City of West Allis
Meeting Agenda
Community Development Authority

Wednesday, March 5, 2025	6:00 PM	City Hall, Room 128 7525 W. Greenfield Ave.

REGULAR MEETING (draft minutes)

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES

1. 25-0080 January 15, 2025

Attachments: January 15, 2025 (draft minutes)

D. MATTERS FOR DISCUSSION/ACTION

2. 25-0085 Resolution to consider a professional service sole source contract with Lutheran Social Services to provide service coordination of a Family Self-Sufficiency Program as part of the Housing Choice Voucher Program and Veterans Affairs Supportive Housing programs in the amount of $110,000.

Attachments: EXHIBIT A FY25 LSS FSS Scope of Services Narrative
EXHIBIT B FSS Budget Proposal_2025
CDA Res. No. 1491 - 2025 West Allis CDA _FSS Resolution Contract
CDA Res. No. 1491 - 2025 West Allis CDA _FSS Resolution Contract (signed)

3. 25-0089 Communication of Audit Report for Beloit Road Senior Apartments, LLC submitted by Baker Tilly US, LLP.

Attachments: Beloit Road - 2024 Audit Results Letter
Beloit Road Senior Apartments AUD 12-31-24 FS FINAL

4. 25-0086 Discussion on the status of the Makers Row Development.

5. 25-0087 Discussion on the status of 1405 S. 92 St.

6. 25-0088 Discussion on 6500 W. Washington St. (Former Motor Castings Site.)

7. 25-0012 Consideration relative to Report on Redevelopment Initiatives:

a. 84th & Greenfield/TIF Number Eleven
b. 68th & Mitchell (former Milwaukee Ductile Iron)/TIF Number Fourteen
c. The Market/TIF Number Fifteen
d. S. 70th St. & W. Washington St. Corporate Office Corridor Plan/TIF Number Sixteen
e. S. 102 St. and W. Lincoln Ave. – West Lincoln Corridor /TIF Number Seventeen
f. Chr. Hansen Expansion/TIF Number Eighteen
g. 86th and National/TIF Number Nineteen
h. 6400 Block of W. Greenfield Avenue/ TIF Number Twenty
i. Hwy. 100 Corridor
j. Beloit Road Senior Housing Complex
k. W. National Ave. Corridor
l. Motor Castings Site – 1323 S. 65 St.
m. 116th & Morgan Ave.

For agenda items 4-6 the committee may convene in closed session pursuant to the provisions of Section 19.85(1)(e) of the state statutes for the purpose of deliberating the investing of public funds whenever competitive or bargaining reasons require a closed session. This committee may reconvene in open session after completion of the closed session to consider the balance of the agenda

E. ADJOURNMENT

All meetings of the Community Development Authority are public meetings. In order for the general public to make comments at the committee meetings, the individual(s) must be scheduled (as an appearance) with the chair of the committee or the appropriate staff contact; otherwise, the meeting of the committee is a working session for the committee itself, and discussion by those in attendance is limited to committee members, the mayor, other alderpersons, staff and others that may be a party to the matter being discussed.

NOTICE OF POSSIBLE QUORUM

It is possible that members of, and possibly a quorum of, members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information. No action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.

NON-DISCRIMINATION STATEMENT

The City of West Allis does not discriminate against individuals on the basis of race, color, religion, age, marital or veterans' status, sex, national origin, disability or any other legally protected status in the admission or access to, or treatment or employment in, its services, programs or activities.

AMERICANS WITH DISABILITIES ACT NOTICE

Upon reasonable notice the City will furnish appropriate auxiliary aids and services when necessary to afford individuals with disabilities an equal opportunity to participate in and to enjoy the benefits of a service, program or activity provided by the City.

LIMITED ENGLISH PROFICIENCY STATEMENT

It is the policy of the City of West Allis to provide language access services to populations of persons with Limited English Proficiency (LEP) who are eligible to be served or likely to be directly affected by our programs. Such services will be focused on providing meaningful access to our programs, services and/or benefits.

City of West Allis
Meeting Minutes
Community Development Authority

Wednesday, January 15, 2025 | **6:00 PM** | **City Hall, Room 128**
7525 W. Greenfield Ave.

REGULAR MEETING (draft minutes)

A. CALL TO ORDER

B. ROLL CALL

Present 7 - Wayne Clark, Donald Nehmer, Gerald C. Matter, Michael Suter, Danna Kuehn, Martin J. Weigel, Richard Badger

Others Attending

Kail Decker, City Attorney
Ald. Turner, Ald. Haass, Bob Monnat

Staff

Patrick Schloss, Economic Development, Executive Director
Shaun Mueller, Economic Development, Development Project Manager

C. APPROVAL OF MINUTES

1. 25-0003 December 17, 2024

Attachments: December 17, 2024 Draft Minutes

Ald. Weigel moved to approve this matter, Nehmer seconded, motion carried.

D. MATTERS FOR DISCUSSION/ACTION

2. 25-0005 Groundbreaking for Land by Label Development, the Apiary, located at 1070 S. 70th St. on January 16, at 3:00 p.m.

This matter was Discussed.

3. 25-0006 Housing and Urban Development approved the Authority for Family Self Sufficiency Grant in the Amount of $95,063.

Attachments: FSS FY 2025 Approved HUD Grant Summary - West Allis CDA

This matter was Discussed.

4. 25-0007 Resolution to consider authorizing and directing the Executive Director to enter into a contract amendment with Ramboll Americas Engineering Solutions, Inc., for providing Grant Writing Services relative to the United States Environmental Protection Agency (USEPA) FY25 Revolving Loan Fund (RLF) in an amount not to exceed $4,500

Attachments: 1490- CDA-Ramboll Environ - Grant Writing Services - EPA (USEPA) FY25 RLF $4500 - 1-15-25
REH Proposal-EPA RLF Grant Supp Funding Appl_01 06 2025
CDA Res. No. 1490 - Amended Contract with Ramboll - USEPA FY25 Revolving Loan Fund (RLF) (1-15-25) signed

Clark moved to approve this matter, Ald. Weigel seconded, motion carried.

5. 25-0008 Discussion on the status of the Makers Row Development.

This matter was Discussed in Closed Session.

6. 25-0009 Discussion on the status of 1405 S. 92 St.

This matter was Discussed in Closed Session.

7. 25-0010 Discussion on the redevelopment of 6200 Block of W. Greenfield Ave.

This matter was Discussed in Closed Session.

8. 25-0011 Discussion on 6500 W. Washington St. (Former Motor Castings Site)

This matter was Discussed in Closed Session.

9. 25-0012 Consideration relative to Report on Redevelopment Initiatives:

a. 84th & Greenfield/TIF Number Eleven
b. 68th & Mitchell (former Milwaukee Ductile Iron)/TIF Number Fourteen
c. The Market/TIF Number Fifteen
d. S. 70th St. & W. Washington St. Corporate Office Corridor Plan/TIF Number Sixteen
e. S. 102 St. and W. Lincoln Ave. – West Lincoln Corridor /TIF Number Seventeen
f. Chr. Hansen Expansion/TIF Number Eighteen
g. 86th and National/TIF Number Nineteen
h. 6400 Block of W. Greenfield Avenue/ TIF Number Twenty
i. Hwy. 100 Corridor
j. Beloit Road Senior Housing Complex
k. W. National Ave. Corridor
l. Motor Castings Site – 1323 S. 65 St.
m. 116th & Morgan Ave.

At 6:04p.m., a motion was made by Wayne Clark, seconded by Ald. Kuehn to go into closed session to discuss items 4-8 on the agenda. The committee reconvened in Open Session at 7:43 p.m.

E. ADJOURNMENT

There being no further business to come before the Authority a motion was made by Wayne Clark, seconded by Ald. Kuehn to adjourn at 7:44 p.m

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The City of West Allis does not discriminate against individuals on the basis of race, color, religion, age, marital or veterans' status, sex, national origin, disability or any other legally protected status in the admission or access to, or treatment or employment in, its services, programs or activities.

AMERICANS WITH DISABILITIES ACT NOTICE

Upon reasonable notice the City will furnish appropriate auxiliary aids and services when necessary to afford individuals with disabilities an equal opportunity to participate in and to enjoy the benefits of a service, program or activity provided by the City.

LIMITED ENGLISH PROFICIENCY STATEMENT

It is the policy of the City of West Allis to provide language access services to populations of persons with Limited English Proficiency (LEP) who are eligible to be served or likely to be directly affected by our programs. Such services will be focused on providing meaningful access to our programs, services and/or benefits.

Lutheran Social Services
of Wisconsin and Upper Michigan, Inc.

6737 W Washington St, Suite 2275
West Allis, WI 53214
414-246-2300
Fax 414-246-2524

City of West Allis
Community Development Authority
7525 W. Greenfield Avenue
West Allis, WI 53214

RE: Lutheran Social Services of Wisconsin and Upper Michigan Family Self Sufficiency Scope of Services

Lutheran Social Services of Wisconsin and Upper Michigan (LSS) has provided social services to individuals in need since 1882. Our residential and housing programs provide housing and necessary supportive services to tenants, with the purpose of building vibrant communities that contribute to the greater good of the individuals and families served. Our continued partnership in 2025 with the City of West Allis and the Family Self-Sufficiency (FSS) program further support's LSS's understanding, that supportive housing programs positively impact social determinants of health. Below is a description of FSS programming provided by LSS, and the associated marketing and case management to help families increase their earnings and build financial capability and assets.

Scope of Services

LSS will continue its partnership with the City of West Allis to operate an FSS Program in accordance with the City's FY25 FSS Grant Award and current FSS programming. This program will support the program's goals establish by HUD, to support participants in achieving their current and future goals.

LSS will provide an FSS Program Coordinator at 1.0 FTE and 0.1 FTE of Program Supervision to help participants make measurable progress toward economic security and reduce the need for welfare programs and rental assistance. We provide our program staff with ongoing training to guide the coordinator about new approaches or techniques and stay informed of program regulations. Trainings may be conducted internally at LSS, remotely via a webinar or virtual conference, and may include attendance at local, regional, and/or national conferences. Trainings are approved by LSS leadership and within the approved contract budget prior to enrollment and attendance. Travel, accommodations, and per diem associated with attendance at in person trainings and conferences are included in consideration of attendance, and apart of the reimbursable training costs associated with the FSS Program.

The FSS Program Coordinator will function as the integral front-line staff responsible for the implementation and operation of the City of West Allis Housing Authority FSS Program:
Responsibilities of the FSS Coordinator include:

- Marketing and recruiting West Allis Housing Choice Voucher (HCV) participants. The FSS coordinator will proactively market the FSS program to potential participants through an establish marketing plan. In addition, LSS will require the FSS coordinator to host, minimally, a quarterly marketing/outreach event to promote the FSS program.
- Assessing interest and motivation to participate in the FSS program and conduct program enrollment.
- Establish participant goals, formalize, support, and monitor participant's Individual Training and Services Plan (ITSP), and complete Contract of Participation (CoP).
- Support participants in increasing income and achieving goals such as homeownership, education, job training, financial literacy, and health and wellness. Support participants in job

Lutheran Social Services
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searching, job placement, employment retention and career development and advancement. Provide ongoing monitoring of participant progress and success.
- Connect and build relationships with employers, service providers, and community partners to ensure participants receive quality referrals as associated with their goals and ITSP.
- Support the City of West Allis Housing Authority's Program Coordinating Committee (PCC). The FSS coordinator will support making and maintaining relationships within the PCC and new members to the PCC, coordinate ongoing PCC meetings, provide programmatic updates at PCC meetings, and utilize the PCC to coordinate services per the FSS Action Plan.
- Maintain and support the escrow accounts and support escrow disbursement approvals.
- Review and determine participant graduations.
- Maintain accurate and detailed files, required program documents, and records associated with all interactions with participants.
- Coordinate with the City of West Allis regularly to connect on program operations, required participant data, and complete all necessary HUD reporting requirements, outcomes, and documentation to ensure program compliance.

LSS will support HUD's FSS regulations, and the Action Plan established for the City of West Allis's FSS program, to include grant required participant metrics and caseload size. Enrollment in the FSS program is voluntary to current HCV participants. The services and scope of work identified above will establish an effective program infrastructure to promote the success of the program participants.

Annual Budget
The City of West Allis will reimburse LSS monthly for both grant eligible and non-grant eligible expenses associated with the operation of the FSS program. The rate of compensation will be inclusive in covering costs of the FSS Coordinator, overhead, supervision, onboarding and continuing education of the FSS Coordinator. LSS will email invoices to the City of West Allis no later than the 25th day of the month following the month in which the services are provided. The City of West Allis shall have 30 days from receiving the invoice to pay the invoice.

By signature below the parties hereby agree to the scope of services above.

COMMUNITY DEVELOPMENT AUTHOIRTY OF THE CITY OF WEST ALLIS

By:________________ Title________________ Date:________

LUTHERAN SOCIAL SERVICES OF WISCONSIN AND UPPER MICHIGAN

By: Dennis Hanson Title Vice President Date: 2/4/2025

Lutheran Social Services of WI & Upper MI, Inc.
West Allist Housing Authority - FSS Coordinator

Direct Expenses	
Positions/Salaries	
FSS Coordinator	$52,000
Supervisor/Manager/Quality Assurance	$13,817
Total Salaries	$65,817
Fringe Benefits	$20,370
Communication Costs	$1,150
Training, Memberships, Professional Activiity	$3,500
Insurance and Indemnification	$2,145
Publication and Printing Costs	$100
Material and Supplies-Specific to SC	$550
Small Equipment/Hardware/Software	$1,120
Travel	$600
Audit Fees	$1,035
Direct Business Services (Billing/CM Software Support)	$1,827
Subtotal Direct Expenses	$98,214
Indirect Expenses	
General & Administrative	$11,786
Total Expenses	**$110,000**

COMMUNITY DEVELOPMENT AUTHORITY
CITY OF WEST ALLIS
RESOLUTION NO: 1491
DATE ADOPTED: March 5, 2025

Resolution to consider a professional service sole source contract with Lutheran Social Services to provide service coordination of a Family Self- Sufficiency Program as part of the Housing Choice Voucher Program and Veterans Affairs Supportive Housing programs in the amount of $110,000.

WHEREAS, the Community Development Authority of the City of West Allis (the "Authority"), serves as the administrator of 466 voucher of the Housing Choice Voucher Program and 172 Veterans Affairs Supporting Housing (VASH) Programs that provide rent assistance to income qualifying individuals;

WHEREAS, the Housing Choice Voucher Program and VASH are funded annually by a grant contract from the Housing and Urban Development (HUD);

WHEREAS, under the Housing Choice Voucher Program and VASH, HUD is requiring the implementation of a Family Self-Sufficiency (FSS) Program in which case management is provided to participating individuals to help improve life skills and provide economic assistance to enhance an individual's position;

WHEREAS, the FSS program has a goal to provide FSS coordination for 30 or more individuals;

WHEREAS, an FSS program would be funded through the administrative fees generated by servicing current rent assistance vouchers and administrative fee reserve account.

WHEREAS, the Executive Director is recommending a professional sole source contract with Lutheran Social Services per the scope of services hereby attached as Attachment A – Scope of Services and per the budget hereby Attachment B – Budget.

WHEREAS, the funding for the contract with Lutheran Social Services would be supported by an allocation of funds from the Administrative Fee Reserve for the Voucher program.

NOW, THEREFORE, BE IT RESOLVED by the Community Development Authority of the City of West Allis as follows:

1. Resolution to consider a professional service sole contract with Lutheran Social Services to provide service coordination of a Family Self-Sufficiency Program as part of the Housing Choice Voucher and Veterans Supportive Housing programs in the amount of $110,000.

2. WHEREAS, the Community Development Authority of the City of West Allis (the "Authority"), services as the administrator of 466 vouchers of Housing Choice Voucher Program and 172 Veterans Affairs Supportive Housing (VASH) Programs that provide rent assistance to income qualifying individuals;

3. WHEREAS, the Housing Choice Voucher Program and VASH are funded annually by a grant contract from Housing and Urban Development (HUD);

4. WHEREAS, under the Housing Choice Voucher Program and VASH, HUD is requiring the implementation of a Family Self-Sufficiency Program (FSS) in which case management is provided to participating individuals to help improve life skills and provide economic assistance to enhance an individual's position;

5. WHEREAS, the FSS program has a goal to provide FSS coordination for 30 or more individuals;

6. WHEREAS, A FSS program would be funded through the administrative reserve fees generated by servicing current rent assistance vouchers and administrative fee reserve account.

7. WHEREAS, the Executive Director is recommending a professional sole source contract with Lutheran Social Services per the scope of services hereby attached as Attachment A – Scope of Services and per the budget hereby attached Attachment B – Budget.

8. WHEREAS, the funding for the contract with Lutheran Social Services would be:

BE IT FURTHER RESOLVED, that the City Attorney be and is hereby authorized to make such non-substantive changes, modifications, additions and deletions to and from the various provisions of the Assignment and Assumption Agreement and Amendment, including any and all attachments, exhibits, addendums and amendment, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

BE IT FURTHER RESOLVED, that the Executive Director, or his designee, be and is hereby authorized and directed to enter into a professional service contract up to $110,000 with Lutheran Social Services to provide service coordination of a family Self-Sufficiency Program.

Approved: ________________________________

Patrick Schloss, Executive Director

COMMUNITY DEVELOPMENT AUTHORITY
CITY OF WEST ALLIS
RESOLUTION NO: 1491
DATE ADOPTED: March 5, 2025

Resolution to consider a professional service sole source contract with Lutheran Social Services to provide service coordination of a Family Self- Sufficiency Program as part of the Housing Choice Voucher Program and Veterans Affairs Supportive Housing programs in the amount of $110,000.

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WHEREAS, the FSS program has a goal to provide FSS coordination for 30 or more individuals;

WHEREAS, an FSS program would be funded through the administrative fees generated by servicing current rent assistance vouchers and administrative fee reserve account.

WHEREAS, the Executive Director is recommending a professional sole source contract with Lutheran Social Services per the scope of services hereby attached as Attachment A – Scope of Services and per the budget hereby Attachment B – Budget.

WHEREAS, the funding for the contract with Lutheran Social Services would be supported by an allocation of funds from the Administrative Fee Reserve for the Voucher program.

NOW, THEREFORE, BE IT RESOLVED by the Community Development Authority of the City of West Allis as follows:

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5. WHEREAS, the FSS program has a goal to provide FSS coordination for 30 or more individuals;

6. WHEREAS, A FSS program would be funded through the administrative reserve fees generated by servicing current rent assistance vouchers and administrative fee reserve account.

7. WHEREAS, the Executive Director is recommending a professional sole source contract with Lutheran Social Services per the scope of services hereby attached as Attachment A – Scope of Services and per the budget hereby attached Attachment B – Budget.

8. WHEREAS, the funding for the contract with Lutheran Social Services would be:

BE IT FURTHER RESOLVED, that the City Attorney be and is hereby authorized to make such non-substantive changes, modifications, additions and deletions to and from the various provisions of the Assignment and Assumption Agreement and Amendment, including any and all attachments, exhibits, addendums and amendment, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

BE IT FURTHER RESOLVED, that the Executive Director, or his designee, be and is hereby authorized and directed to enter into a professional service contract up to $110,000 with Lutheran Social Services to provide service coordination of a family Self-Sufficiency Program.

Approved: ______________________________
Patrick Schloss, Executive Director

Reporting and insights from 2024 audit:

Beloit Road Senior Apartments, LLC

December 31, 2024

Executive summary

We have completed our audit of the financial statements of Beloit Road Senior Apartments, LLC (the Company) for the year ended December 31, 2024, and have issued our report thereon dated February 25, 2025. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Company's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas Beloit Road Senior Apartments, LLC should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Corey Tremaine, Principal: Corey.Tremaine@bakertilly.com or +1 (414) 777 5422

Sincerely,

Baker Tilly US, LLP

Corey Tremaine, CPA

Corey Tremaine, CPA

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements , whether due to fraud or error. Included in that assessment is a consideration of the Company's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
  - Are free from material misstatement
  - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including;

- Internal control matters
- Qualitative aspects of the Company's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report and key audit matters
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Significant steps identified for follow-up

There were no significant steps identified for follow-up from the December 31, 2024 audit.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Company and environment in which you operate, we focused our audit on the following key areas:

- Management override of controls
- Related party transactions

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Company's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	We tested manual journal entries and substantively tested significant estimates/allowances subject to management bias. Inquired with management and other personnel on fraud and other items.	No actual or suspected fraud noted in fraud inquiries. No unapproved or fraudulent entries noted in journal entries that we tested. No material misstatements noted in retrospective review of accounting estimates or attribute testing.

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis	Testing approach	Conclusion
Related party transactions	We performed audit procedures around related party payables and debt, including substantive testing and confirmations. We analytically assessed related party expenses and interest.	All related party transactions appear to have been materially correct, and balances are deemed reasonable. No adjusting entries were deemed necessary.

Internal control matters

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 . We did not identify any significant deficiencies.

Required communications

Qualitative aspect of accounting practices

Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Beloit Road Senior Apartments, LLC are described in Note 1 to the financial statements.

- Accounting estimates: Accounting estimates, including fair value 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, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements :

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Useful lives of property and equipment	The Company depreciates property and equipment based off the estimated useful lives.	The Company depreciates property and equipment based off the estimated useful lives.
Impairment of property and equipment	The Company reviews property and equipment for impairment whenever events or changes in business circfinanumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss is recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset.	The Company depreciates property and equipment based off the estimated useful lives.

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Company or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

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

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors’ standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. The schedule within the Appendix summarizes the uncorrected misstatements that we presented to management and the corrected misstatements, other than those that are clearly trivial, that, in our judgment, may not have been detected except through our auditing procedures.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

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

Management’s consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

We have provided those charged with governance copies of other material written communication, including a copy of the engagement letter, the draft auditor’s report and a draft of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Company’s ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Company that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Company's related parties.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Preparation of financial statements
- Preparation of tax returns
- Preparation of depreciation schedules and related adjusting journal entry

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bakertilly

Beloit Road Senior Apartments, LLC

Financial Statements

December 31, 2024 and 2023

Independent Auditors' Report

To the Members of
Beloit Road Senior Apartments, LLC

Opinion

We have audited the financial statements of Beloit Road Senior Apartments, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, members' deficit 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 the Company as of December 31, 2024 and 2023, 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 the Company 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 Company'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 the Company'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 Company'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.

Baker Tilly US, LLP

Milwaukee, Wisconsin
February 25, 2025

Beloit Road Senior Apartments, LLC

Balance Sheets
December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 15,508	$ 30,767
Accounts receivable, tenant	16,646	28,945
Prepaid expenses	24,798	22,346
Total current assets	56,952	82,058
Deposits Held in Trust		
Tenant security deposits	32,762	32,612
Restricted Cash		
Reserve for replacements	50,194	73,306
Operating deficit reserve	225,096	345,842
Tax and insurance escrow	28,718	12,238
Total restricted cash	304,008	431,386
Net Property and Equipment	6,594,601	6,961,963
Total assets	$ 6,988,323	$ 7,508,019
Liabilities and Members' Deficit		
Current Liabilities		
Current maturities of long-term debt	$ 53,870	$ 50,113
Accounts payable	57,469	55,111
Accrued company management fee, related party	20,908	10,295
Prepaid tenant rents	6,570	15,547
Accrued asset management fee, related party	20,908	10,295
Accrued expenses	-	318
Total current liabilities	159,725	141,679
Deposits Held in Trust		
Tenant security deposits	30,001	30,880
Long-Term Liabilities		
Long-term debt	7,506,958	7,380,749
Total liabilities	7,696,684	7,553,308
Members' Deficit	(708,361)	(45,289)
Total liabilities and members' deficit	$ 6,988,323	$ 7,508,019

See notes to financial statements

Beloit Road Senior Apartments, LLC

Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
Revenues		
Net rental revenue	$ 965,261	$ 884,118
Rental Expenses		
General and administrative	252,152	227,810
Utilities	45,686	43,680
Operating and maintenance	364,814	333,628
Taxes and insurance	194,437	191,912
Total rental expenses	857,089	797,030
Net rental income	108,172	87,088
Financial Income (Expense)		
Interest income	4,063	6,517
Interest expense	(322,504)	(327,266)
Loss before other expenses	(210,269)	(233,661)
Other Expenses		
Depreciation	431,577	420,014
Asset management fee	10,613	10,295
Company management fee	10,613	10,295
Total other expenses	452,803	440,604
Net loss	$ (663,072)	$ (674,265)

See notes to financial statements

Beloit Road Senior Apartments, LLC

Statements of Members' Deficit
Years Ended December 31, 2024 and 2023

	Managing Member	Special Member	Investment Member	Total
Balances, December 31, 2022	$ (455)	$ 10	$ 674,421	$ 673,976
Net loss	(67)	-	(674,198)	(674,265)
Balances, December 31, 2023	(522)	10	223	(289)
Net loss	(66)	-	(663,006)	(663,072)
Balances, December 31, 2024	$ (588)	$ 10	$ (662,783)	(663,361)
Less syndication costs				(45,000)
				$ (708,361)
Percentage Interest	0.01 %	- %	99.99 %	100.00 %

See notes to financial statements

Beloit Road Senior Apartments, LLC

Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Cash received from tenants, agencies and other sources	$ 967,704	$ 880,702
Interest received	4,063	6,517
General and administrative expenses paid	(249,794)	(190,152)
Utilities paid	(45,686)	(43,680)
Operating and maintenance expenses paid	(365,132)	(333,310)
Taxes and insurance paid	(196,889)	(195,071)
Interest paid	(138,409)	(149,934)
Asset management fees paid	-	(9,675)
Company management fees paid	-	(19,079)
Net cash flows from operating activities	(24,143)	(53,682)
Cash Flows From Investing Activities		
Capital expenditures	(64,215)	(150,125)
Cash Flows From Financing Activities		
Cash used to retire debt	(54,129)	(42,603)
Net change in cash, cash equivalents and restricted cash	(142,487)	(246,410)
Cash, Cash Equivalents and Restricted Cash, Beginning	494,765	741,175
Cash, Cash Equivalents and Restricted Cash, Ending	$ 352,278	$ 494,765
Reconciliation of Net Loss to Net Cash Flows From Operating Activities		
Net loss	$ (663,072)	$ (674,265)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Noncash items included in net loss:		
Depreciation	431,577	420,014
Interest expense added to principal balance of long-term debt	184,095	177,332
Changes in noncash components of working capital:		
Accounts receivable, tenant	12,299	(15,742)
Prepaid expenses	(2,452)	(3,159)
Accounts payable	2,358	37,658
Accrued expenses	(318)	318
Prepaid tenant rents	(8,977)	11,800
Tenant security deposits	(879)	526
Accrued asset management fee, related party	10,613	620
Accrued company management fee, related party	10,613	(8,784)
Net cash flows from operating activities	$ (24,143)	$ (53,682)

See notes to financial statements

1. Summary of Significant Accounting Policies

Nature of Operations

Beloit Road Senior Apartments, LLC (the Company) was organized on September 2, 2011 to acquire, rehabilitate and operate a 104 unit, low-income housing project called Beloit Road Senior Apartments located in West Allis, Wisconsin. The rehabilitation of the property was substantially completed in October 2012.

Cash and Cash Equivalents

The Company considers depository accounts, money market accounts and investments with a maturity at the date of acquisition and expected usage of three months or less to be cash and cash equivalents.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of the same such amounts shown in the statement of cash flows:

	2024	2023
Cash and cash equivalents	$ 15,508	$ 30,767
Tenant security deposits (Note 2)	32,762	32,612
Reserve for replacements (Note 3)	50,194	73,306
Operating deficit reserve (Note 3)	225,096	345,842
Tax and insurance escrow (Note 3)	28,718	12,238
Total cash, cash equivalents and restricted cash	$ 352,278	$ 494,765

Accounts Receivable, Tenant

Accounts receivable have been adjusted for all known uncollectible accounts. No allowance for doubtful accounts is considered necessary as of December 31, 2024 and 2023. If amounts are deemed uncollectible, they are written off in accordance with the applicable guidance. Under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, uncollectible amounts are derecognized as a reduction of lease income (net rental revenue) and totaled $11,804 and $0 for the years ended December 31, 2024 and 2023, respectively.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Advertising

Advertising costs are charged to operations when incurred.

Property and Equipment

Property and equipment are being depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	15
Buildings and improvements	27.5
Furnishings and equipment	5

Property and equipment are stated at cost. Major expenditures for property and equipment are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Rental Revenue

The rental property is generally leased to tenants under one year noncancelable rental leases. Rental revenue is recognized on a straight-line basis over the terms of the lease.

Income Taxes

The Company is a limited liability company treated as partnership for federal and state income tax purposes. As such, the Company's income, losses and credits are included in the income tax returns of its members. Accordingly, no provision or benefit has been made for income taxes in the accompanying financial statements. While the Company is not taxed for federal or state income tax purposes, the Company's policy is to evaluate and review its tax positions on an ongoing basis to ensure compliance with the applicable portions of the Internal Revenue Code (IRC) and the respective state laws and regulations.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events occurring through February 25, 2025, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the Company's financial statements.

2. Tenant Security Deposits

The tenant security deposits are maintained in an interest bearing savings account separate from the operating account of the project. Withdrawals are restricted to reimbursements of tenants' security deposits.

3. Restricted Cash

Reserve for Replacements

The operating agreement requires the managing member to establish and maintain replacement reserves by making annual deposits of $31,200. Disbursements are restricted to replacement of equipment, structural elements and other components of the project of a capital nature. The balance of the replacement reserve was $50,194 and $73,306 as of December 31, 2024 and 2023, respectively.

Operating Deficit Reserve

The operating agreement required the project to fund an operating deficit reserve in the amount of $334,510. Funds held in the operating reserve may be released to pay operating expenses only after rental achievement and with reasonable approval of the special member. The operating reserve may be terminated by the managing member only after the end of the compliance period and distributed as cash flow in accordance with the operating agreement. The balance of the operating deficit reserve was $225,096 and $345,842 as of December 31, 2024 and 2023. Operating expenses were paid with funds from this reserve in 2024 without the special member approval.

Tax and Insurance Escrow

The Company has designated funds to be used to pay the insurance and property taxes on real estate owned by the Company. Payments are made to these funds monthly and disbursements are made as required to pay annual insurance policy premiums and property taxes. The balance of the tax and insurance escrow was $28,718 and $12,238 as of December 31, 2024 and 2023, respectively.

4. Property and Equipment

The major categories of property and equipment as of December 31 are summarized as follows:

	2024	2023
Land	$ 266,090	$ 266,090
Land improvements	252,113	252,113
Buildings and improvements	11,378,361	11,314,146
Furnishings and equipment	331,313	331,313
Total property and equipment	12,227,877	12,163,662
Less accumulated depreciation	(5,633,276)	(5,201,699)
Net property and equipment	$ 6,594,601	$ 6,961,963

5. Long-Term Debt

	2024	2023
Acquisition note payable to the City of West Allis, a related party, bears interest at 4%. Commencing April 2013 annual interest-only payments will be made to the extent of available cash flow, as defined by the operating agreement. Final principal and accrued interest are due December 2041. The note is secured by a mortgage on the property. Accrued interest on the note, included in the principal balance, was $1,695,377 and $1,522,446 as of December 31, 2024 and 2023, respectively.	$ 4,496,185	$ 4,323,254
HOME note payable to the City of West Allis, a related party, bears interest at 1%. Commencing April 2013 annual interest-only payments will be made to the extent of available cash flow, as defined by the operating agreement. Final principal and accrued interest are due December 2041. The note is secured by a mortgage on the property. Accrued interest on the note, included in the principal balance, was $127,608 and $116,444 as of December 31, 2024 and 2023, respectively.	1,127,608	1,116,444
Note payable to the City of West Allis, a related party, bears interest at 7.25% and monthly payments of $16,045 are due through December 2041 to the extent of available cash flow, as defined in the operating agreement, calculated on a monthly basis. Final payment is due December 2041. The note is secured by a mortgage on the property.	1,937,035	1,991,164
Total	7,560,828	7,430,862
Less current portion	(53,870)	(50,113)
Long-term portion	$ 7,506,958	$ 7,380,749

Principal requirements on long-term debt for years ending after December 31, 2024 are as follows:

Years ending December 31:	
2025	$ 53,870
2026	57,908
2027	62,248
2028	66,914
2029	71,930
2030 and thereafter	7,247,958
Total	$ 7,560,828

6. Management Fees

Effective December 1, 2019, the Company entered into a management agreement with Ogden & Company, Inc. The agreement requires a monthly management fee of 5% of gross collected income, with a minimum of $2,500 per month, and a leasing fee of $350 per newly signed lease. Management fees incurred under this agreement were $48,114 and $43,691 for the years ended December 31, 2024 and 2023, respectively. There were no accrued management fees as of December 31, 2024 and 2023.

7. Related-Party Transactions

The Company has various notes payable to the City of West Allis, an affiliate of the managing member, as described in Note 5.

The Company is obligated to pay an annual asset management fee to the special member in the amount of $7,800, increasing annually by the percentage increase in the consumer price index. The fee shall be payable only to the extent of available cash flow and unpaid fees accrue without interest until there is sufficient cash flow. Asset management fees incurred were $10,613 and $10,295 for the years ended December 31, 2024 and 2023, respectively. Accrued asset management fees were $20,908 and $10,295 as of December 31, 2024 and 2023, respectively.

The Company is obligated to pay an annual company management fee to the managing member in the amount of $7,800, increasing annually by the percentage increase in the consumer price index. The fee shall be payable only to the extent of available cash flow and unpaid fees accrue without interest until there is sufficient cash flow. Company management fees incurred were $10,613 and $10,295 for the years ended December 31, 2024 and 2023, respectively. Accrued company management fees were $20,908 and $10,295 as of December 31, 2024 and 2023, respectively.

8. Low Income Housing Tax Credit

The Company was allocated low-income housing tax credits totaling $7,546,704 by the State of Wisconsin. As of December 31, 2023, credits totaling $7,546,704 have been allocated among the members in accordance with their respective shares of the Company.

9. Commitments and Contingencies

The Company has signed a regulatory agreement and covenant with the CDA as a condition to receiving funding under the HOME Program. Under this agreement, the Company must continuously comply with HOME Program regulations and additional requirements, policies and procedures issued by the United States Department of Housing and Urban Development (HUD). The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements as determined by HUD. If the Company fails to comply with this agreement, the funds may need to be repaid.

The Company has signed a land use restriction agreement with Wisconsin Housing and Economic Development Authority (WHEDA) as a condition to receiving an allocation of low-income housing tax credits from WHEDA. Under this agreement, the partnership must continuously comply with Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the Company fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the partners may be required to recapture a portion of the tax credits previously claimed on their income tax returns.

10. Concentrations

Operations

The Company's operations are concentrated in the multifamily real estate market. In addition, the Company operates in a heavily regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by any of these authorities. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Cash and Cash Equivalents

The Company maintains cash accounts which, at various times, may exceed the federally insured limits of $250,000 per bank. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks.

11. Company Profits, Losses and Distributions

As defined by the terms of the operating agreement, profits and losses are allocated 0.01% to the managing member and 99.99% to the investment member, except that special allocation provisions apply in the event of a refinancing, sale or other disposition of property of the Company if the proceeds of such transactions are not reinvested or retained by the Company for the continuation of business.

Net operating cash flow, as defined in the operating agreement, is to be distributed as follows:

1. Payment to the investment member of the full amount (including interest) of any amounts due and owing to the investment member;
2. Payment of the asset management fee;
3. Payment of any unpaid portion of development fee;
4. Payment of the company management fee;
5. Repayment of the first mortgage loan;
6. Repayment of the HOME loan;
7. Repayment of the acquisition loan;
8. Repayment of any subordinated loans; and
9. The balance, if any, shall be distributed 0.01% to the managing member and 99.99% to the investment member.

12. Members

As of December 31, 2024 and 2023, the managing member is Beloit Road Senior Apartments MM, LLC, the investment member is Boston Capital Corporate Tax Credit Fund XXXV, LP and the special member is BCCC Inc., with interests in the Company of 0.01%, 99.99% and 0.00%, respectively.