouchers 14,871	Business Activities	Component Unit - Blended	Total Before Eliminations	Eliminations	Total
REVENUES								
70300	Net Tenant Rental Revenue	\$ 183,151	\$ -	\$ 207,195	\$ 661,696	\$ 1,052,042	\$ -	\$ 1,052,042
70400	Tenant Revenue - Other	16,411	-	16,452	16,511	49,374	-	49,374
70500	Total Tenant Revenue	199,562	-	223,647	678,207	1,101,416	-	1,101,416
70600-010	Housing Assistance Payments	-	2,114,120	-	-	2,114,120	-	2,114,120
70600-020	Ongoing Administrative Fees Earned	-	353,066	-	-	353,066	-	353,066
70600	HUD PHA Operating Grants	162,126	2,467,186	-	-	2,629,312	-	2,629,312
70610	Capital Grants	85,908	-	-	-	85,908	-	85,908
70800	Other Government Grants	-	-	126,729	424,670	551,399	(551,399)	-
71100	Investment Income - Unrestricted	54,441	37,565	112,084	118,253	322,343	(53,961)	268,382
71200	Mortgage Interest Income	-	-	42,484	-	42,484	-	42,484
71400-010	Housing Assistance Payment	-	736	-	-	736	-	736
71400-020	Administrative Fee	-	737	-	-	737	-	737
71400	Fraud Recovery	-	1,473	-	-	1,473	-	1,473
71500	Other Revenue	-	4,091	162,955	3,864	170,910	(39,831)	131,079
70000	Total Revenues	502,037	2,510,315	667,899	1,224,994	4,905,245	(645,191)	4,260,054
EXPENSES								
91100	Administrative Salaries	78,791	132,616	43,395	97,561	352,363	-	352,363
91200	Auditing Fees	9,753	5,052	15,161	15,160	45,126	-	45,126
91400	Advertising and Marketing	30	-	1,418	5,343	6,791	-	6,791
91500	Employee Benefit Contributions - Administrative	36,608	52,289	17,913	56,033	162,843	-	162,843
91600	Office Expenses	6,891	13,202	8,817	8,817	37,727	-	37,727
91800	Travel	729	574	1,095	945	3,343	-	3,343
91900	Other	7,556	11,687	9,148	68,860	97,251	(39,831)	57,420
91000	Total Operating - Administrative	140,358	215,420	96,947	252,719	705,444	(39,831)	665,613
92400	Tenant Services - Other	764	-	1,679	6,416	8,859	-	8,859
92500	Total Tenant Services	764	-	1,679	6,416	8,859	-	8,859
93100	Water	21,167	-	6,421	15,091	42,679	-	42,679
93200	Electricity	5,425	-	30,602	61,632	97,659	-	97,659
93300	Gas	5,602	-	11,061	33,170	49,833	-	49,833
93600	Sewer	23,570	-	7,020	14,334	44,924	-	44,924
93800	Other Utilities Expense	3,590	-	1,488	2,208	7,286	-	7,286
93000	Total Utilities	59,354	-	56,592	126,435	242,381	-	242,381
94100	Ordinary Maintenance and Operations - Labor	65,240	16,387	20,141	106,862	208,630	-	208,630
94200	Ordinary Maintenance and Operations - Materials and Other	16,890	-	8,398	22,981	48,269	-	48,269
94300-010	Garbage and Trash Removal Contracts	513	-	3,149	9,396	13,058	-	13,058
94300-020	Heating and Cooling Contracts	-	-	3,673	5,218	8,891	-	8,891
94300-040	Elevator Maintenance Contracts	-	-	4,672	7,485	12,157	-	12,157
94300-050	Landscape and Grounds Contracts	2,214	-	1,109	5,033	8,356	-	8,356
94300-070	Electrical Contracts	-	-	-	2,617	2,617	-	2,617
94300-080	Plumbing Contracts	1,275	-	-	1,883	3,158	-	3,158
94300-090	Extermination Contracts	1,175	-	1,146	22,161	24,482	-	24,482
94300-110	Routine Maintenance Contracts	464	-	-	-	464	-	464
94300-120	Miscellaneous Contracts	6,151	-	2,034	14,449	22,634	-	22,634
94300	Ordinary Maintenance and Operations Contracts	13,774	-	16,920	68,242	98,936	-	98,936
94500	Employee Benefit Contribution - Ordinary Maintenance	23,531	2,400	11,333	49,146	86,410	-	86,410
94000	Total Maintenance	119,435	18,787	56,792	247,231	442,245	-	442,245
95200	Protective Services - Other Contract Costs	-	-	5,511	3,915	9,426	-	9,426
95000	Total Protective Services	-	-	5,511	3,915	9,426	-	9,426
96110	Property Insurance	3,376	-	10,128	29,890	43,394	-	43,394
96120	Liability Insurance	1,145	1,117	3,236	6,985	12,483	-	12,483
96130	Workers' Compensation	4,553	3,752	1,834	3,468	13,607	-	13,607
96140	All Other Insurance	763	-	1,119	344	2,226	-	2,226
96100	Total Insurance Premiums	9,837	4,869	16,317	40,687	71,710	-	71,710
96200	Other General Expenses	-	599	-	9,409	10,008	-	10,008
96210	Compensated Absences	28,681	3,317	11,646	5,700	49,344	-	49,344
96300	Payments in Lieu of Taxes	13,069	-	15,060	52,398	80,527	-	80,527
96400	Bad Debt (Recovery) - Tenant Rents	1,529	-	752	2,695	4,976	-	4,976
96000	Total Other General Expenses	43,279	3,916	27,458	70,202	144,855	-	144,855
96720	Interest on Notes Payable (Short- and Long-Term)	-	-	-	53,961	53,961	(53,961)	-
96730	Amortization of Bond Issue Costs	-	-	-	3,141	3,141	-	3,141
96700	Total Interest Expense and Amortization Cost	-	-	-	57,102	57,102	(53,961)	3,141
96900	Total Operating Expenses	373,027	242,992	261,296	804,707	1,682,022	(93,792)	1,588,230
97000	Excess of Total Revenues Over Operating Expenses	129,010	2,267,323	406,603	420,287	3,223,223	(551,399)	2,671,824
97100	Extraordinary Maintenance	-	-	-	5,274	5,274	-	5,274
97200	Casualty Losses - Non-Capitalized	-	-	-	3,600	3,600	-	3,600
97300-040	Tenant Protection	-	4,752	-	-	-	-	-
97300-050	All Other	-	2,034,013	-	-	-	-	-
97300	Housing Assistance Payments	-	2,055,862	-	-	2,055,862	(551,399)	1,504,463
97350	HAP Portability - In	-	3,721	-	-	3,721	-	3,721
97400	Depreciation Expense	220,847	2,081	138,723	257,367	619,018	-	619,018
90000	Total Expenses	593,874	2,304,656	400,019	1,070,948	4,369,497	(645,191)	3,724,306

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION DATA (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Line Number	Account Description	Project Total	Housing Choice Vouchers 14,871	Business Activities	Component Unit - Blended	Total Before Eliminations	Eliminations	Total
	OTHER FINANCING SOURCES (USES)							
10010	Operating Transfer In	\$ 2,353	\$ -	\$ -	\$ -	\$ 2,353	\$ (2,353)	\$ -
10020	Operating Transfer Out	(2,353)	-	-	-	(2,353)	2,353	-
10080	Special Items, Net Gain	15	-	-	-	15	(15)	-
10100	Total Other Financing Sources (Uses)	15	-	-	-	15	(15)	-
10000	EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES	(91,822)	205,659	267,880	154,046	535,763	(15)	535,748
11030	Beginning Net Position	7,798,758	987,568	7,546,268	6,073,331	22,405,925	(174,819)	22,231,106
11170-001	Administrative Fee Equity - Beginning	-	983,072	-	-	983,072	-	983,072
11170-010	Administrative Fee Revenue	-	353,066	-	-	353,066	-	353,066
11170-040	Investment Income	-	37,565	-	-	37,565	-	37,565
11170-045	Fraud Recovery Revenue	-	737	-	-	737	-	737
11170-050	Other Revenue	-	4,091	-	-	-	-	-
11170-060	Total Administrative Fee Revenues	-	395,459	-	-	391,368	-	391,368
11170-080	Total Operating Expenses	-	242,992	-	-	38,302	-	38,302
11170-090	Depreciation	-	2,081	-	-	2,081	-	2,081
11170-100	Other Expenses	-	-	-	-	-	-	-
11170-110	Total Expenses	-	248,794	-	-	248,794	-	248,794
11170-002	Net Administrative Fee	\$ -	\$ 146,665	\$ -	\$ -	\$ 146,665	\$ -	\$ 146,665
11170-003	Administrative Fee Equity - Ending	-	1,129,737	-	-	1,129,737	-	1,129,737
11170-005	Pre-2004 Administrative Fee Reserves	-	70,517	-	-	70,517	-	70,517
11170-006	Post-2003 Administrative Fee Reserves	-	1,059,220	-	-	1,059,220	-	1,059,220
11170	Administrative Fee Equity	-	1,129,737	-	-	1,129,737	-	1,129,737
11180-001	Housing Assistance Payments Equity - Beginning	-	4,496	-	-	4,496	-	4,496
11180-010	Housing Assistance Payment Revenues	-	2,114,120	-	-	2,114,120	-	2,114,120
11180-015	Fraud Recovery Revenue	-	736	-	-	736	-	736
11180-030	Total HAP Revenues	-	2,114,856	-	-	2,114,856	-	2,114,856
11180-080	Housing Assistance Payments	-	2,055,862	-	-	2,055,862	-	2,055,862
11180-090	Other Expenses	-	-	-	-	-	-	-
11180-100	Total Housing Assistance Payments Expenses	-	2,055,862	-	-	2,055,862	-	2,055,862
11180-002	Net Housing Assistance Payments	-	58,994	-	-	58,994	-	58,994
11180-003	Housing Assistance Payments Equity - Ending	-	63,490	-	-	63,490	-	63,490
11180	Housing Assistance Payments Equity	-	63,490	-	-	63,490	-	63,490
11190-210	Total Acc HCV Units	-	7,224	-	-	7,224	-	7,224
11190-220	Unfunded Units	-	(1,547)	-	-	(1,547)	-	(1,547)
11190	Unit Months Available	552	5,677	492	1,788	8,509	(1,788)	6,721
11210	Unit Months Leased	539	5,308	484	1,768	8,099	(1,768)	6,331
11270	Excess Cash	1,426,376	-	-	-	1,426,376	-	1,426,376
11620	Building Purchases	85,908	-	-	-	85,908	-	85,908
11630	Furniture and Equipment - Dwelling Purchases	-	-	-	-	-	-	-

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
SCHEDULE OF MODERNIZATION COSTS
YEAR ENDED DECEMBER 31, 2025

COMPLETED PROJECT

Project WI39P031501-23:

Funds Approved	\$ 101,096
Funds Expended	101,096
Excess of Funds Approved	<u>\$ -</u>
 Funds Advanced	 \$ 101,096
Funds Expended	101,096
Excess of Funds Advanced	<u>\$ -</u>

The distribution of costs of Project WI39P031501-23 is in agreement with the CDA's records.

Project WI39P031501-24:

Funds Approved	\$ 103,092
Funds Expended	103,092
Excess of Funds Approved	<u>\$ -</u>
 Funds Advanced	 \$ 103,092
Funds Expended	103,092
Excess of Funds Advanced	<u>\$ -</u>

The distribution of costs of Project WI39P031501-24 is in agreement with the CDA's records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

Project WI39P031501-25:

Funds Approved	\$ 106,167
Funds Expended	19,313
Excess of Funds Approved	<u>\$ 86,854</u>
 Funds Advanced	 \$ 19,313
Funds Expended	19,313
Excess of Funds Advanced	<u>\$ -</u>

The distribution of costs of Project WI39P031501-25 is in agreement with the CDA's records.

All modernization costs have been paid and all related liabilities have been discharged through payment.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Community Development Authority of
the City of Wausau, Wisconsin
Wausau, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Community Development Authority of the City of Wausau, Wisconsin (the CDA), which comprise the statement of net position as of December 31, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2026. The financial statements of Riverview Towers, LLC were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Riverview Towers, LLC.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CDA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the CDA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Commissioners
Community Development Authority of
the City of Wausau, Wisconsin

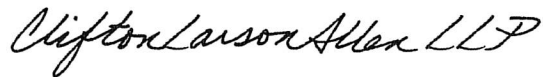
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CDA's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Wausau, Wisconsin
June 22, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Community Development Authority of
the City of Wausau, Wisconsin
Wausau, Wisconsin

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Community Development Authority of the City of Wausau, Wisconsin's (the CDA) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the CDA's major federal program for the year ended December 31, 2025. The CDA's major federal program is identified in the Summary of Auditors' Results section of the accompanying schedule of findings and questioned costs.

In our opinion, the CDA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the CDA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of CDA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the CDA's federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CDA's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CDA's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 CDA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CDA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CDA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Commissioners
Community Development Authority of
the City of Wausau, Wisconsin

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Wausau, Wisconsin
June 22, 2026

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Public and Indian Housing:				
Operating Subsidy	14.850	Not Applicable	Not Applicable	\$ 159,773
Total Public and Indian Housing				<u>159,773</u>
Section 8 Housing Choice Voucher Cluster:				
Section 8 Administration Fees	14.871	Not Applicable	Not Applicable	248,794
Section 8 Housing Choice Vouchers	14.871	Not Applicable	Not Applicable	<u>2,055,862</u>
Total Section 8 Housing Choice Voucher Cluster				<u>2,304,656</u>
Capital Funds Program:				
WI39P031501-23	14.872	Not Applicable	Not Applicable	1,176
WI39P031501-24	14.872	Not Applicable	Not Applicable	67,772
WI39P031501-25	14.872	Not Applicable	Not Applicable	<u>19,313</u>
Total Capital Funds Program				<u>88,261</u>
Total U.S. Department of Housing and Urban Development				<u>2,552,690</u>
Total Expenditures of Federal Awards				<u><u>\$ 2,552,690</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards for the Community Development Authority of the City of Wausau, Wisconsin, (the CDA) is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The schedule of expenditures of federal awards includes all federal awards of the CDA. Because the schedule presents only a selected portion of the operations of the CDA, it is not intended to and does not present the financial position, changes in net position, or cash flows of the CDA.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The CDA has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 SUBRECIPIENT PAYMENTS

No federal awards were passed through to subrecipients during the year ended December 31, 2025.

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of Major Federal Programs

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
14.871	Housing Voucher Cluster Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,000,000

Auditee qualified as low-risk auditee? X yes _____ no

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section II – Financial Statement Findings

There are no findings related to the financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2025.

Section III – Findings and Questioned Costs – Major Federal Programs

There are no findings related to federal programs under Uniform Guidance for the year ended December 31, 2025.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

S.C. Koegler Consulting, LLC

3834 S. Griffin Ave

Milwaukee, WI 53207

Phone: 414-379-1862

scott@sckoeglerconsulting.com

www.sckoeglerconsulting.com

EIN: 33-3937546

Revision to Agreement for Consulting Services

S.C. Koegler Consulting, LLC, an independent contractor, (“Consultant” or “I”)

and

Wausau Community Development Authority (“Client” or “WCDA”)

Purpose- Revision to Comprehensive Repositioning Plan to Provide Repositioning Application Services

This is a revision of the Consulting Services Agreement between the Consultant and WCDA executed on May 26, 2026.

Revised Scope of Services –

Condensed Repositioning Plan

I will prepare a revised and condensed Repositioning Plan for the Section 18 Disposition of forty (40) scattered-site qualifying Public Housing units operated by WCDA with conversion to Section 8 Project-Based Vouchers administered by WCDA. The goal of the plan is to preserve Faircloth Authority for future development of 30% of Income standard low-income housing. The plan will also outline the phased repositioning and development options with target timeframes based on currently available options. The plan will cover options based on potential future changes to Faircloth Limits. The plan will also review available options from the HUD Public Housing program for the development of new public housing and outline how newly developed public housing can be repositioned to the Section 8 platform.

Target date for completion of Condensed Repositioning Plan is the August WCDA Board Meeting. I will also be available to present an overview of this plan to the WCDA Board and to answer any questions.

Section 18 Disposition Application

I will prepare the Section 18 Disposition application for forty (40) scattered-site Eligible Public Housing units for submission to HUD-Special Applications Center in compliance with PIH Notice 2024-20 and subsequent HUD guidance. My services include assisting in the preparation of the sales, closing and property transfer documentation to ensure compliance with HUD requirements.

The Section 18 Disposition services include:

- Preparing and assembling the Section 18 Disposition Application. This includes completing all required HUD forms and supporting documentation. Wausau Community

Development Authority (WCDA) will facilitate components requiring WCDA Board approval, public and resident notifications, Environmental Review Responsible Entity Certification and documentation or approval from the City of Wausau.

- Advising WCDA on the public and resident notification requirements. This includes drafting required public and resident notices and delivering presentations at required public and resident meetings. WCDA staff or their representative will also need to attend any public and resident meetings.
- Assisting WCDA in submitting the application in the HUD-PIC system (or any replacement system) ensuring compliance with HUD requirements. Due to HUD IT security policies, I cannot submit the application for WCDA in the PIC system. I will provide direct or remote assistance in uploading the electronic application and supporting documentation.
- Assist in the preparation and submission of the disposition sale and transfer documents for HUD approval. Legal documents must be prepared by WCDA counsel. My services involve expert guidance on the format and language in the documents to meet HUD requirements.
- Advise WCDA on strategies to maximize HUD Public Housing funding prior to disposition closing with a goal of minimizing any potential return of funds to HUD. This includes revisions to operating and capital budgets and use of funds during the application process.

Services not included with this proposal:

- Legal services required for the sale, disposition and transfer of WCDA public housing property. Including drafting sales and transfer documentation, Release of Declaration of Trust, Affordability Restrictions and Title Commitments or Opinions. I will advise WCDA and their legal counsel on HUD requirements and language for legal documents.
- Certification of the Environmental Review and Clearance by the Responsible Entity per 24 CFR Part 50 and Part 58. I will advise on the preparation of the Environmental Review and related documentation, but under Federal Regulation only the Responsible Entity can certify and submit the certification to HUD.
- Preparation of Capital Needs Assessment or Physical Needs Assessment of the Public Housing units in this application.

Consulting Fees

- Total Fee: \$18,000
- Initial Payment: \$4,000 (already paid at execution of original agreement)
- Application Completion: \$10,000 at submission of completed Relocation Application to HUD
- Final Payment: \$4,000 upon HUD approval of Relocation Application

Travel expenses (lodging, meals and milage) are not included in the quoted fee. Travel costs will be invoiced separately on the final invoice at the conclusion of the contract and calculated using the applicable GSA Per Diem rates, available at: <https://www.gsa.gov/travel>. Consultant will be responsible for all other expenses incurred while performing services under this Agreement.

Consultant shall be paid by a check sent to the Consultant's principal place of business or by other mutually agreed form of payment. All invoices will be due and payable within thirty (30) days from date of invoice. Client agrees to pay Consultant an additional 1.5% per month interest charge on the amount owed or the legally allowable maximum for amounts past due.

Term of Agreement

This Agreement is effective on the date Client accepts and signs the Revised Proposal. The agreement will terminate on the earliest of: Completion of scope of services or the date either party terminates the Agreement as provided below.

Terminating the Agreement

Either party may terminate this Agreement for convenience upon thirty (30) days' written notice, or immediately for cause upon a material breach of the terms of this Agreement by the other party.

The initial payment to the Consultant is non-refundable in the event of termination by the Client for convenience. If the Agreement is terminated by the Consultant for convenience, or by the Client due to the Consultant's material breach, one-half (1/2) of the initial payment shall be refunded to the Client.

Upon termination by the Client for convenience, the Client shall also compensate the Consultant for any services performed beyond those covered by the initial payment, at a rate of \$125.00 per hour. The Consultant will provide an itemized statement documenting the hours of services performed under this Agreement in excess of the initial payment.

Modifying the Agreement

Parties agree that modifications to the Scope of Services may occur during the term of this Agreement. The parties will make a good faith effort to agree on all necessary modifications. Such agreements will be put in writing, signed by the parties, and added to this Agreement.

Resolving Disputes

This Agreement shall be governed by the laws of the State of Wisconsin. Any disputes arising under this Agreement shall be first resolved through good faith negotiations. The parties agree to resolve the dispute with the help of a mutually agreed-upon mediator in the State of Wisconsin if good faith negotiations between the parties are unsuccessful. Any costs and fees other than attorneys' fees associated with the mediation will be shared equally by the parties.

If mediation is unsuccessful, any legal action arising under this Agreement shall be brought exclusively in a court of competent jurisdiction located in Milwaukee County, Wisconsin, and the parties' consent to such jurisdiction and venue.

Independent Contractor Status

Consultant shall perform all services included in this Agreement as an independent contractor and not as an employee, agent, or representative of the Client. This Agreement does not create a partnership

relationship. Neither party has authority to enter into contracts on the other's behalf. Consultant has the sole right to control and direct the means, manner, and method by which the services required by this Agreement will be performed. Neither Consultant nor contract personnel are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of the Client. Consultant will pay all income taxes and FICA (Social Security and Medicare) taxes incurred while performing services under this Agreement.

Insurance

Consultant shall maintain appropriate professional liability and general liability insurance during the term of this Agreement and shall provide proof to the Client upon request.

Non-Public Information and Intellectual Property

Consultant shall maintain in strict confidence all non-public information received in connection with performance under this Agreement. Non-public information shall not be disclosed to any third party without prior written consent of the Client, except as disclosure is required by law.

Consultant represents that it owns or holds a license to use and sublicense various materials in existence before the start date of this Agreement ("Consultant's Materials"). Consultant may, at its option, include Consultant's Materials in the work performed under this Agreement. Consultant grants to the Client a royalty-free nonexclusive license to use anything created or developed by Consultant for the Client under this Agreement ("Contract Property"). The license will have a perpetual term, and Client may not transfer or sell it. Consultant will retain all copyrights, patent rights, and other intellectual property rights to the Contract Property and Consultant's Materials.

Limited Liability

Consultant's pricing reflects the allocation of risk and limitation of liability specified below. Consultant's total liability to the Client under this Agreement for damages, costs, and expenses will not exceed \$18,000 or the compensation received by Consultant under this Agreement, whichever is less. However, Consultant will remain liable for bodily injury or personal property damage resulting from grossly negligent or willful actions of Consultant or Consultant's employees or agents while on Client's premises to the extent such actions or omissions were not caused by the Client. Neither party to this agreement will be liable for the other's lost profits or special, incidental, or consequential damages, whether in an action in contract or tort, even if the party has been advised by the other party of the possibility of such damages. Neither party shall be liable for indirect, incidental, consequential, or punitive damages, except in cases of willful misconduct or fraud. Each party shall be responsible for its own negligence or intentional misconduct in connection with performance under this Agreement and shall indemnify and hold harmless the other party from any third-party claims arising from such conduct.

No Attorney-Client Relationship

Consultant is not acting as legal counsel. Nothing in this Agreement or in any advisory services shall create an attorney-client relationship, a fiduciary relationship, or a legal representation relationship. The Client is advised to consult their own legal counsel regarding legal interpretations or matters requiring legal advice.

Standard of Care

Consultant shall perform services in a professional manner consistent with the standard of care ordinarily exercised by professionals providing HUD compliance advisory services under similar

circumstances. Consultant does not guarantee regulatory outcomes from Federal or State agencies with oversight over the relevant programs. All guidance, consulting and training services are based on HUD regulations and guidance in effect at the time of service delivery. HUD regulations and guidance are subject to change and may affect the applicability of the guidance, consulting and training provided by Consultant. Client is responsible for ensuring compliance with HUD program regulations and guidance.

Exclusive Agreement

This Agreement (including any attached exhibits) is the entire Agreement between Consultant and the Client.

By signing below Client is accepting the proposal for services by Consultant. Acceptance of this proposal constitutes an Agreement for Consulting Services and begins the Agreement term as of the date of Client signature.

S.C. Koegler Consulting, LLC

By: *Scott C. Koegler*

Scott C. Koegler
Principal

Date: July 9, 2026

Acceptance of Proposal

Wausau Community Development Authority

By: _____
Signature

Printed Name: _____

Date: _____

Electronic or Digital Signatures

This Agreement may be signed by electronic or digital signature.

RESOLUTION NO 26-005

Section 8 Housing Choice Voucher Program, Riverview Terrace & Riverview Towers LLC

ADMINISTRATIVE PLAN

WHEREAS, the Wausau Community Development Authority (WCDA) operates Riverview Terrace, Riverview Towers LLC and a Section 8 Housing Choice Voucher (HCV) Program within the City of Wausau; and

WHEREAS, the WCDA's Administrative Plan is applicable to the operation and administration of the Section 8 HCV Program, Riverview Terrace and Riverview Towers LLC; and

WHEREAS, the WCDA is required to have its Board of Commissioners approve any revision or changes to the Administrative Plan; and

WHEREAS, the WCDA is further required to submit the most recent Board approved Administrative Plan to the Department of Housing and Urban Development, Milwaukee Field Office, for retention in its files; and

WHEREAS, the WCDA staff has recommended changes specific to policy and administrative guidance, as well as minor edits to improve its clarity, all complying with federal regulation;

NOW, THEREFORE, BE IT RESOLVED, the Board of Commissioners of the WCDA hereby adopts the updated Administrative Plan and approves its submission to the Department of Housing and Urban Development.

AYES _____ NAYS _____

Approved Date _____

Community Development Authority
Of the City of Wausau

Sarah Napgezsek
Chairperson

Randy Fifrick
Executive Director

Admin Plan Revisions Effective 7/1/2026

The most recent Admin Plan revisions involved many working and language changes mostly pertaining to Housing Opportunity Through Modernization Act (HOTMA) procedures. The changes more specific to policy and administrative guidance are detailed below.

Introduction

- The original section outlining HOTMA-related changes in the Admin Plan has been removed. Previously, this section provided background on the Housing Opportunity Through Modernization Act of 2016, explained the regulatory updates issued under HOTMA Sections 102 and 104, and detailed HUD's phased implementation approach due to system limitations within IMS/PIC. It also described which HOTMA policies were active, which were on hold, and how those elements were tracked in the model policy and appendix.

Chapter 1-Overview of the Program

- This section was revised to state that all transactions with an effective date of January 1, 2027, or later must meet HOTMA requirements.

Chapter 2-Fair Housing

- The chapter was updated to reflect HUD's current guidance on nondiscrimination rules. It explains that although 24 CFR 5.105(a)(2) still prohibits discrimination based on marital status, gender identity, and sexual orientation, HUD is no longer enforcing the Equal Access Rule and has removed related guidance. It also notes HUD's proposed 2026 rule to replace references to gender and gender identity with sex, which is not yet finalized, and that state protections vary.

- Expanded language on methods of filing discrimination complaints, to include online, phone, or by physical mail to the regional FHEO office.

- Clarified that HUD will prioritize enforcement actions related to national origin discrimination where language has been used as a proxy for discrimination per the FHEO memo dated 9/19/25.

Chapter 3-Eligibility

This chapter now includes a requirement for applicants to provide a complete list of all states where any household member has lived. This information helps the PHA conduct thorough and accurate background checks. The update also clarifies that failure to answer any application question truthfully or completely may result in denial of admission, consistent with the guidance in Notice PIH 2012-28.

Chapter 5-Briefings

This chapter now states that the PHA may rescind a voucher due to insufficient funding with HUD approval.

Chapter 6-Income

Chapter 6.A, which previously described pre-HOTMA procedures was removed, and

redesignates Chapter 6.B as the new Chapter 6. This chapter was updated with the following revisions:

6-I.F.

This section clarifies that alimony and child support are included in income based on the amount that is received not the amount that the participant is entitled to per Notice PIH 2023-27 and HUD guidance.

6-III.G.

This section clarifies the phased in approach for families who qualify for hardship exemption. This states that if a family first qualified for medical or disability expenses on or after January 1, 2024, they aren't eligible for phased-in relief. However, they may request a hardship exemption at their first review after HOTMA takes effect. If eligible expenses are more than 5% of your income, the PHA will approve the exemption with a written request.

Chapter 7-Verification

Chapter 7.A, which previously described pre-HOTMA procedures was removed, and redesignates Chapter 7.B as the new Chapter 7.

7-I.E.

Policy changes related to Deceased Tenants Reports per *Notice PIH 2026-11* and *Notice PIH 2023-27*. This report previously required quarterly, is now required monthly. This revision also provides guidance on appropriate steps to take when the PHA receives news of a deceased individual.

Chapter 11 Reexaminations

Chapter 11.A, which previously described pre-HOTMA procedures was removed, and redesignates Chapter 11.B as the new Chapter 11.

11.II.B.

This section more clearly defines the process for conducting interim reexaminations per Notice PIH 2023-27, Revision 3. Providing guidance on the circumstances that require an interim reexamination relative to changes in family composition, income increases, and income decreases.

Chapter 12 termination

12.I.D.

This section updates policies regarding the death of a sole family member and family absence from the unit per Notice PIH 2026-11. This states that the PHA must terminate the HAP no later than the last day of the month the death occurred.

Language was removed referencing policies that would no longer apply on the HOTMA compliance date.

Revised policies regarding insufficient funding [24 CFR 982.454] per Notice PIH 2026-12, Revision 2. This revision details cost saving measures that can be taken should the PHA determine there is insufficient funding available.

Chapter 13-Owners

13.II.F.

This section added policy language relative to change of ownership. Stating that while no new lease or HAP contract is required, the new owner is bound by the HAP that was executed by the previous owner.

Chapter 19 -Special Purpose Vouchers

- This chapter removed language regarding SSN and citizenship verification for the Stability Voucher Program per Notice PIH 2026-05. We do not administer Stability Vouchers.

Glossary

The glossary was updated to reflect current terminology, including revisions to the acronyms section. In addition, outdated pre-HOTMA definitions have been removed.

Appendix

The appendix that was relative to HOTMA guidance, has been removed.

RESOLUTION NO 26-006

Public Housing Program

ADMISSIONS & CONTINUED OCCUPANCY POLICY (ACOP)

WHEREAS, the Wausau Community Development Authority (WCDA) operates a Public Housing Program within the City of Wausau; and

WHEREAS, the ACOP is applicable to the operation and administration of the WCDA's Public Housing Program; and

WHEREAS, the WCDA is required to have its Board of Commissioners approve any revision or changes to the ACOP; and

WHEREAS, the WCDA is further required to submit the most recent Board approved ACOP to the Department of Housing and Urban Development, Milwaukee Field Office, for retention in its files; and

WHEREAS, WCDA staff has recommended changes specific to policy and administrative guidance, as well as changes to references and citations, all complying with federal regulation;

NOW THEREFORE, BE IT RESOLVED, the Board of Commissioners of the WCDA hereby adopts the updated ACOP and approves its submission to the Department of Housing and Urban Development.

AYES _____ NAYS _____

Approved Date _____

Sarah Napgezek
Chairperson

Randy Fifrick
Director

ACOP Revisions Effective 07/01/2026

The most recent ACOP revisions involved many working and language changes mostly pertaining to removing pre Housing Opportunity Through Modernization Act (HOTMA) procedures. The changes more specific to policy and administrative guidance are detailed below.

Introduction

The original section outlining HOTMA-related changes in the ACOP has been removed. Previously, this section provided background on the Housing Opportunity Through Modernization Act of 2016, explained the regulatory updates issued under HOTMA Sections 102 and 104, and detailed HUD's phased implementation approach due to system limitations within IMS/PIC. It also described which HOTMA policies were active, which were on hold, and how those elements were tracked in the model policy and appendix.

Chapter 1

This section was revised to state that all transactions with an effective date of January 1, 2027, or later must meet HOTMA requirements.

Chapter 2

The chapter was updated to reflect HUD's current guidance on nondiscrimination rules. It explains that although 24 CFR 5.105(a)(2) still prohibits discrimination based on marital status, gender identity, and sexual orientation, HUD is no longer enforcing the Equal Access Rule and has removed related guidance. It also notes HUD's proposed 2026 rule to replace references to gender and gender identity with sex, which is not yet finalized, and that state protections vary.

Chapter 3

This chapter now includes a requirement for applicants to provide a complete list of all states where any household member has lived. This information helps the PHA conduct thorough and accurate background checks. The update also clarifies that failure to answer any application question truthfully or completely may result in denial of admission, consistent with the guidance in Notice PIH 2012-28.

Chapter 6

Chapter 6.A, which previously described pre-HOTMA procedures was removed, and redesignates Chapter 6.B as the new Chapter 6.

Chapter 7

Chapter 7.A, which previously described pre-HOTMA procedures was removed, and redesignates Chapter 7.B as the new Chapter 7.

Chapter 9

Chapter 9.A, which previously described pre-HOTMA procedures was removed, and redesignates Chapter 9.B as the new Chapter 9.

Chapter 13

Language was removed referencing policies that would no longer apply on the HOTMA compliance date.

Glossary

The glossary was updated to reflect current terminology, including revisions to the acronyms section. In addition, outdated pre-HOTMA definitions have been removed.

BYLAWS OF THE COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WAUSAU

ARTICLE I - THE AUTHORITY

Section 1 - Name of Authority. The name of the Authority shall be "Community Development Authority of the City of Wausau".

Section 2 - Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority.

Section 3 - Offices of the Authority. The principal offices of the Authority shall be at 550 East Thomas Street, Wausau, Wisconsin 54403. In addition, the Authority may from time-to-time have offices as such other place or places as it deems necessary. The location of the Authority's principal offices may be changed by appropriate resolution of the Authority.

Section 4 - Appointment of Members. The Mayor shall, with the confirmation of the Common Council, appoint seven (7) resident persons as commissioners to the Community Development Authority according to Wisconsin Statutes 66.1335, and Wausau Municipal Code 2.76.060.

ARTICLE II - OFFICERS

Section 1 - Officers. The officers of the Authority shall be a Chair, a Vice-Chair, and a Secretary/Treasurer (who shall be Executive Director).

Section 2 - Chair. The Chair shall preside at all meetings of the Authority. The Chair, Executive Director and Assistant Director of the WCDA are authorized to execute on behalf of the Authority all contracts, deeds, notes and other forms of obligations or instruments when duly authorized by the Commissioners of the Authority to do so. At each meeting the Chair shall submit such recommendations and information as he/she may consider proper concerning the business, affairs, and policies of the Authority.

Section 3 - Vice-Chair. The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair; and in case the Chair is no longer able to serve, the Vice Chair shall perform such duties as are imposed on the Chair until such time as the Authority shall select a Chairperson from among its members, pursuant to section 66.1201(5).

Section 4 - Secretary/Treasurer. The Secretary/Treasurer shall be the Executive Director and at the direction of the Secretary, the Assistant Director of the WCDA shall keep the records of

the Authority, shall act as Secretary of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to that office. The Secretary/Treasurer shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Secretary/Treasurer, or at the direction of the Secretary/Treasurer, the Assistant Director of the WCDA shall have the care and custody of all funds of the Housing Division and shall deposit the same in the name of the Authority in such bank or banks. The Secretary/Treasurer or the Assistant Director of the WCDA shall approve all checks for the payment of bills and shall delegate responsibility to pay out and disburse such monies.

The Secretary/Treasurer may delegate to the City of Wausau Finance Department payment of bills as set forth above.

Section 5 - Executive Director. The Executive Director shall serve as Secretary/Treasurer to the Authority and shall be the chief administrative officer of the Authority and shall direct, manage and supervise the Authority's administrative operation and technical activities in accordance with and subject to the direction of the Authority. The Executive Director is authorized to sign all official documents including those associated with grant application processing.

Section 6 - Assistant Director of the WCDA. The Assistant Director of the WCDA shall serve as the Deputy Secretary/Treasurer to the Authority and shall perform the duties of the Executive Director or Secretary/Treasurer in the Secretary/Treasurer's absence. Duties shall be carried out in accordance with the rules and regulations set up by the Community Development Authority and rules and regulations of the U.S. Department of Housing and Urban Development (HUD), Wisconsin Statutes, the Wisconsin Housing and Economic Development Authority (WHEDA), and other agencies as applicable.

Section 7 - Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time-to-time be required by the Authority or by the bylaws or rules and regulations of the Authority and which are necessary to promote the housing and redevelopment mission of the agency.

Section 8 - Election or Appointment. Successive commissioners shall be appointed by the Mayor. The Chair and Vice-Chair shall be elected from among the commissioners of the Authority. The election or appointment of Chair and Vice-Chair shall be reviewed by the Board on an annual basis. Additional reviews may be conducted as needed at the discretion of the Board, in response to organizational needs, vacancies, or other relevant circumstances.

Section 9 - Vacancies. Should the offices of Chair or Vice Chair become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office. The term limits for the offices of Chair

and Vice Chair shall coincide with the term of the appointed member, or until such time as a successor is elected. If the Executive Director position is vacant, any appointed Interim Executive Director, the Assistant Director of the WCDA, or the Vice-Chair shall serve as Secretary/Treasurer to the Authority, until such time as the Executive Director is hired.

ARTICLE III - MEETINGS

Section 1 - Regular Meetings. Meetings shall be held by the Authority monthly, or as needed, and at a regular time. When the regular meeting falls on a legal holiday, a special meeting may be called in lieu of the regular meeting. All regular and special meetings of the Authority shall be held at the Authority's principal office or in such other public place as the Authority deems appropriate. All regular and special meetings, hearings, records and accounts of the Authority shall be subject to Wisconsin Statutes, Chapter 19.

Section 2 - Special Meetings. The Chair of the Authority may, when she/he deems expedient, and/or upon written request of any member of the Commission, call a special meeting of the Commissioners, whenever any one of them deems it necessary.

Section 3 - Meeting Agendas. Any commissioner may have any item of his or her choosing on an agenda of either a regular or a special meeting. Agendas shall be posted for public notice under Wisconsin Statutes Chapter 19.

Section 4 - Quorum. The powers of the Authority shall be vested in the Commissioners thereof in office from time to time. Four (4) Commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. An item can be adopted with a majority of votes of the same persuasion.

Section 5 - Order of Business. The Secretary/Treasurer or the Deputy Secretary/Treasurer shall prepare an agenda for each meeting.

Section 6 - Motions. Motions shall be restated by the Chair before a vote is taken. The name of the maker of the motion and the second to the motion shall be duly recorded in the minutes of the meeting.

Section 7 - Voting. The voting on all questions coming before the Authority shall be by voice and shall not be recorded by "yeas" and "nays" unless requested by a member of the Authority.

Section 8 - Parliamentary Procedure. The parliamentary procedure utilized during Authority meetings shall be governed by Roberts Rules of Order.

ARTICLE IV - AMENDMENTS

Section 1 - Amendments to Bylaws. The bylaws of the Authority may be amended after an amendment has been introduced at any regular meeting or special meeting and referred to the next regular/special meeting. Adoption of an amendment shall be by a two-thirds vote of the voting quorum.

ARTICLE V - SUBCOMMITTEES

Section 1 - Subcommittees. The Authority may establish subcommittees as may (from time-to-time) be required.

Adopted this _____ day of _____, 2025.

Sarah Napgezek, Chair

Secretary/Treasurer

3346328

Easement

THIS INDENTURE is made this _____ day of _____, _____, by and between **Community Development Authority of the City of Wausau, a public body corporate and politic organized under the laws of the State of Wisconsin and a "public housing agency" as defined in the United States Housing Act of 1973, ("Grantor") and WISCONSIN PUBLIC SERVICE CORPORATION**, a Wisconsin Corporation, along with its successors and assigns (collectively, "Grantee") for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor, owner of land, hereby grants and warrants to, Grantee, a permanent easement upon, within, beneath, over and across a part of Grantor's land hereinafter referred to as "easement area" more particularly described as follows:

**COPY FOR
YOUR RECORDS**

Part of **Lot 16-19 of Block 5** of the recorded plat of **A Warrens Jr's Addition, described as** Part of Lot 1 of Certified Survey Map No.19981; Recorded in the **Marathon** County Register of Deeds of Certified Survey Maps as Document 1909914; being part of the Southeast Quarter of the Southwest Quarter (SE 1/4 – SW 1/4) of Section **26**, Township **29 North**, Range **7 East**, City of **Wausau**, County of **Marathon**, State of **Wisconsin**, as shown on the *attached Exhibit "A"*.

Return to:
Wisconsin Public Service Corp.
Real Estate Dept.
P.O. Box 19001
Green Bay, WI 54307-9001

Tax Parcel Identification Number
(PIN)

29129072630576

- 1. Purpose: ELECTRIC OVERHEAD & UNDERGROUND** - The purpose of this easement is to construct, install, operate, maintain, repair, replace and extend underground utility facilities, conduit and cables, electric pad-mounted transformers, manhole, electric pad-mounted vacuum fault interrupter, concrete slabs, power pedestals, riser equipment, terminals and markers, together with all necessary and appurtenant equipment under and above ground, and to construct, erect, operate, maintain and replace overhead utility facilities, including a line of poles, together with the necessary conductors, anchors, guy wires, underground cable, pedestals, riser equipment and all other appurtenant equipment above ground, as deemed necessary by Grantee, for the transmission and distribution of electric energy, signals, television and telecommunications services, including the customary growth and replacement thereof. Trees, bushes, branches and roots may be trimmed or removed by Grantee whenever it decides it is necessary so as not to interfere with Grantee's use of the easement area.
- 2. Access:** Grantee shall have the right to enter on and across any of the Grantor's property outside of the easement area as may be reasonably necessary to gain access to the easement area and as may be reasonably necessary for the construction, installation, operation, maintenance, inspection, removal or replacement of the Grantee's facilities.

3. **Buildings or Other Structures:** Grantor agrees that no structures will be erected in the easement area or in such close proximity to Grantee's facilities as to create a violation of all applicable State of Wisconsin electric and gas codes or any amendments thereto.
4. **Elevation:** Grantor agrees that the elevation of the ground surface existing as of the date of the initial installation of Grantee's facilities within the easement area will not be altered by more than 4 inches without the written consent of Grantee.
5. **Restoration:** Grantee agrees to restore or cause to have restored Grantor's land, as nearly as is reasonably possible, to the condition existing prior to such entry by Grantee or its agents. This restoration, however, does not apply to any trees, bushes, branches or roots which may interfere with Grantee's use of the easement area.
6. **Exercise of Rights:** It is agreed that the complete exercise of the rights herein conveyed may be gradual and not fully exercised until sometime in the future, and that none of the rights herein granted shall be lost by non-use.
7. **Binding on Future Parties:** This grant of easement shall be binding upon and inure to the benefit of the heirs, successors and assigns of all parties hereto.
8. **Easement Review:** Grantor acknowledges receipt of materials which describe Grantor's rights and options in the easement negotiation process and furthermore acknowledges that Grantor has had at least 5 days to review this easement document *or* voluntarily waives the five day review period.

[REMAINDER OF PAGE LEFT BLANK]

WITNESS the hand and seal of the Grantor the day and year first above written

**Community Development Authority of the City of Wausau, a public
body corporate and politic organized under the laws of the State of
Wisconsin and a "public housing agency" as defined in the United
States Housing Act of 1973**

Organization name

Sign Name

Print name & title

Sign Name

Print name & title

STATE _____)
OF _____)
COUNTY _____)
OF _____)
SS

This instrument was acknowledged before me this _____ day of _____, _____, by the
above-named _____ as _____ of the **Community
Development Authority of the City of Wausau, a public body corporate and politic organized under the
laws of the State of Wisconsin and a "public housing agency" as defined in the United States Housing Act
of 1973**, to me known to be the Grantor(s) who executed the foregoing instrument on behalf of said Grantor(s)
and acknowledged the same

Sign Name

Print Name

Notary Public, State of

My Commission expires:

This instrument drafted by: Erica Pomerening
Wisconsin Public Service Corporation

REMS Entity ID	WR Number	Document ID	REMS Formatted Number
1495959	WMIS-3495604	3346328	INT11-495-959

TEMPORARY EXHIBIT "A"

NOT TO SCALE
FOR REFERENCE ONLY

NORTH

12 FOOT WIDE EASEMENT

T29 R7
Z6

****Temporary Exhibit****
****Final Exhibit will be sent for approval at a later date****

117.28'

7-246

51



1806 Woodland Ridge Road
Wausau, WI 54403
Melody 715-571-8122
melody@funktiondesignstudio.com

ADDITIONAL SERVICES PROPOSAL

July 6, 2026

Juli Birkenmeier
Assistant Director
Wausau Community Development Authority
550 E. Thomas Street
Wausau, WI 54403

Subject: 25.008 Wausau Community Development Authority Multifamily New Construction Project at 405 S 8th Avenue, Wausau, WI - Proposed Professional Services

This is an Additional Services Proposal for services to be provided by Funktion Design Studio, LLC under our current contract #25.008 CDA Multifamily Project

SCOPE OF SERVICES

Additional scope of services related to Construction Administration. We are requesting an additional service agreement for the administration and observation of the Multifamily New Construction Project at 405 S 8th Avenue, Wausau to continue the due diligence and construction compliance. We did not anticipate an additional request for assistance in submittal reworks, contractor RFI and submittal questions and owner assistance. We have expended our fees to date and have not invoiced for all our time (\$2,530). We respectfully requesting an additional fee (not to exceed) NTE \$5,000 for labor.

Fee breakout

6-7 months of remaining construction at 6 hours per month at a Project Manager Rate of \$110/ hr. range of fees \$3,960-\$4,625.

Basis for Compensation

The professional services fee represents the effort required by Funktion Design Studio, LLC Design Team to provide the services described for the project. We have accounted for the required tasks to support the proposed additional professional services as outlined within this proposal. Reimbursable expenses will remain under the current contract. Compensation will be based on our standard hourly billing rates on a time and material basis NTE for the base services as outlined under the scope of services.

Additional Services

We can provide additional services as may be required and will provide a Proposal for such services upon request.

Reimbursable Expenses

Reimbursable expenses are in addition to the Compensation above which will apply to the Consultant acting in the interest of this project.

Client Responsibilities

The Client shall provide, or make available, all relevant information and data pertaining to this project to the Consultant. The Client shall also provide access to all private and public property which is required for the Consultant to perform their services.

Standard Consultant Provisions

Included as part of this Agreement are our Standard Agreement Provisions, which are, hereby, made a part of this Agreement.

ACCEPTANCE

If the terms of this Proposal are acceptable, please sign both copies of this Proposal. Return one signed copy to our office for our files and as our authorization to begin work. This proposal is valid for Ten (10) days.

We look forward to the opportunity to be of service.

Sincerely,



Melody Hamlin, AIA
Funktion Design Studio, LLC

ACCEPTED BY:

Wausau Community Development Authority

Signature: _____

Title: _____

Date: _____

Funktion Design Studio. LLC

Standard Agreement Provisions

1. Billings and Payments

Funktion Design Studio. LLC (Consultant) will provide Client with monthly invoices. Payment is due upon receipt. Amounts unpaid after 30 days will bear interest of 1.5% per month (18% annually) until paid.

2. Construction Phase Services

If this Agreement provides for any construction phase services by Consultant, it is understood that the Contractor, not Consultant, is responsible for the construction of the project, and that Consultant is not responsible for the acts or omissions of any contractor, subcontractor or material supplier; for safety precautions, programs or enforcement; or for construction means, methods, techniques, sequences and procedures employed by the Contractor.

3. Dispute Resolution

Client and Consultant agree that they shall first submit any and all unsettled claims, counterclaims, disputes, and other matters in question between them arising out of or relating to this Agreement to mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association in effect at the date of this agreement.

4. Force Majeure

"The term "Force Majeure" shall include, with limitation by the following enumeration: acts of God or Nature, acts of civil or military authority, terrorism, fire, accidents, pandemic outbreaks, power shortage, telecommunication or data communication, shutdowns for purpose of emergency repairs, strikes and any other industrial, civil or public disturbances that are not reasonably within the control of a party, causing the inability to perform the requirements of this Agreement. If any party is rendered unable, wholly or in part, by a Force Majeure, to perform or comply with any obligation or condition of this Agreement then, upon giving notice and reasonably full particulars to the other Party, such obligation or condition shall be suspended only for the time and to the extent reasonably necessary to allow for performance, compliance and restoration of normal operation. If only the CONSULTANT is impacted by Force Majeure and more than 60 days has elapsed then the CLIENT shall be entitled to exercise any remedies otherwise provided for in this Agreement, including termination for default."

5. Hazardous Environmental Conditions

It is acknowledged by both parties that Consultant's scope of services does not include any services related to the presence at the site of asbestos, PCB's, petroleum, hazardous waste or radioactive materials. Client acknowledges that Consultant is performing professional services for Client and Consultant is not and shall not be required to become an "arranger," "operator," "generator" or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA).

6. Indemnification

The Consultant agrees to indemnify and hold harmless the City of Wausau, its employees, officers, volunteers, elected and appointed officials against all damages or liabilities arising directly from the Consultant's and/or any of its subconsultant's negligent performance of the services under this Agreement.

7. Limitation of Liability

In recognition of the relative risks and benefits of the Project to both the Client and the Consultant, the risks have been allocated such that the Client agrees, to the fullest extent permitted by law, to limit the liability of the Consultant and the Consultant's officers, directors, partners, employees and sub-consultants (hereinafter jointly referred to as "Consultant") to the Client for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of the Consultant for the entire Project which is the subject of this Agreement, regardless of how limited in scope the services under this Agreement may be, shall not exceed the limits of the insurance referenced in the contract.

8. Opinion of Cost

When included in Consultant's scope of services, opinions or estimates of probable construction cost are prepared on the basis of Consultant's experience and qualifications and represent Consultant's judgment as a professional generally familiar with the industry. However, since Consultant has no control over the cost of labor, materials, equipment or services furnished by others, over contractor's methods of determining prices, or over competitive bidding or market conditions, Consultant cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from Consultant's opinions or estimates of probable construction cost.

9. Standard of Care

The standard of care for all professional services performed or furnished by Consultant under this Agreement will be the skill and care used by members of Consultant's profession practicing under similar circumstances at the same time and in the same locality. Consultant makes no warranties, express or implied, under this Agreement or otherwise, in connection with Consultant's services.

10. Termination of Contract

Client may terminate this Agreement with seven days prior written notice to Consultant. Failure of Client to make payments when due shall be cause for suspension of services or, ultimately, termination, unless and until Consultant has been paid in full all amounts due for services, expenses and other related charges.

11. Ownership of Documents

All documents prepared or furnished by Consultant pursuant to this Agreement are instruments of Consultant's professional service, and Consultant shall retain an ownership and property interest therein. Consultant grants Client a license to use instruments of Consultant's professional service for the purpose of constructing, occupying and maintaining the Project. Reuse or modification of any such documents by Client, without Consultant's written permission, shall be at Client's sole risk, and Client agrees to indemnify and hold Consultant harmless from all claims, damages and expenses, including attorney's fees, arising out of such reuse by Client or by others acting through Client.

12. Use of Electronic Media

Copies of documents that may be relied upon by Client are limited to the printed copies, (also known as hard copies) which are signed or sealed by Consultant. Files in electronic media format or text, data, graphic or other types that are furnished by Consultant to Client are only for convenience of Client. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. When transferring documents in electronic media format, Consultant makes no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems or computer hardware differing from those in use by Consultant at the beginning of this assignment.

13. Insurance Provisions

Workers Compensation and employers' liability

Workers' Compensation - Statutory

Employers Liability

Each Accident	\$ 500,000
Disease-Each Employee	\$ 500,000
Disease-Policy Limit	\$ 500,000

Commercial general liability

Occurrence	\$1,000,000
Damage to Rented Premises	\$1,000,000
Medical Expenses	\$ 10,000
Personal & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000

Automobile liability

Automobile Liability Combined Single Limit	\$1,000,000
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Umbrella liability

Each Occurrence	\$2,000,000
Aggregate	\$2,000,000

Professional Liability Insurance

Per Claim	\$1,000,000
Aggregate	\$1,000,000

14. WAIVER

One or more waivers by any party of any term of the contract will not be construed as a waiver of a subsequent breach of the same of any other term. The consent or approval given by any party with respect to any act by the other party requiring such consent or approval shall not be deemed to waive the need for further consent or approval of any subsequent similar act by such party.

15. INDEPENDENT CONTRACTOR STATUS

Consultant agrees that it is an independent contractor with respect to the services provided pursuant to this agreement. Nothing in this agreement shall be considered to create the relationship of employer and employee between the parties.

16. NON-DEBARMENT CLAUSE

Consultant hereby certifies that neither it nor any of its principal officers or officials has ever been suspended or debarred, for any reason whatsoever, from doing business or entering into contractual relationships with any governmental entity. Consultant further agrees and certifies that this clause shall be included in any subcontract of this contract.

17. GRATUITIES AND KICKBACKS

It shall be unethical for any person to offer, give, or agree to give any elected official, employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer for employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the contents of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceedings or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or contract, subcontract, or any solicitation or proposal therefore. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or a higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract, or order.

18. APPLICABLE LAW

This Agreement shall be governed under the laws of the State of Wisconsin. Consultant shall at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this Agreement and which in any manner affect the work, storage yard, or its conduct.

19. NOTICES

Any notice which may be given by a Party under this Agreement shall be deemed to have been duly delivered if delivered by hand and/or first-class post to the address of the other Party as specified in this Agreement or any other address notified in writing to the other Party. Subject to any applicable local law provisions to the contrary, any such communication shall be deemed to have been made to the other Party:

If delivered by First class post, 5 days from the date of posting; and

If delivered by hand, on the date of such delivery

Notices will be sent to:

Funktion Design Studio, LLC
ATTN: Melody Hamlin
Managing Partner
1806 Woodland Ridge Road
Wausau, WI 54403

Wausau Community Development Authority
ATTN: Juli Birkenmeier
Assistant Director
550 E. Thomas Street
Wausau, WI 54403

20. ENTIRE UNDERSTANDING

This Agreement constitutes the entire understanding between the Parties relating to the subject matter hereof unless any representation made about this Agreement was made fraudulently and, save as may be expressly referred to or referenced herein, supersedes all prior representation, writings, negotiations or understandings with respect hereto.

21. ASSIGNMENT OR SUBCONTRACT

This contract may not be assigned or subcontracted by Consultant without the written consent of the City

22. AMENDMENTS

This Agreement may not be amended for any other reason without the prior written agreement of both Parties.

23. SEVERABILITY

If any part, term, or provision of this Agreement is held to be illegal or unenforceable neither the validity nor enforceability of the remainder of this Agreement shall be affected.

Rev. 2/2023 client

2025 Occupancy Overview					
	Riverview Towers (149 Units) Occupancy %	Riverview Terrace (36 Units) Occupancy %	Public Housing (46 Units) Occupancy %	Housing Choice Vouchers Utilized	Fulton Street (5 Tenant Units) Occupancy %
January	98%	100%	100%	306	100%
February	99%	100%	98%	303	100%
March	99%	100%	100%	301	100%
April	99%	95%	98%	293	100%
May	100%	100%	98%	290	100%
June	99%	100%	96%	289	100%
July	99%	100%	96%	288	100%
August	98%	92%	96%	285	100%
September	99%	92%	96%	286	100%
October	100%	100%	96%	292	100%
November	99%	100%	98%	295	100%
December	99%	100%	98%	295	100%

2026 Occupancy Overview					
	Riverview Towers (149 Units) Occupancy %	Riverview Terrace (36 Units) Occupancy %	Public Housing (46 Units) Occupancy %	Housing Choice Vouchers Utilized	Fulton Street (5 Tenant Units) Occupancy %
January	100%	100%	96%	291	100%
February	99%	100%	98%	288	100%
March	99%	97%	98%	287	100%
April	99%	100%	100%	286	100%
May	99%	100%	100%	284	100%
June	97%	100%	98%	283	100%
July	98%	97%	100%	285	100%
August					
September					
October					
November					
December					

Riverview Towers Masonry and Concrete Facade Evaluation Study

4.0 Opinion of Probable Cost

The following is an Opinion of Probable Cost based on the recommendations to repair the deteriorated conditions noted in Section 2.0.

Riverview Towers

Exterior Repairs Opinion of Probable Cost

Complete Project - Proposed 2027

Prepared by Funktion Design Studio, LLC

7/14/2026

1	Shelf Angle w/Brick Repair	143	lf	\$ 420.00	\$ 60,060
2	Delamination Repair & Sunscreens	4	sf	\$ 500.00	\$ 2,000
3	Fill Cracks	21	lf	\$ 25.00	\$ 525
4	Column Concrete Coating Repair	317	sf	\$ 185.00	\$ 58,645
5	Replace Column Joints	3907	lf	\$ 24.00	\$ 93,768
6	Horizontal Sunshade Joints Top	3125	lf	\$ 22.50	\$ 70,313
6	Horizontal Sunshade Joints w/ weeps	2740	lf	\$ 30.00	\$ 82,200
7	Sun Shade Sealants	1295	lf	\$ 31.00	\$ 40,145
8	Tuckpointing Repair	250	sf	\$ 35.00	\$ 8,750
		1000	Brick	\$ 50.00	\$ 50,000
9	Replace perimeter sealants	2016	lf	\$ 22.50	\$ 45,360
10	Tuckpointing Major	40	lf	\$ 35.00	\$ 1,400
11	Minor Surface Tuckpoint	27	sf	\$ 35.00	\$ 945
12	Shelf Angle Repair	987	lf	\$ 60.00	\$ 59,220
13	Power Wash	35864	sf	\$ 1.50	\$ 53,796
14	Concrete Roof Coping Beam Repair	100	lf	\$ 350.00	\$ 35,000
15	Power Wash Columns and Coating	9196	sf	\$ 20.00	\$ 183,920
15	Power Wash Sunshade and Coating (3 sides)	15341	sf	\$ 20.00	\$ 306,816
16	Spall Repair	28	sf	\$ 250.00	\$ 7,000
17	Not Used				
18	Mortar Replacement	30	sf	\$ 35.00	\$ 1,050
19	Replace Mortar Joint w/ Sealant Joint	22	sf	\$ 28.00	\$ 616
20	Air Conditioner Sealant Joints	1071	lf	\$ 21.00	\$ 22,491
21	Window Sealant	7028	lf	\$ 21.00	\$ 147,588
22	Clean Plate and Paint	44	lf	\$ 35.00	\$ 1,540
23	Roof Counterflashing Sealant	220	lf	\$ 25.00	\$ 5,500
24	Power Wash Roof Beam and Coating	280	lf	\$ 200.00	\$ 56,000
25	Lintel clean and Seal	44	lf	\$ 45.00	\$ 1,980
	Interior wall/soffit damage removal, repair, Paint	3000	sf	\$ 28.50	\$ 85,500
	Subtotal			\$ 1,482,128	

Phase 1	Phase 2
\$ 60,060	
\$ 2,000	
	\$ 525
\$ 58,645	
\$ 93,768	
	\$ 70,313
\$ 82,200	
\$ 40,145	
\$ 8,750	
\$ 50,000	
\$ 45,360	
\$ 1,400	
	\$ 945
\$ 59,220	
\$ 53,796	
\$ 35,000	
	\$ 183,920
	\$ 306,816
\$ 7,000	
	\$ 1,050
	\$ 616
\$ 22,491	
	\$ 147,588
\$ 1,540	
	\$ 5,500
\$ 56,000	
\$ 1,980	
\$ 85,500	
\$ 764,855	\$ 717,273

Contingency 25% \$ 370,532 \$ 191,213.75 \$ 179,318.13

Mobilization/ General Conditions

General Conditions/ Mobilization	\$ 46,300
Portable toilets, office, rental for project duration	\$ 22,500
Fence rental for project duration	\$ 11,500
Lull Lift, swing stage and anchor equipment rental for project duration	\$ 200,000
Subtotal	\$ 280,300

\$ 280,300 \$ 294,315.00

Exterior Building Repair OPC

\$ 2,132,959 \$ 1,236,369 \$ 1,190,906

Options

Alternate Roof Coping Cap

Custom Coping @ Sunscreens	346	sf	\$ 580.00	\$ 200,680
Custom Coping @ Concrete Curbs	138	sf	\$ 85.00	\$ 11,730
Subtotal				\$ 212,410

Waterproof Sealant	35864	sf	\$ 3.00	\$ 107,592
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Reroofing one story buildings

West Dining Room	3100	sf	\$ 38.00	\$ 117,800
East Entry	377	sf	\$ 38.00	\$ 14,326
Subtotal				\$ 132,126

In providing this Opinion of Probable Cost (OPC), the client understands that Funktion Design Studio, LLC (FDS) does not have control over the price of labor, equipment, materials, or the Contractors means or methods of pricing. The OPC provided is made on the basis of FDS's professional qualifications and related experience. FDS makes no warranty, expressed or implied, to the accuracy of opinions as compared to bid or actual costs.

Riverview Towers Masonry and Concrete Facade Evaluation Study

Riverview Towers

Exterior Repairs Opinion of Probable Cost

Complete Project - Proposed 2027

North an South Elevations only

Prepared by Funktion Design Studio, LLC

7/14/2026

1	Shelf Angle w/Brick Repair	143	lf	\$ 420.00	\$ 60,060
2	Delamination Repair & Sunscreens	0	sf	\$ 500.00	\$ -
3	Fill Cracks	13	lf	\$ 25.00	\$ 325
4	Column Concrete Coating Repair	102	sf	\$ 185.00	\$ 18,870
5	Replace Column Joints	920	lf	\$ 24.00	\$ 22,080
6	Horizontal Sunshade Joints Top	0	lf	\$ 22.50	\$ -
6	Horizontal Sunshade Joints w/ weeps	0	lf	\$ 30.00	\$ -
7	Sun Shade Sealants	45	lf	\$ 31.00	\$ 1,395
8	Tuckpointing Repair	248	sf	\$ 35.00	\$ 8,680
		1000	Brick	\$ 50.00	\$ 50,000
9	Replace perimeter sealants	196	lf	\$ 22.50	\$ 4,410
10	Tuckpointing Major	0	lf	\$ 35.00	\$ -
11	Minor Surface Tuckpoint	14	sf	\$ 35.00	\$ 490
12	Shelf Angle Repair	987	lf	\$ 60.00	\$ 59,220
13	Power Wash	11500	sf	\$ 1.50	\$ 17,250
14	Concrete Roof Coping Beam Repair	76	lf	\$ 350.00	\$ 26,600
15	Power Wash Columns and Coating	1104	sf	\$ 20.00	\$ 22,080
15	Power Wash Sunshade and Coating (3 sides)	0	sf	\$ 20.00	\$ -
16	Spall Repair	34	sf	\$ 250.00	\$ 8,500
17	Not Used				
18	Mortar Replacement	0	sf	\$ 35.00	\$ -
19	Replace Mortar Joint w/ Sealant Joint	0	sf	\$ 28.00	\$ -
20	Air Conditioner Sealant Joints	0	lf	\$ 21.00	\$ -
21	Window Sealant	252	lf	\$ 21.00	\$ 5,292
22	Clean Plate and Paint	0	lf	\$ 35.00	\$ -
23	Roof Counterflashing Sealant	32	lf	\$ 25.00	\$ 800
24	Power Wash Roof Beam and Coating	256	lf	\$ 200.00	\$ 51,200
25	Lintel clean and Seal	0	lf	\$ 45.00	\$ -
	Interior wall/soffit damage removal, repair, Paint	0	sf	\$ 28.50	\$ -

Subtotal \$ 357,252

Contingency 25% \$ 89,313

Mobilization/ General Conditions

General Conditions/ Mobilization	\$ 25,000
Portable toilets, office, rental for project duration	\$ 12,000
Fence rental for project duration	\$ 6,000
Lull Lift, swing stage and anchor equipment rental for project duration	\$ 110,000
Subtotal	\$ 153,000

Exterior Building Repair OPC \$ 599,565

Waterproof Sealant	11500	sf	\$ 3.00	\$ 34,500
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In providing this Opinion of Probable Cost (OPC), the client understands that Funktion Design Studio, LLC (FDS) does not have control over the price of labor, equipment, materials, or the Contractors means or methods of pricing. The OPC provided is made on the basis of FDS's professional qualifications and related experience. FDS makes no warranty, expressed or implied, to the accuracy of opinions as compared to bid or actual costs.